

COPY

AGREEMENT FOR THE OPERATION AND MANAGEMENT

OF

**THE ORLANDO-SANFORD INTERNATIONAL AIRPORT
TERMINALS AND PARKING STRUCTURE**

BETWEEN

SANFORD AIRPORT AUTHORITY

AND

ORLANDO SANFORD INTERNATIONAL, INC.

EFFECTIVELY DATED: JANUARY 1, 2017

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**SCHEDULES TO
AGREEMENT FOR THE OPERATION AND MANAGEMENT OF
THE ORLANDO-SANFORD INTERNATIONAL AIRPORT TERMINALS
AND PARKING STRUCTURE**

Schedule 1.30	Existing Terminals
Schedule 1.58	Operating Documents
Schedule 1.59	Original Operating Documents
Schedule 1.77	Terminal Parking Lots
Schedule 1.78	Terminal Ramp Plan
Schedule 2.2	List of Current Items for Maintenance or Repair by the Contractor
Schedule 2.3.6(b)(i)	Landscape Maintenance Map (for existing site conditions)
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Schedule 2.7	Office and Administrative Space of the Contractor after the Contractor Build-Out
Schedule 4.4	Sample Illustration of a Forecaster Report
Schedule 5.3	Form of Guaranty by TBI US Operations, Inc.
Schedule 5.4	Form of Line of Credit Agreement
Schedule 6.12	Atkins North America, Inc. SIDA Pavement Inspection Report, dated July 7, 2017
Schedule 7.2	Litigation: Actions, Suits, Claims, Investigations or Proceedings
Schedule 7.4	Compliance with Law: Outstanding Complaints, Orders, Citations, Notices or Orders of Violation or Non-Compliance
Schedule 7.5	Terminal Agreements
Schedule 7.8	Liens, Encumbrances, Covenants, Restrictions, Mortgages, or Easements
Schedule 7.11	Taxes: Examinations or Claims
Schedule 9.2	Sketch of Preliminary Overview of the Terminal Expansion

**AGREEMENT FOR THE OPERATION AND MANAGEMENT OF
THE ORLANDO-SANFORD INTERNATIONAL AIRPORT
TERMINALS AND PARKING STRUCTURE**

THIS AGREEMENT FOR THE OPERATION AND MANAGEMENT OF THE ORLANDO-SANFORD INTERNATIONAL AIRPORT TERMINALS AND PARKING STRUCTURE (hereinafter referred to, together with all exhibits and schedules attached hereto and made a part hereof, as this “**Agreement**”) is executed as of November 7, 2017 (hereinafter referred to as the “**Agreement Date**”), and executed by the **SANFORD AIRPORT AUTHORITY**, a body corporate and politic created by Chapter 71-924, Laws of Florida, Acts of 1971 and acting under that certain Airport Lease Agreement dated February 9, 2009 (hereinafter referred to as the “**Authority**”), and **ORLANDO SANFORD INTERNATIONAL, INC.**, a Florida corporation (hereinafter referred to as the “**Contractor**”).

RECITALS:

WHEREAS, the Authority is responsible for the operation and management of the Airport (*defined below*), consisting of, among other things, the domestic terminal, the international terminal, and the parking facilities; and

WHEREAS, the Authority has previously entered into those certain prior leases and agreements for the domestic terminal, the international terminal, and the existing parking facilities, as amended from time to time, with the Contractor or its corporate affiliate, Orlando Sanford Domestic, Inc. (“**OSD**”) as depicted on Schedule 1.59 (“**Original Operating Documents**”); and

WHEREAS, pursuant to the Original Operating Documents, the Contractor and OSD have collectively invested a total amount of approximately \$70 million in the Terminal Facilities (*defined below*); and

WHEREAS, the Authority has invested approximately \$181 million in the Airport and Terminal Facilities; and

WHEREAS, the Authority and the Contractor intend to combine the relevant terms, rights and responsibilities from the Original Operating Documents into a single consolidated agreement between the Parties; and

WHEREAS, the Authority, the Contractor, and OSD have executed an Omnibus Termination Agreement contemporaneously with this Agreement in order to terminate the Original Operating Documents; and

WHEREAS, the Authority and the Contractor will enter into a separate lease agreement contemporaneously with this Agreement and the Omnibus Termination Agreement for the Contractor’s continued management and operation of the Fuel Farm (*defined below*); and

WHEREAS, the Authority desires to have the Terminal Facilities operated and managed in the most efficient manner possible, and in accordance with all local, state, and federal Legal Requirements (*defined below*); and

WHEREAS, the Authority desires to maintain ownership of the Terminal Facilities, and to contract for the continued and uninterrupted operation and maintenance of the Terminal Facilities with an organization which has the specialized professional skills and experience to operate the Terminal Facilities in the most efficient manner possible; and

WHEREAS, the Authority and the Contractor wish to enter into this Agreement with an agreed Effective Date (*defined below*) other than the Agreement Date, and memorialize their respective rights, duties, privileges, and responsibilities.

NOW, THEREFORE, in consideration of the mutual promises and commitments hereinafter described, the Authority and the Contractor agree as follows:

1. **DEFINITIONS**

Capitalized terms used in this Agreement shall have the meanings ascribed to them below:

1.1 **ACRC Budget**. This term means the Airfield Cost/Revenue Center ("ACRC") budget which is prepared annually by the Authority. The ACRC Budget shall specifically exclude aprons and terminal ramps, as depicted on Schedule 1.78 ("**Terminal Ramp Plan**").

1.2 **RESERVED**.

1.3 **Aeronautical Facilities**. This term means all facilities located in or directly related to the Terminal Facilities that are essential to the operation of aircraft in commercial service to or from the Terminal Facilities, including but not limited to gates and jetways.

1.4 **Aeronautical Services**. This term means any activity conducted on Airport property that makes the operation of an aircraft possible or that contributes to or is required for the safe operation of aircraft and all aeronautical ground handling, provisioning and support services that may be needed by an air carrier to turn around an aircraft in commercial service.

1.5 **Agreement Date**. This term means the first date above written.

1.6 **Airfield**. This term mean all Movement Areas which includes runways, taxiways, and safety areas which are under the control of the Air Traffic Control Tower.

1.7 **Airport**. This term means Orlando-Sanford International Airport, located in the City of Sanford, and the County of Seminole, Florida.

1.8 **Airport Security Program**. This term means the TSA-approved security program for the Airport as it may be required to be amended by the TSA from time to time.

1.9 **Air Service Development or ASD.** This term means that which that encompasses activities with the ultimate goal of retaining existing air service or improving air access and capacity in order to develop the economy of a community or region. It involves all activities directly related to enhancing commercial passenger service at an airport. ASD includes understanding the local community and what drives its economy, and recruiting community and business leaders to participate in efforts to “sell” the community to the airlines. Additionally, ASD includes understanding the air service and fares that airlines offer, and how the airport’s service, fares, and facility compare to those of nearby airports. ASD also involves understanding the cost and revenue issues that influence carriers’ decisions on which markets to serve, and requires an understanding of how an airport can extend financial and non-financial incentives to carriers – for those already serving the facility (incumbents), and those being recruited. Furthermore, ASD encompasses an understanding of what carriers value most and what they want to know about a community. And last but not least, ASD includes knowing how to make and present a sound business case to airlines to attract their business.

1.10 **Air Traffic Control Tower.** This term means the FAA facility where ground-based controllers are located who direct aircraft on the ground and through controlled airspace, and can provide advisory services to aircraft in non-controlled airspace.

1.11 **Air Service Development Study or ASD Study.** This term means a five-year plan used to identify increased and new domestic and international air service into Central Florida/Orlando. The ASD Study is to be reviewed on an annual basis to adjust to market trends and global activities with regard to air service and new business development. The Contractor will share the ASD Study with the Authority upon receipt, during annual reviews, and at other times upon request.

1.12 **Authority.** This term means the **Sanford Airport Authority**, a body corporate and politic created by Chapter 71-924, Laws of Florida, Acts of 1971, and acting under Airport Lease Agreement dated February 9, 2009.

1.13 **Authority Buyout Option Notice.** This term has the meaning set forth in Section 4.3 (“Early Buyout Option by the Authority”).

1.14 **Authority Event of Default.** This term has the meaning set forth in Section 13.2 (“Authority Events of Default”).

1.15 **Authority’s Share of Terminal Revenues.** This term means the share of Terminal Revenues due to the Authority pursuant to and as set forth in Section 5.2.1 (“Authority’s Share of Terminal Revenues”).

1.16 **Claims.** This term has the meaning set forth in Section 17.1 (“Contractor to Indemnify Authority”).

1.17 **CMMS.** This term means a computerized management maintenance system.

1.18 **Commercial Ground Transportation.** This term means the commercial permitting of ground transportation by automotive vehicle, including but not limited to taxis, limousines, commercial buses, transportation network companies, and courtesy shuttles. Commercial Ground Transportation does not mean: (1) any lease of Non-Aeronautical Facilities to any provider of ground transportation; or (2) the provision of rental cars.

1.19 **Contractor.** This term means **Orlando Sanford International, Inc.**, a Florida corporation.

1.20 **Contractor Advanced Termination Notice.** This term has the meaning set forth in Section 4.2 ("**Contractor Early Termination Right**").

1.21 **Contractor Agreement.** This term means any agreement (including but not limited to any lease, sublease, terminal use agreement, or concession agreement) concerning any part or all of the Terminal Facilities which is in effect and to which the Contractor and/or OSD is a party as of the Agreement Date, all of which are disclosed in Schedule 7.5, and copies of which have been provided to the Authority with reasonable time to review.

1.22 **Contractor Event of Default.** This term has the meaning set forth in Section 13.1 ("**Contractor Events of Default**").

1.23 **Customer Facility Charges or CFC.** This term means the user fee imposed by the Authority on each rental car transaction as originally adopted by the Authority pursuant to Authority Resolution 2006-09 as may be amended from time to time. The current CFC, as of the Agreement Date, and as adopted by Authority Resolution 2016-10 for each rental car transaction is set at \$2.25 per day, not to exceed five (5) days or a total of \$11.25.

1.24 **Damages.** This term means all damages, including without limitation, punitive damages, liabilities, costs and expenses, losses, diminutions in value, fines, penalties, demands, Claims, injuries, cost recovery actions, lawsuits, administrative proceedings, orders, response action costs (including, but not limited to, the cost of any investigation, testing, monitoring, repair, cleanup, detoxification or corrective or remedial action), compliance costs, consultants' fees, attorneys' and paralegals' fees, and litigation expenses.

1.25 **Effective Date.** This term means January 1, 2017.

1.26 **Environmental Claim.** This term means any investigation, notice, violation, demand, allegation, action, suit, injunction, judgment, order, consent decree, penalty, fine, lien, proceeding or Claim (whether administrative, judicial or private in nature) arising (a) pursuant to, or in connection with, an actual or alleged violation of any Environmental Law, (b) in connection with any Hazardous Material or actual or alleged Hazardous Material Activity, (c) from any abatement, removal, remedial, corrective or other response action in connection with a Hazardous Material, a Hazardous Material Activity or an Environmental Law, or (d) from any actual or alleged damage, injury, threat or harm to health, safety, natural resources or the environment.

1.27 **Environmental Law**. This term means any current or future Legal Requirement pertaining to (a) the protection of health, safety, and the indoor or outdoor environment, (b) the conservation, management or use of natural resources and wildlife, (c) the protection or use of surface water or groundwater, (d) the management, manufacture, possession, presence, use, generation, transportation, treatment, storage, disposal, Release, threatened Release, abatement, removal, remediation or handling of, or exposure to, any Hazardous Material, or (e) pollution (including any Release to air, land, surface water, and groundwater).

1.28 **Equipment**. This term means all vehicles, machinery, furnishings, components, parts, and materials which are or may be utilized in the operation and management of the Terminal Facilities (except for any equipment utilized by the Contractor in the provision of ground handling services).

1.29 **Event of Default**. This term means a Contractor Event of Default or an Authority Event of Default.

1.30 **Existing Terminals**. This term means the existing terminals and the parking lots for car rentals at the Airport as shown in Schedule 1.30, which exist as of the Agreement Date, and all structures and Equipment existing therein.

1.31 **FAA**. This term means the United States Federal Aviation Administration and any predecessor or successor entity thereto.

1.32 **FDOT**. This term means the Florida Department of Transportation and any predecessor or successor entity thereto.

1.33 **Fixed Asset or Fixed Assets**. This term means any item that has a useful life (as the term is commonly used under GAAP) of more than twelve (12) months and is utilized in the operation and maintenance of the Terminal Facilities and is integral to the building, structure or commercial operation of the Terminal Facilities and Equipment, including but not limited to all HVAC systems, roof, Terminal Ramps, baggage carousel systems, electrical systems, fire suppression systems, flight information display systems, baggage information display systems, ticket counters, common use equipment, and parking-related equipment, including revenue control equipment.

1.34 **First Cure Period**. This term has the meaning set forth in Section 13.3 ("Notice and Cure").

1.35 **Fuel Farm**. This term means the Contractor's industrial facilities at the Airport consisting of fuel storage tanks and ancillary control facilities at which aviation fuel (Jet A) is stored prior to being transported by a fuel service contractor for into-plane delivery.

1.36 **Fuel Flowage Fees**. This term has the meaning set forth in Section 5.2.5 ("Fuel Flowage Fees").

1.37 **GAAP**. This term means U.S. generally accepted accounting principles.

1.38 **Guaranteed Minimum Annual Payments.** This term has the meaning set forth in Section 5.2.2 (“**Guaranteed Minimum Annual Payments**”).

1.39 **Government Entity or Governmental Entity.** This term means any United States or foreign federal, state, municipal, special district or local government branch, agency, body, commission, court, council, authority, department, official, or employee.

1.40 **Grant Assurances.** This term means certain obligations (or assurances) required of the Authority when it accepts funds from FAA-administered airport financial assistance programs, such as an obligation for the Authority to maintain and operate its facilities safely and efficiently and in accordance with specified conditions. Such assurances may be attached to the application or the grant for Federal assistance and become part of the final grant offer or in restrictive covenants encumbering the Airport property. The duration of these obligations depends on the useful life of the facility being developed, and other conditions as stipulated in the assurances.

1.41 **Ground Handling Revenues.** This term has the meaning set forth in Section 5.2.4 (“**Ground Handling Revenues**”).

1.42 **Hazardous Material.** This term means any substance, chemical, compound, product, solid, gas, liquid, waste, by-product, pollutant, contaminant or material which is hazardous or toxic, and includes, without limitation, (a) asbestos, polychlorinated biphenyls, and petroleum (including crude oil or any fraction thereof), and (b) any such material classified or regulated as “hazardous” or “toxic” pursuant to any Environmental Law.

1.43 **Hazardous Material Activity.** This term means any activity, event or occurrence involving a Hazardous Material, including, without limitation, the manufacture, possession, presence, use, generation, transportation, treatment, storage, disposal, Release, threatened Release, abatement, removal, remediation or handling of, or corrective or response action to, any Hazardous Material.

1.44 **Indemnifying Party.** This term has the meaning set forth in Section 17.6 (“**Demand for Indemnification**”).

1.45 **Indemnified Party.** This term has the meaning set forth in Section 17.6 (“**Demand for Indemnification**”).

1.46 **Intellectual Property.** This term means (a) all inventions, all improvements thereto, and all patents, patent applications, and patent disclosures; (b) all trademarks, service marks, trade dress, logos, trade names, and corporate names; (c) all copyrightable works, all copyrights, and all applications, registrations, and renewals in connection therewith; (d) all trade secrets and confidential business information; (e) all computer software (including data and related documentation); (f) all other proprietary rights; and (g) all copies and tangible embodiments thereof (in whatever form or medium).

1.47 **Landing Fees.** This term means charges, fees, and assessments at the Landing Fee Rate established by the Authority per thousand pounds of certified maximum gross landing weight, which charges, fee, and assessments are imposed by the Authority on aircraft operations at the Airport. The term Landing Fees does not mean any Passenger Facilities Charges.

1.48 **Landing Fee Rate.** This term means the rate charged by the Authority (which rate may be amended from time to time) for Landing Fees per one thousand pounds of certified maximum gross landing weight.

1.49 **Legal Requirements.** This term means any applicable treaty, convention, statute, law, rule, code, regulation, ordinance, permit, approval, injunction, judgement, order, directive, consent decree or other legally enforceable requirement of any Governmental Entity. With respect to matters involving the FAA, this term includes Grant Assurances, to the extent applicable.

1.50 **Line of Credit.** This term means the line of credit mechanism described in Section 5.4 ("**Line of Credit**") and created by the Line of Credit agreement, the form of which is attached hereto as Schedule 5.4.

1.51 **Material Adverse Effect.** This term means with respect to any Party to this Agreement, a material adverse change in (i) the business operations, condition or prospects (financial or otherwise) of such Party, (ii) the ability of such Party to consummate the transactions contemplated by this Agreement, or (iii) the condition or value of the properties and assets of such Party taken as a whole. A Material Adverse Effect cannot be caused by the act or omission to act of a Party claiming the material adverse change.

1.52 **Material Permit.** This term means, with respect to any Party to this Agreement, any license, franchise, permit or other governmental authorization required to conduct its business, including without limitation any permits, titles, fuel permits, licenses, franchises, the absence of any of which individually or in the aggregate could have a Material Adverse Effect.

1.53 **Movement Areas.** This term means the runways, taxiways, and safety areas which are under the control of the Air Traffic Control Tower.

1.54 **No Fault Termination Event.** This term means any Taking.

1.55 **Non-Aeronautical Facilities.** This term means all facilities located in the Terminal Facilities used in connection with the provision of Non-aeronautical Services.

1.56 **Non-Aeronautical Services.** This term means all commercial services provided in or directly connected to or arising from the Terminal Facilities other than Aeronautical Services, including but not limited to (i) the provision or sale of food or beverages, retail items, rental cars, and other services and products typically offered at airport terminals, (ii) operation of the Terminal Parking Lots, and (iii) the provision of off-site commercial services typically related to an airport (including, without limitation to off-site parking and rental car services.

Notwithstanding the foregoing, Non-aeronautical Services does not include Commercial Ground Transportation.

1.57 **Non-Movement Areas**. This term means the taxi lanes, ramps, and aprons and any other areas not under the control of the Air Traffic Control Tower. This includes the Terminal Ramps and associated aircraft gates, the southwest ramp, as well as various general aviation ramps.

1.58 **Operating Documents**. This term means all written warranties valued at more than Ten Thousand Dollars (\$10,000.00) which are in effect as of January 1, 2017, and having a duration greater than ten (10) months, as well as guarantees, contracts, leases, easements and licenses that have been granted to the Authority or the Contractor, including all Original Operating Documents listed on Schedule 1.59 and Terminal Agreements listed on Schedule 7.5 that remain valid and effective after the Effective Date.

1.59 **Original Operating Documents**. This term means those prior leases and agreements for the domestic terminal, the international terminal, and the existing parking facilities, as amended from time to time, with the Contractor or its corporate affiliate, Orlando Sanford Domestic, Inc. as depicted on Schedule 1.59.

1.60 **Parking Revenues**. This term means any and all revenues whatsoever that are generated in the Terminal Parking Lots, but shall exclude (i) revenues from advertising within or about the Terminal Parking Lots, (ii) revenues from the implementation of passenger check-in devices within the Terminal Parking Lots, and (iii) Taxes.

1.61 **Party**. This term means either the Authority or the Contractor, and Parties means both the Authority and the Contractor.

1.62 **Passenger Facility Charge or PFC**. This term means any fee authorized by the Federal Aviation Administration pursuant to 49 U.S.C. §40117, or any successor provision thereto.

1.63 **Planned Terminal Expansion or Terminal Expansion Program**. This term means the current planned expansion of any portion or all of the Existing Terminals and the Terminal Parking Lots, as shown in Schedule 9.2, and all structures and Equipment existing therein.

1.64 **Public Safety Fees**. This term means fees levied on a per passenger basis to assist in defraying the Authority's cost of implementing the safety and security policies and procedures.

1.65 **Proposed Terminal Parking Lots**. This term means any new parking areas, including surface area parking or structured parking, that are constructed on Airport property during the Term of this Agreement, whether by the Contractor or the Authority, whose principal purpose is to service persons using the Terminal Facilities.

1.66 **Release**. This term means any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping or disposing into the indoor or outdoor environment, including, without limitation, the abandonment or discarding of barrels, drums, containers, tanks, and other receptacles containing or previously containing any Hazardous Material.

1.67 **RESERVED**.

1.68 **Second Cure Period**. This term has the meaning set forth in Section 13.3 (“Notice and Cure”).

1.69 **Taking**. This term means any action or other proceedings by any Governmental Entity other than the Authority for the taking for a public use of any interest in all or any part of the Terminal Facilities, or any deed, lease or other conveyance in lieu thereof, that has a material effect on the operation of the Terminal Facilities or would have a Material Adverse Effect on either or both Parties. The Terminal Expansion Program shall not constitute a Taking.

1.70 **Tax**. This term means any tax or similar governmental charge, impost or levy (including without limitation income taxes, franchise taxes, transfer taxes or fees, sales taxes, use taxes, gross receipts taxes, value added taxes, employment taxes, excise taxes, ad valorem taxes, property taxes, withholding taxes, payroll taxes, minimum taxes or windfall profit taxes) together with any related penalties, fines, additions to tax or interest imposed by the United States or any state, county, local or foreign government or subdivision or agency thereof.

1.71 **Tax Returns**. This term means all federal, state and local Tax returns, reports and forms.

1.72 **TBI RE**. This term means TBI Real Estate Holding LLC, a Delaware limited liability company.

1.73 **Term**. This term means the term of this Agreement as set forth in Section 4.1 (“Term”).

1.74 **Terminal Account**. This term means one or more bank accounts at a well-established, properly-insured commercial banking institution authorized to do business in the State of Florida, (i) over which accounts the Contractor has full authority, (ii) from which accounts the Contractor may make disbursements, at such times and in such amounts as it deems appropriate, consistent with and in order to fulfill the terms of this Agreement, including but not limited to disbursing funds in order to pay the expenses for operating and managing the Terminal Facilities and amounts due to each Party as consideration under Section 5.2 (“**Consideration Due to the Authority**”), and (iii) into which accounts all Terminal Revenues shall be deposited.

1.75 **Terminal Agreements**. This term means any agreement (including but not limited to any lease, sublease, terminal use agreement, or concession agreement) concerning any part or all of the Terminal Facilities which is in effect and to which the Contractor is a party as of

the Agreement Date, all of which are disclosed in Schedule 7.5 and a copy of each of which has been provided to the Authority with reasonable time to review.

1.76 **Terminal Facilities.** This term means the Existing Terminals, the Planned Terminal Expansion, and the Terminal Parking Lots.

1.77 **Terminal Parking Lots.** This term means those existing parking lots and parking structures on the Airport property which are shown in Schedule 1.77 whose principal purpose is to service persons using the Terminal Facilities.

1.78 **Terminal Ramps.** The term means the ramps as shown on the Terminal Ramp Plan, as shown on Schedule 1.78.

1.79 **Terminal Ramp Maintenance.** (Also sometimes referred in this Agreement as "**Pavement Maintenance**".) This term means maintenance which includes preventive and any regular or recurring work necessary to preserve existing airport pavements in good condition. Typical preventive and regular or recurring pavement maintenance includes: routine cleaning, filling, and/or sealing of cracks; patching pavement; seal coating; grading pavement edges; maintaining pavement drainage systems; and restoring pavement markings. Timely maintenance and repair of pavements is essential in maintaining adequate load-carrying capacity, good ride quality necessary for the safe operation of aircraft, good friction characteristics under all weather conditions, and minimizing the potential for foreign object debris (*sometimes referred as "FOD"*).

1.80 **Terminal Ramp Repair.** (Also sometimes referred in this Agreement as "**Pavement Repair**".) This term means repair which involves correcting pavement distresses resulting from weathering and/or traffic. Airports should perform repairs at early stages of distress, even when the distresses are considered minor. A delay in repairing pavements may allow minor distresses to progress into major failures. While deterioration of pavements due to traffic and adverse weather conditions cannot be completely prevented, maintenance and repair programs can significantly reduce the rate of deterioration and minimize the damage. Repair methods depend on the type of distresses and type of pavement, but for concrete pavement it usually includes such things as: crack repair, replacement of joint sealant, general spall repair, and joint spall repair. Proper repair procedures are detailed in FAA Advisory Circular 150/5380-6C.

1.81 **Terminal Ramp Replacement.** This term applies where the distresses in a concrete slab are serious enough, such that repair methods shall require replacement of the defective pavement. For concrete pavement, this could vary from full depth repair of corner breaks to a partial or full slab replacement. Depending on the cause of the distress, this could also include the removal and replacement of base course and sub base course under the slab. Proper replacement/repair procedures are detailed in FAA Advisory Circular 150/5380-6C.

1.82 **Terminal Revenues.** This term means all revenues (regardless of whether collected by the Authority or the Contractor) that are, in any Year, specifically derived by the

Contractor or the Authority from, or related to ownership or operation of, the Terminal Facilities including but not limited to:

(i) all use, rental, lease, permit, license or other payments paid for any use of or access to all or any part of the Terminal Facilities, passengers using the Terminal Facilities, and air carriers using the Terminal Facilities, including but not limited to payments by air carriers and other users of Aeronautical Facilities, commercial providers of Non-aeronautical Services to the Terminal Facilities (including but not limited to concessionaires selling food and beverage, retail items, car rental services, etc.), advertisers, and commercial providers of Aeronautical Services; and

(ii) all revenues derived from the direct provision of Aeronautical Services or Non-aeronautical Services by the Contractor.

Notwithstanding the foregoing, see Section 5.2.6 (“**Excluded Revenues**”) for excluded Terminal Revenues.

1.83 **Termination Date.** This term means January 31, 2039 at 11:59 p.m., unless extended or terminated in accordance with the provisions herein.

1.84 **Unforeseen Circumstances.** This term means any event or condition which effectively precludes a Party from fulfilling its obligations under this Agreement, and which is beyond the reasonable control of that Party, including but not limited to (i) an act of God, lightning, earthquake, hurricane, tornado, fire, explosion, flood, acts of a public enemy, war, blockade, sabotage, insurrection, riot or civil disturbance; (ii) a preliminary or final order of any Governmental Entity; (iii) a material change in any Legal Requirement; (iv) labor disputes, strikes, work slowdowns or work stoppages and (v) loss of, or inability to obtain service from a utility necessary for the operation and maintenance of the Terminal Facilities.

1.85 **Year.** This term means calendar year, commencing on (and including) the Effective Date and recommencing each anniversary thereof during the Term.

1.86 **Year 1.** This term means the first calendar year following the Effective Date; subsequent years are consecutively numbered. By way of example, if the Effective Date is January 1, 2017, Year 1 is the period beginning January 1, 2017 and ending on December 31, 2017.

2. **RIGHTS AND RESPONSIBILITIES OF THE CONTRACTOR**

2.1 **Appointment of the Contractor.**

2.1.1 **Exclusive Right to Operate and Manage the Terminal Facilities.** The Contractor shall have the exclusive right, during the Term, to serve as the independent contractor to the Authority for the operation and management of the Terminal Facilities in accordance with the terms of this Agreement. The Contractor has the right to use the Equipment owned by the Authority, to the extent it is not otherwise used by the Authority, and which use may be

inconsistent with this Agreement. For purposes of this Section 2.1.1, Equipment shall specifically exclude such Equipment solely owned and used by the Authority.

2.1.2 Delegation of all Necessary Rights and Powers. Except as provided in this Agreement, the Authority hereby delegates to the Contractor all necessary rights and powers, not inconsistent with any Legal Requirement, for the operation and management of the Terminal Facilities.

2.1.3 Appointment as Agent. The Authority hereby appoints the Contractor to act as the Authority's agent with respect to the operation and management of the Terminal Facilities in all dealings with third parties, except where such third parties are Government Entities or to the extent such an agency relationship is not permitted by a Legal Requirement. The Authority will promptly notify all parties to any Terminal Agreement that it has appointed the Contractor as its agent and that the Contractor has the rights and obligations set forth herein.

2.1.4 Dealings with Government Entities. The Authority shall consult with the Contractor with respect to the Authority's dealings with all Government Entities regarding the Terminal Facilities and the Contractor shall assist the Authority with respect to such dealings; provided, however, that the Authority shall remain solely responsible to all Government Entities for ensuring compliance with the Authority's obligations under all Legal Requirements (including, but not limited to, the Authority's covenants under any federal or state grant agreement or agreements).

2.1.5 Entry in the Terminal Facilities. The Authority authorizes and grants to the Contractor and its employees, contractors, representatives and agents the right to enter upon and use, consistent with applicable TSA security requirements, the Airport Security Program and any local rules and regulations required by such requirements or Airport Security Program, all parts of the Terminal Facilities. The Contractor shall secure from each commercial entity regularly using the Terminal Facilities and provide the Authority with a written covenant that such commercial entity will comply with all applicable Airport security requirements and indemnify Authority and the Contractor for any breach of that covenant.

2.1.6 Control. The Authority shall have no right to control or direct the Contractor or its employees in the Contractor's operation and management of the Terminal Facilities except (i) as expressly provided in this Agreement, (ii) as required by any Legal Requirement, or (iii) as may be necessary in event of an emergency as described in Section 3.2.11 ("Emergency Situations").

2.2 Operation of the Terminal Facilities from Effective Date. The Contractor shall continue to operate and maintain the Terminal Facilities in accordance with the Operating Documents and in accordance with the Original Operating Documents, if any, which may remain valid and effective during the Term of this Agreement, and shall also include the current list of maintenance and/or repair requirements as shown on Schedule 2.2.

2.3 **Operation and Management of the Terminal Facilities.** Except as otherwise provided herein, the Contractor shall have, commencing on the Effective Date and throughout the Term, the right and responsibility to perform in connection with the Terminal Facilities, all services that are commonly understood in the industry to be required for operation and management of a passenger airport terminal. Without limiting the foregoing, the Parties agree that the Contractor's rights and responsibilities with respect to certain specific functions shall be as set forth below:

2.3.1 **Hours of Operation.** The Terminal Facilities shall be in operation during such hours as the Contractor and the Authority jointly deem appropriate and may, to the extent consistent with all Legal Requirements, be constantly open and in operation.

2.3.2 **Parking Rates.** The Contractor shall determine, promulgate, and publish in appropriate, conspicuous locations throughout the Terminal Parking Lots, all rates, fees or other amounts to be charged to customers. Such parking rates, fee, or other amounts shall be subject to the sole and exclusive prior written approval of the Authority.

2.3.3 **Passenger Check-In Devices.** At the Contractor's sole expense, the Contractor may place and/or enter into agreements on such terms as it may deem appropriate regarding the placement and implementation of remote passenger check-in devices at or within the Terminal Parking Lots, provided, however, that the Contractor shall consult and coordinate with the Authority regarding such implementation, and shall meet applicable Legal Requirements.

2.3.4 **Agreements Regarding Use of Aeronautical Facilities.** Except as otherwise provided herein, the Contractor shall negotiate, execute, administer and enforce on behalf of and in the name of the Authority, on such terms as the Contractor may deem appropriate, all agreements, leases, contracts, documents and other instruments with third parties regarding the use of Aeronautical Facilities, provided, however, that all such agreements, leases, contracts, documents and other instruments shall be subject to the prior written approval of the Authority, which approval will not be unreasonably withheld or delayed. Without limiting the foregoing, the Authority specifically authorizes the Contractor, on behalf of and in the name of the Authority, during and within the Term, to:

(i) enter into terminal or facilities use agreements with air carriers , provided that such agreements contain the key terms as previously approved by the Authority;

(ii) with respect to any and all Aeronautical Facilities which are as of the Effective Date subject to any Terminal Agreement or Contractor Agreement, administer such agreements until their expiration, renewal, termination or re-bid in accordance with their terms, provided, however, that the Authority's rights and obligations under any Terminal Agreement shall not be assigned, delegated or assumed to or by the Contractor unless Authority, the Contractor and the relevant third party(ies) agree in writing;

(iii) maintain a standard schedule of rates and charges for the use of the Aeronautical Facilities, which schedule may be adjusted from time to time at the Contractor's initiative and subject to the Authority's prior written approval;

(iv) be responsible for all contact and coordination with any and all air carriers using or considering use of the Terminal Facilities;

(v) collect and pay all sums due under any agreements (including but not limited to any Terminal Agreements or Contractor Agreements), leases, contracts, documents and other instruments regarding the use of Aeronautical Facilities (including but not limited to requesting and demanding all rent and other such charges and instituting legal proceedings through such collection agencies or law firm(s) as the Contractor shall deem necessary or appropriate) on behalf of, and in the name of, the Authority, provided, however, that the Contractor shall comply with all Legal Requirements in performing these functions; and

(vi) give and receive all notices and requests under any agreements (including but not limited to any Terminal Agreements or Contractor Agreements), leases, contracts, documents and other instruments regarding the use of Aeronautical Facilities.

2.3.5 Non-Aeronautical Facilities and Services.

(a) Agreements Regarding Use of Non-Aeronautical Facilities. Except as otherwise provided herein, the Contractor shall negotiate, execute, administer and enforce on behalf of and in the name of the Authority, on such terms as the Contractor deems appropriate, all tri-party agreements among the Authority, the Contractor and third parties, including any leases, contracts, documents and other instruments with third parties with respect to any Non-aeronautical Facilities, provided, however, that all such agreements, leases, contracts, documents and other instruments shall be subject to the prior written approval of the Authority, which approval will not be unreasonably withheld or delayed. Without limiting the foregoing, the Authority specifically authorizes the Contractor, on behalf of and in the name of the Authority, during and within the Term, to:

(i) seek out third parties to operate Non-aeronautical Facilities (including developing and issuing Requests for Proposals, in consultation with the Authority);

(ii) lease or otherwise authorize use of any and all Non-Aeronautical Facilities, provided that such leases or other agreements contain the key terms as previously approved by the Authority;

(iii) with respect to any and all Non-aeronautical Facilities which are as of the Effective Date subject to any Terminal Agreements or Contractor Agreements, administer those agreements until their expiration, renewal, termination or re-bid in accordance with their terms;

(iv) collect and pay all sums due under any agreements (including but not limited to any Terminal Agreements or Contractor Agreements), leases,

contracts, documents and other instruments regarding the use of any Non-aeronautical Facilities (including but not limited to requesting and demanding all rent and other such charges and instituting legal proceedings through such collection agencies or law firm(s) as the Contractor shall deem appropriate), on behalf of, and in the name of the Authority, provided, however, that the Contractor shall comply with all Legal Requirements in performing these functions; and

(v) give and receive all notices and requests in accordance with all agreements (including but not limited to any Terminal Agreements or Contractor Agreements), leases, contracts, documents and other instruments regarding the use of any Non-aeronautical Facilities.

(b) Provision of Non-Aeronautical Services. Instead of or in addition to entering into any agreement with respect to any Non-aeronautical Facility with a third party, the Contractor may, in its sole discretion, itself operate any and all Non-aeronautical Facilities at or in connection with the Terminal Facilities. The revenues derived from such provision of Non-aeronautical Services by the Contractor shall be included in Terminal Revenues, and the Contractor shall pay no consideration except as set forth in Section 5.2 (“**Consideration Due to the Authority**”) for the right set forth in this Section 2.3.5(b) (“**Provision of Non-Aeronautical Services**”).

2.3.6 Routine Maintenance, Repairs, and Landscaping.

(a) Routine Maintenance. Except as otherwise provided herein, the Contractor shall perform standard routine maintenance and repairs, predictive maintenance, preventive maintenance, and corrective maintenance of the Terminal Facilities, including, without limitation, the Fixed Assets. The Contractor shall contemporaneously with the execution of this Agreement, provide a written list of any maintenance or repair items or needs at the Terminal Facilities, which list is set forth in Schedule 2.2. Such routine maintenance, repairs, and/or replacement shall include, but not be limited to the following:

(i) Routine maintenance of the Terminal Facilities’ mechanical systems, electrical and electronic systems, HVAC systems, plumbing, roofing and computer systems;

(ii) Janitorial services;

(iii) Routine pest control;

(iv) Periodic review and inspection of the Terminal Facilities to determine the necessity of any major repair and maintenance activities and preparation of written recommendations to the Authority related to all such activities;

(v) Ensuring the cleanliness and generally attractive appearance of the Terminal Facilities; and

(vi) Terminal Ramps Maintenance/Pavement Maintenance and Terminal Ramps Repair/Pavement Repair; provided however, that the cost responsibility for any Terminal Ramp Repair shall be governed by Section 2.5 (“**Repairs or Replacement of Fixed Assets**”).

The foregoing obligations in this Subsection (a) shall apply to the Planned Terminal Expansion, if and when implemented, but shall not apply to any (i) repairs or replacement of Fixed Assets, which shall be governed by Section 2.5 (“**Repairs or Replacement of Fixed Assets**”), (ii) the Computerized Access Control System which shall be governed by Section 3.2.7 (“**Safety, Security and Certification**”), or (iii) any expansion or modification of the Terminal Facilities, which shall be governed by Section 16 (“**Further Expansion and Modification of the Terminal Facilities**”).

(b) Grounds Maintenance and Landscaping.

(i) The Parties shall establish a map delineating the Contractor’s scope of maintenance responsibility and the Authority’s scope of maintenance responsibility (current draft of the Landscape Maintenance Map is attached as Schedule 2.3.6(b)(i). The Landscape Maintenance Map shall be revised by the Parties from time to time, as needed, and as a result of any new developments or renovations at the Airport. Both Parties shall establish and employ commercially reasonable standards (as mutually agreed) for quality of existing landscaping, including landscaping replacement requirements, in keeping with standards at airports of similar size.

(ii) Upon completion of the Planned Terminal Expansion, the Parties shall implement the Revised Landscape Maintenance Map attached to this Agreement as Schedule 2.3.6(b)(ii).

(iii) Should the Planned Terminal Expansion not proceed, or proceed only in part, rendering the Revised Landscape Maintenance Map nonsensical, then the Parties shall meet and confer in good faith to develop an acceptable Revised Landscape Maintenance Map.

(iv) The Contractor shall standardize maintenance operations with a CMMS for read access and monitoring by the Authority, as well as producing monthly reports of the Contractor’s maintenance performance of the Terminal Facilities, as outlined in Section 12.2.2 (“**Additional Monthly Reporting Requirements of the Contractor**”).

2.3.7 Control of Movements on and Responsibility for the Terminal Ramps. Subject to the Legal Requirements, the Contractor shall have the right and responsibility to control the movement of aircraft, equipment, and personnel on all Terminal Ramps, provided, however, that (i) in controlling such movements, the Contractor shall not discriminate against any air carrier (as discrimination is defined in the Grant Assurance or other Legal Requirements), (ii) as set forth in Section 2.5.3 (“**Terminal Ramps**”), the Contractor responsibilities regarding repair and replacement of the Terminal Ramps, and (iii) the Authority, FAA, TSA, and Customs

and Border Protection shall have uninhibited access to all Terminal Ramps at all times to the extent required by law.

2.3.8 Operating Documents. The Contractor and the Authority shall work together to assemble and share with one another true and correct copies of all Operating Documents, and shall honor and administer the Operating Documents. The Authority shall make available to the Contractor true and correct copies of the Operating Documents, and any and all amendments, supplements, and addenda thereto, as well as calculations, maintenance manuals, operational records, logs, reports, submittals, repair records, cost records, audits, and general correspondence which may be in the Authority's possession or that of its agents, related to the design, condition, and/or operation of the Terminal Facilities. The Contractor shall not take any action, nor shall the Contractor refrain from taking any action which would invalidate, destroy, or void the Operating Documents.

2.3.9 Utilities. The Contractor shall provide or obtain all utilities necessary to operate the Terminal Facilities in accordance with this Agreement and all applicable Legal Requirements. To the extent any additional utilities are required for the Planned Terminal Expansion or any additional expansion or modification of the Terminal Facilities, the Authority shall construct or cause to be constructed such additional utilities. The Authority shall assure the existence of adequate utilities to operate the Terminal Facilities in accordance with this Agreement, from a structural and servicing standpoint.

2.3.10 Equipment. Proper maintenance and replacement of the Equipment shall be the sole responsibility, and solely conducted by the Contractor, provided, however, that any repairs or replacement of any Fixed Asset shall be governed by Section 2.5 ("**Repairs or Replacement of Fixed Assets**"). Upon expiration or early termination of this Agreement, whichever the case, and provided the Authority has provided payment to the Contractor for the useful life reimbursement in accordance with Section 2.5.34 ("**Useful Life Reimbursement**"), all Equipment which is transferred shall be at no expense to the Authority and shall automatically transfer to, and become the sole property of the Authority, free and clear of any and all liens or encumbrances.

2.3.11 Third-Party Sales and Use Taxes. The Contractor shall have the right and responsibility to collect and remit to the appropriate collection authority, on behalf of the Authority, any applicable sales or use taxes that may apply to and be incurred by providers of Non-Aeronautical Services who may be licensed to use the Terminal Facilities, and to remit such taxes to the applicable Government Entity. The foregoing is not meant and should not be interpreted to imply any payment obligation on the part of the Contractor to assume responsibility for remitting any such uncollected (or any shortfall in tax payments) due from such providers.

2.3.12 Marketing, Communications, and Air Service Development. With regard to Airport and Terminal Facilities marketing, communications, and Air Service Development initiatives, including, but not limited to existing and potential air carriers, businesses, users and other stakeholders of the Airport, the Parties agree as follows:

(a) Purpose. The overall purpose for the Airport and Terminal Facilities marketing communications and Air Service Development is to increase the amount of Airport passengers, attract new air carriers to the Airport, expand the number of markets served, attract new and/or expand existing aeronautical and non-aeronautical business at the Airport, attract local business to the Airport, and increase local community awareness of and involvement with the Airport - all for the benefit of both Parties. However, nothing in this Section 2.3.12 shall obligate the Contractor to contravene FAA policy on airline incentives.

(b) Goal and Objectives.

(i) Generally. Generally, the marketing, communications, and air service development goals and objectives are to: (1) establish a distinctive branding for the Airport that enhances and invigorates local and air service marketing benefits, and establishes a baseline for increasing world-wide knowledge and popularity of the Airport, and (2) communicate through all forms of advertising and communication media now existing or hereinafter developed a clear message to existing and prospective air carriers, businesses, passengers, and other stakeholders about the benefits and advantages of traveling to and from the Airport, or doing business with the Airport.

(ii) Specifically. The specific marketing and Air Service Development goals and objectives are to:

- (1) Increase the number of air carriers at the Airport;
- (2) Increase the number of businesses and annual business revenues at the Terminal Facilities;
- (3) Increase the Airport brand identity through measurable terms to be established and mutually agreed to by the Parties;
- (4) Increase the amount of new inbound and outbound markets to and from the Airport;
- (5) Increase the number of inbound and outbound passengers to and from the Airport;
- (6) Retain the existing air carrier service;
- (7) Add to the frequency of existing services; and
- (8) Improve service reliability (recognizing many services reliability issues are out of the Party's control).

(c) Strategy and Techniques.

(i) Generally. Strategies and techniques to represent and market the Airport and Terminal Facilities and develop air service should be relevant, creative, contain original content, and involve continuous interaction and evaluation to engage and update target audiences.

(ii) Specifically. The specific strategies and techniques to achieve the stated goals and objectives include, but are not limited to:

- (1) Develop and promote an Airport logo and branding;
- (2) Assess the existing service;
 - a. Identify the Airport needs and deficiencies;
- (3) Identify the stakeholders to establish a target market;
 - a. Develop a relationship with the primary stakeholders, both internal and external;
- (4) Identify the available resources;
- (5) Research:
 - a. Target Audience Evaluation not less than once every two years;
 - b. Catchment Area Study as needed to respond to market changes, but not less than once every two years unless part of an Air Service Development Study;
 - c. Air Service Development Study not less than once every five years:
 - i. Through research, identify those countries and cities visiting Central Florida/Orlando for the following:
 - ii. No non-stop service, or
 - iii. Underserved.
 - d. Identify and target airlines with the potential to provide service to and from those areas;
 - e. Identify targeted growth opportunities in Central and South America;

Europe and other targeted markets;

f. Identify and grow international service from

g. Compose potential carrier target list for service from other countries visiting Florida, but not operating at the Airport;

h. Recognize new, growing global market opportunities and the participating carriers;

i. Increase domestic traffic at the Airport utilizing data and aviation publications/news/trends and focus on domestic carriers that fit the SFB market profile;

j. Develop and maximize Air Cargo business opportunities;

k. Identify regional/global business trends where air service at SFB would benefit the model;

l. Airline and aviation data tools, i.e. Sabre; and

m. Use of specialized consultants to assist with research and presentations.

(6) Provide presentations to Airlines

a. Follow-up/Relationship building.

(7) Implement digital marketing, including:

a. Search Engine Optimization;

b. Search Engine Marketing;

c. Social Media Management; and

d. Social Media Marketing.

(8) Establish and implement public relations campaigns;

(9) Sponsor and hold events;

(10) Focus on reputation management;

(11) Implement video production where appropriate;

different media: (12) Utilize creative and effective advertising with

- a. Print;
- b. Broadcast; and
- c. Digital; and.

(13) Support selective sponsorships.

(d) Specific Marketing Initiatives.

(i) Year 1 only.

(1) The Parties shall jointly design and implement an upgrade to the Airport website and digital footprint of the Airport by optimizing capabilities and website mobility, and developing additional digital and non-digital collateral materials - the costs of which shall be split equally between the Parties.

(ii) Year 1 and following Years.

(1) The Contractor, with input from and cooperation by the Authority, shall: (i) develop and direct an air service development plan and destination marketing program to support existing and prospective air carriers, and (ii) market the Terminal Facilities to prospective air carriers. This should be accomplished with the use of materials that may include printed, digital, video, or other appropriate means, but must involve in-person sales, presentations, trade show appearances, and incentives consistent with Legal Requirements;

(2) The Parties shall meet together and consult annually to develop an air service development plan and destination marketing program;

(3) The foregoing shall not limit the right of the Authority, with the Contractor's input and cooperation, to contact and market the Airport to air carriers or others;

(4) The foregoing shall not limit the right of the Authority to direct all other branding, marketing, and advertising of the Airport and the Terminal Facilities, including, but not limited to the advertising spaces within the Terminal Facilities;

(5) The Parties shall coordinate their marketing activities to ensure consistency and accuracy of message and each Party shall keep the other informed of carriers to which it is marketing the Terminal Facilities and/or Airport;

(6) The Contractor shall consult the Authority and other relevant community representatives selected by the Authority when developing its marketing materials;

(7) The Contractor shall provide periodic reports to the Authority of the status of marketing projects underway on a monthly basis, or as otherwise reasonably directed by the Authority. In marketing, operating and managing the Terminal Facilities, the Contractor shall make every commercially reasonable effort to accommodate new entrant air carriers that desire to have access to the Terminal Facilities; and

(8) The Authority shall have the right but not the obligation to approve the means and methods of the Contractor surveying Airport customers, which surveys shall be conducted by the Contractor as needed, but not less than once per Year during the Term of this Agreement.

(e) Specific Marketing Obligations of the Contractor.

(i) The annual marketing budget established by the Authority with input from the Contractor will be based upon mutually agreed marketing objectives which will be subject to evaluation by the Parties for effectiveness.

(ii) The Contractor shall maintain a full-time Director of Marketing whose primary focus is to work with the Authority to develop new air service and maintain/grow existing air service at the Airport through various outreach efforts including without limitation corporate site meetings, locally hosted tours/meetings and attendance at domestic and/or international aviation/air service business development and tourism events/meetings (minimum of four annually). The Contractor shall provide an executive debrief to the President of the Authority after each airline presentation.

(iii) The Contractor shall provide the Director of Marketing with all of the necessary resources to work with the Authority to execute the goals and objectives of Section 2.3.12 including without limitation the services of an Air Service Consultant, access and use of aviation-specific data software, presentation materials, collateral, marketing keepsakes, trade show booth/pop-ups, banners and other necessary promotional materials, as well as all registration and travel-related funds.

(iv) The Contractor shall maintain a Marketing/Public Relations Manager to collaborate with the Director of Marketing and the Authority on air service development strategies and initiatives as well as champion the Airport brand message (currently "Simpler. Faster. Better."), where related to air service development, to all stakeholders and aeronautical and non-aeronautical businesses via advertisements, promotions, sponsorships and representation at community and tourism events.

(v) The Contractor shall provide the Marketing/Public Relations Manager with all of the necessary resources to work with the Authority to execute the goals and objectives of Section 2.3.12 including without limitation the use of creative

consultancy service, industry monitoring service, and those resources covered in Section 2.3.12(e)(iii).

(vi) The Contractor shall provide the resources to work collaboratively with the Authority on social media messaging/promotions and customer service representation.

(f) Marketing Budget. For Year 2 and following Years, the Authority and the Contractor shall commit to develop a joint marketing budget for the Airport ("**Annual Marketing Budget**"). Once developed, the joint Annual Marketing Budget will be funded proportionately as follows: 87.5% by the Contractor and 12.5% by the Authority. Each year thereafter during the Term,

(i) The Contractor and the Authority shall establish and implement mutually agreed marketing objectives which will be subject to evaluation by the Parties for effectiveness;

(ii) The Contractor and the Authority shall fund specific marketing initiatives in the same proportionate amounts as described immediately above in this subparagraph;

(iii) The Contractor shall fulfill the specific marketing obligations as defined in Section 2.3.12(d).

This joint evaluation of marketing initiatives will occur not less than annually and not more than quarterly. In addition, the 12.5% percent obligation of the Authority under this Section 2.3.12 shall specifically exclude any and all salaries of the Contractor's personnel, including, without limitation, the Contractor's Director of Marketing and the Contractor's Marketing/Public Relations Manager.

2.4 Collection of Fees and Charges on Behalf of the Authority.

2.4.1 Landing Fees; Public Safety Fees; Customer Facility Charges. Unless otherwise instructed by the Authority, the Contractor will collect, on behalf of the Authority, (i) Landing Fees and Public Safety Fees directly from all air carriers utilizing the Terminal Facilities, and will remit such fees to the Authority on a monthly basis, less a five percent (5%) administrative handling charge and (ii) Customer Facility Charges from rental car users of the Airport. Notwithstanding the foregoing, the Contractor is not responsible for any uncollected amount of Landing Fees, Public Safety Fees or Customer Facility Charges. The Contractor will use reasonable commercial efforts to attempt to collect the foregoing fees and, in the event that such fees are not paid within sixty (60) days, the Contractor will notify the Authority of such delinquency and the Authority shall be responsible to institute any collection proceedings as it deems necessary.

2.4.2 No Effect. Nothing in this Section 2.4 (“Collection of Fees and Charges on Behalf of the Authority”) affects other fees or charges levied by the Authority for use of the Airfield.

2.5 Repairs or Replacement of Fixed Assets.

2.5.1 Requirements for Year 1 through Year 11. During the first eleven (11) years of this Agreement, the Contractor shall be solely responsible for the repair or replacement of a Fixed Asset (except for Terminal Ramps which shall be governed by Section 2.5.3 below) resulting from and due to normal wear and tear.

2.5.2 Requirements for Year 12 and After. Commencing in Year 12 of this Agreement, and for each Year thereafter, the Contractor’s sole responsibility for such repair or replacement of a Fixed Asset (except for Terminal Ramps) as outlined in Section 2.5.1 (“Requirements for Year 1 through Year 11”) above shall be reduced by ten percent (10%) each Year, with the percentage of responsibility attributed to the Authority increasing with a corresponding ten percent (10%) each Year, until such time that the Authority shall be solely responsible for the repair or replacement of a Fixed Asset resulting from and due to normal wear and tear. Notwithstanding any of the foregoing provisions to the contrary, (i) if the need for the repair or replacement of a Fixed Asset is due to the negligence or intentional misconduct of the Contractor, its agents, invitees, subcontractors, and the like, the Contractor shall be solely responsible for the payment of the cost of such repair or replacement and (ii) for any repair and/or replacement of a Fixed Asset which amounts to a cost or expense less than or equal to ten thousand dollars (\$10,000.00), such cost or expense shall be the sole responsibility of the Contractor subject to the useful life reimbursement, if any, as provided in Section 2.5.4 (“Useful Life Reimbursement”) below.

2.5.3 Terminal Ramps.

(a) Terminal Ramp Repair. The Contractor, at its sole cost, shall perform Terminal Ramp Repairs, provided, however, that the Parties agree to equally share in the cost of any single Terminal Ramp Repair which equals or exceeds \$100,000.00. Notwithstanding any of the foregoing, as provided in Section 2.5.5 below, the Authority shall use its best reasonable efforts to secure any grant funding sources for any Terminal Ramp Repair which exceeds \$50,000.00.

(b) Terminal Ramp Replacement. The Authority, at its sole cost, shall perform Terminal Ramp Replacement unless the need for such replacement is due to the negligence or intentional misconduct of the Contractor, its agents, invitees, subcontractors, and the like, in which case the Contractor shall be solely responsible for the payment of the cost of such Terminal Ramp Replacement.

2.5.4 Useful Life Reimbursement. For any repair or replacement of a Fixed Asset (including any Terminal Ramp Repair or Terminal Ramp Replacement) which is not required as a result of the negligence or intentional misconduct of the Contractor, its agents,

invitees, subcontractors, and the like, and which is paid for by the Contractor (whether paid in part or in full) at any time during the Term of this Agreement which has a useful life (as mutually agreed by the Parties) beyond the Term of this Agreement, the Authority will pay to the Contractor on the Termination Date an amount equal to the percentage of the unamortized out-of-pocket cost in a straight-line manner incurred by the Contractor for that particular repair or replacement of the Fixed Asset. In the event the Parties are unable to agree on the useful life of any given Fixed Asset, the Parties shall resort to Section 14 ("**Dispute Resolution**"). In the event that the Contractor does not consult with the Authority prior the purchase of a Fixed Asset, the Authority is not required to pay the Contractor the useful life reimbursement for said Fixed Asset.

2.5.5 Use of Grant Monies.

(a) Terminal Ramps. In the event the Authority, using its best reasonable efforts, is able to secure any grant funding source for any Terminal Ramp Repair, the Authority will administer and provide the grant funding, and should the cost, after application of the grant proceeds equals or exceed \$100,000.00, then the Parties shall equally split the remaining amount due. Should the cost, after application of the grant proceeds be less than \$100,000.00, then the Contractor shall be solely responsible for the remaining amount due. Notwithstanding the foregoing, if the Terminal Ramp Repair is due to the negligence or intentional misconduct of the Contractor, its agents, invitees, subcontractors, and the like, then in such case the Contractor shall be solely responsible for such Terminal Ramp Repair for the portion not covered by the grant funding.

By way of example: Should the total amount of repairs be \$220,000, and the grant covers 50%, the remaining portion is \$110,000. This amount would be split equally between the Parties, and thus both Parties would pay \$55,000. Should the total repairs be \$190,000, and grant covers 50%, the remaining portion is \$95,000. This amount would be the sole responsibility of the Contractor.

(b) Any Other Fixed Asset. In the event the Authority, using its best reasonable efforts, is able to secure any grant funding source for any repair and/or replacement expense of any other Fixed Asset, the Authority will administer and provide the grant funding and each Party will pay its respective proportionate percentage of the remaining cost as attributed to each Party for the respective Year, as outlined in Section 2.5.1 and Section 2.5.2 above.

2.5.6 Use of Passenger Facility Charges (PFCs). The Authority, at its sole discretion and to the extent available and authorized by federal regulations, will consider the use of revenues generated by Passenger Facility Charges at the Airport for appropriate repair and/or replacement projects (including Fixed Assets) and/or Airport facility improvements, and will use commercially reasonable efforts to use Passenger Facility Charges for such appropriate repair and/or replacement projects and/or facility improvements, which appropriate project and/or facility improvements shall be agreed by the Parties. For any repair or replacement of a Fixed Asset with PFCs pursuant to this Section 2.5.6, if the PFCs do not cover all costs associated with such repair or replacement, the Parties will need to share proportionally in any

such costs as attributed to the contract Year in accordance with the percentage of responsibility as outlined in this Section 2.5. In the event the Contractor does not agree with the project, and the Authority proceeds with the project, the Contractor shall not be responsible for any of the financial costs of the project.

2.6 Advertising; Signage.

2.6.1 Terminal Display Advertising. The Authority and the Contractor will review all options for the provision of display advertising services in the Terminal Facilities to include third party or direct (in-house) provision of advertising services in the Terminal Facilities, and shall mutually agree on a strategy to proceed with a chosen option on how to implement such display advertising. If the advertising is to be provided by in-house services, the Parties will coordinate such services between each other. The foregoing is subject to the following:

(a) All advertising shall be subject to the review and approval by the Authority;

(b) The Authority may itself place and/or enter into agreements on such terms as it may deem appropriate regarding the placement of any advertising of any medium in the Terminal Facilities; and

(c) The revenues generated from such advertising activities shall be included as Terminal Revenues, as defined in Section 1.82, unless addressed separately in a new agreement between the Parties.

2.6.2 Signage. Subject to the prior written approval of the Authority, the Contractor may erect, install, place or use, or authorize the erection, installation, placement or use of, at or on the Terminal Facilities such signage (including but not limited to any trademarks and/or service marks) as the Contractor deems appropriate, provided, however, that such signage does not violate the Authority's signage policy as it may be promulgated from time to time and shall be subject to the prior written approval of the Authority, which approval will not be unreasonably withheld or delayed.

2.6.3 Additional Advertising Space. The Authority and the Contractor agree to further community relations through the mutually agreed provision and location of advertising space in the Terminal Facilities at no cost to the Authority, Seminole County and each of the seven incorporated municipalities therein, and any other governmental related entities.

2.7 Office and Administrative Space. During the Term and any extension thereof, the Contractor, subject to the prior written approval of the Authority which shall not be unreasonably withheld or delayed, may utilize at no cost such space at the Terminal Facilities for offices or administrative functions, including space for providing ground handling or other services (including storage of equipment on Terminal Ramps), as may be necessary or appropriate to carry out the Contractor's obligations under this Agreement, and as depicted on the Buildout Plan attached hereto as Schedule 2.7, provided, however, that the Contractor will

give prior notification to the Authority of any such utilization, with the exception of the use of space in the Terminal Facilities currently used and occupied as of the Agreement Date by the Contractor or any of its existing corporate affiliates. The Authority may utilize such space at the Terminal for offices or administrative functions as is set forth in Section 3.4 (“**Authority Offices**”) herein. Any third party other than the Contractor after the Agreement Date occupying any space in the Terminal Facilities shall enter into a tri-party Terminal Agreement with the Authority and the Contractor.

2.8 Provision of Aeronautical Services. The Contractor may, in its sole discretion, itself (or through entities with which it may subcontract) provide to any air carrier utilizing the Terminal Facilities any and all Aeronautical Services (including but not limited to ground handling and catering) and on such terms as the Contractor in its sole discretion deems appropriate. Such arrangements shall be solely between the Contractor and the air carriers, and shall be reviewed by the Authority which may provide input to the Contractor regarding such arrangements. In providing such Aeronautical Services, the Contractor shall (and shall cause its subcontractors to) comply with all Legal Requirements applicable to the provision of Aeronautical Services. The revenues derived from such provision of Aeronautical Services by the Contractor shall be included in Terminal Revenues, and the Contractor shall pay no consideration except as set forth in Section 5.2 (“**Consideration Due to the Authority**”) for the right set forth in this Section 2.8 (“**Provision of Aeronautical Services**”). The foregoing right includes the right of access to the Airfield and such other areas at the Airport as may be necessary to perform such Aeronautical Services in compliance with Airport rules and regulations. The foregoing right shall not be exclusive; as set forth in Section 3.1 (“**Utilization and/or Provision of Aeronautical Services**”), the Authority may authorize third parties to provide any and all Aeronautical Services to air carriers utilizing the Terminal Facilities, provided, however, that in the event the Authority does so authorize any third party, (i) the Authority shall promptly notify the Contractor, and (ii) the revenues accruing to the Authority from such third parties shall be included in Terminal Revenues, and shall be remitted by the Authority to the Contractor pursuant to Section 3.1 (“**Utilization and/or Provision of Aeronautical Services**”). In the event that the Authority does so authorize any third party, the Contractor shall, in its assignment of Aeronautical Facilities, not directly or indirectly unjustly discriminate against air carriers which are not users of the Contractor’s Aeronautical Services. To ensure fair and impartial treatment of all air carriers, the Authority shall monitor the activities of the Contractor in this regard, and the Contractor shall provide timely monthly reports on gate utilization to the Authority, as required in Section 12.2 (“**Reports and Joint Meetings**”).

2.9 Employment. Except as otherwise provided herein, the Contractor shall have the right to hire, employ, and sub-contract with such persons as the Contractor shall deem necessary or desirable for the operation and management of the Terminal Facilities. The Contractor shall have no obligations with respect to any employees, contractors or agents of the Authority, including but not limited to any obligation to hire such persons who the Authority retained in connection with the operation and maintenance of the Terminal Facilities.

2.10 Coordination of Operation and Management. The Contractor will coordinate its operation and management of the Terminal Facilities pursuant hereto with the Authority,

provided, however, that the foregoing shall not serve to limit or derogate any of the rights, responsibilities and covenants, set forth herein.

2.11 **Fuel Farm.** The Contractor shall bear sole power over and responsibility for operation, management, engineering, planning, maintenance and upkeep of Fuel Farm.

2.12 **Terminal Revenues.** In connection with the payment by the Contractor of the Authority's share of the Terminal Revenues, the Contractor shall provide the Authority with a written report on a monthly basis of Terminal Revenues.

2.13 **Procurement Negotiations.** The Contractor shall notify the Authority of any new airline procurement negotiations by the Contractor or any other affiliated entity, and include the Authority in all airline procurement negotiations and agreements from commencement of discussions.

3. **GENERAL RIGHTS AND RESPONSIBILITIES OF THE AUTHORITY**

3.1 **Utilization and/or Provision of Aeronautical Services.** The Authority retains the right to contract directly with and/or license third parties to utilize any Aeronautical Facilities and/or provide Aeronautical Services at the Terminal Facilities, provided, however, that (i) the Authority shall ensure that any such use of Aeronautical Facilities and/or provision of Aeronautical Services by a third party shall be consistent with and not unreasonably interfere with the Contractor's rights and obligations under this Agreement, and shall be subject to payment of rates, fees and charges pursuant to the established schedule of rates, fees and charges, (ii) nothing in this Section shall interfere with the Contractor's rights under Section 2.3.1 ("**Hours of Operation**"); (iii) the Authority will promptly notify the Contractor of any such contracts or license, and (iv) any revenues owed to the Authority pursuant to such contracts or licenses will be remitted to the Contractor on a monthly basis (no later than the twentieth (20th) day of the following month) and will be included among Terminal Revenues.

3.2 **Retained Authority Powers and Responsibilities.** The Authority as owner of the Airport shall retain sole power over and responsibility for all facilities on and functions related to the Airport (except those delegated in this Agreement to the Contractor in connection with the Terminal Facilities), which facilities and functions shall be preserved, maintained and performed consistent with industry standards, and the Contractor shall bear no responsibility for any such facilities or functions, or the preservation, maintenance or performance of such facilities or functions (or failure thereto) or any costs, expenses or liabilities associated therewith. Without limiting the foregoing, the Authority specifically acknowledges its sole power and responsibility with respect to certain specific facilities and functions as set forth below:

3.2.1 **Movement Areas.** The Authority bears sole power over and responsibility for operation, management, engineering, planning, maintenance and upkeep of the Airfield.

3.2.2 **Non-Movement Areas.** The Authority shall, in coordination with the Contractor, determine, establish, and enforce the regulations for control of vehicular, pedestrian, and aircraft ground traffic on the apron areas adjacent to the aforementioned ramps, provided,

however, the Contractor shall have the responsibility for providing aircraft ramp marshaling, guidance, ground control, and parking services to those air carriers with which it contracts to provide such services pursuant to Section 2.8 (“**Provision of Aeronautical Services**”).

3.2.3 Airport Grounds and Landscape Maintenance. The Authority bears sole power over and responsibility for operation, management, engineering, planning, maintenance and upkeep of Airport grounds immediately adjacent to the Terminal Facilities. Notwithstanding the foregoing, the Authority and the Contractor shall apportion their respective responsibilities of the current layout of landscape and grounds maintenance at the Airport as identified on the Landscape Maintenance Map, attached hereto as Schedule 2.3.6(b)(i), and proposed areas for landscape and grounds maintenance following the 2017 Terminal Expansion, as identified on the Revised Landscape Maintenance Map, attached hereto as Schedule 2.3.6(b)(ii). Both Parties shall use commercially reasonable efforts to maintain the exterior grounds and landscaping to preserve the attractive appearance of the Airport generally and the Terminal Facilities specifically.

3.2.4 Roads, and Driveways, and Sidewalks. The Authority bears sole power over and responsibility for (i) operation, management, engineering, planning, maintenance and upkeep of all roads, driveways at the Airport (including but not limited to the roads and driveways adjacent to any part of the Terminal Facilities), (ii) determining, establishing, and enforcing appropriate regulations and procedures for control of vehicular and pedestrian traffic on such roads and driveways, and (iii) installing and maintaining necessary signage and traffic control devices for such roads and driveways, with the following exceptions: the Contractor shall bear sole responsibility for (x) the operation, management, maintenance and upkeep of all sidewalks adjacent to any part of the Terminal Facilities; and (y) maintaining signage for roads, driveways and sidewalks related to the operation of the Terminal Facilities.

3.2.5 Facilities. As between the Parties, the Authority bears sole power over and responsibility for operation, management, engineering, planning, maintenance and upkeep of the Terminal Facilities (except as provided herein), general aviation facilities, and intermodal and cargo facilities.

3.2.6 Law Enforcement; Aircraft Rescue and Fire Fighting; Emergency Medical. The Authority bears sole power over and responsibility for all law enforcement, aircraft rescue and firefighting, and emergency medical services, assets and functions that may be required by any Legal Requirement (including the Federal Aviation Regulations and FDOT regulations, and other applicable city, state, county, or local laws, rules, or regulations), and shall solely control the actions and operating procedures of the providers of such services.

3.2.7 Safety, Security and Certification. The Authority bears sole power over and responsibility for all safety, security and Airport certification matters, including but not limited to: ensuring compliance with the requirements of 49 CFR, Part 1542 and 14 CFR, Part 139; issuance of airport security identification media, ramp access decals, Airfield driving permits and vehicular access media, and the Computerized Access Control System for the Terminal Facilities; and preparation and maintenance of the TSA-required Airport Security

Program, FAA Airport Certification Manual, FAA Airport Emergency Plan, and other similar documents. The Contractor shall (i) coordinate its safety and security programs and actions with the Authority as necessary to ensure compliance with applicable safety, security and Airport certification requirements, (ii) take reasonable and prudent precautions consistent with all Legal Requirements and customary industry practice for the safety and security of, and to prevent injury or loss to, all persons and property at the Terminal Facilities, (iii) bear its own costs of complying with all safety and security requirements, and (iv) require all of its vendors, suppliers, employees, and subcontractors to abide by applicable Legal Requirements governing safety, security and Airport certification.

3.2.8 Landing Fees. The Authority bears sole power over and responsibility for setting and implementing all Landing Fees.

3.2.9 Commercial Ground Transportation. As between the Parties, the Authority bears sole power over and responsibility for all Commercial Ground Transportation at the Airport.

3.2.10 Licensing Outside Terminal Facilities and Off-Airport. With the exception of off-site car rentals and off-site parking operations relating to the Airport, the Authority bears sole power over and responsibility for the issuance of all licenses or permits to all third parties seeking to do business outside the Terminal Facilities and/or off-Airport, to the extent such licenses or permits are required.

3.2.11 Emergency Situations. The Authority personnel shall serve as the incident commander in emergency situations, and in such situations, the Contractor, its employees, vendors, suppliers and subcontractors shall comply with directives of the incident commander or other authorized emergency services personnel. The Contractor shall provide passenger service and airline coordination assistance as requested during emergency conditions.

3.2.12 Compliance with Laws. The Authority bears sole power over and responsibility for ensuring compliance with all Legal Requirements applicable to the Authority including federal grant covenants and compliance obligations. The Contractor shall not knowingly take or omit to take any action which would cause the Authority to be in breach of any such covenant or obligation, and shall indemnify Authority for any such act or omission as provided in Section 17 ("**Indemnification and Obligations**").

3.2.13 Authority Cargo Services and Revenues for Non-Passenger Aircraft. As between the Parties, the Authority shall retain the power and responsibility for all non-passenger cargo services that are not related to the Terminal Facilities, and shall be entitled to all revenues generated from such services.

3.2.14 Authorization. The Authority has secured whatever FAA approvals, reviews, or authorizations are necessary or prudent for the execution of this Agreement and for the delegation of rights and powers to the Contractor stated herein or contemplated by this Agreement.

3.3 **Annual Consultation on ACRC Budget.** The Authority will annually prepare its proposed ACRC Budget in draft form, furnish a copy of said proposed ACRC Budget to, and consult regarding said draft budget with, the Contractor at least forty-five (45) days before said proposed ACRC Budget is submitted to the Authority's board of directors. The Authority will pay due consideration to the views and seek to accommodate the concerns of the Contractor regarding the proposed ACRC Budget.

3.4 **Authority Offices.** The Authority shall retain and maintain its existing offices and administrative space as of the Agreement Date within the Terminal Facilities. The Authority may also occupy space in the Planned Terminal Expansion space as is reasonably needed for the Authority's administrative purposes. The use of any other space in the Terminal Facilities for offices for the Authority or administrative purposes by the Authority will be coordinated with the Contractor. The Authority will perform itself the upkeep and maintenance of the Authority's offices and administrative space and, upon receipt of such notice and in such event, the Contractor shall have no obligation to perform any such upkeep or maintenance.

3.5 **Tax Matters.** The Authority shall retain ownership of the Terminal Facilities for federal tax purposes including, specifically, ownership for purposes of Section 142(b)(1)(A) of the Internal Revenue Code (the "Code"). The Authority and the Contractor intend to satisfy Section 142(b)(1)(B) of the Code (and general federal tax law) for having the Terminal Facilities treated as owned by the Authority for purposes of Section 142(b)(1)(A) of the Code.

4. **TERM OF AGREEMENT**

4.1 **Term.** The term of this Agreement (hereinafter referred to as the "Term") shall commence on the Effective Date and shall expire on the Termination Date, unless terminated in accordance with the provisions herein.

4.2 **Contractor Early Termination Right.** The Contractor shall have the unilateral right to terminate this Agreement without penalty at any time during the last five (5) years of the Term, subject to providing the Authority twelve (12) months' advanced written notice of such election to terminate this Agreement ("**Contractor Advanced Termination Notice**"). In the event the Contractor elects an early termination of this Agreement on a specific date ("**Contractor Early Termination Date**"), and provides the requisite Contractor Advanced Termination Notice, in order to ensure a smooth transition of the operation and management of the Terminal Facilities from the Contractor to the Authority or a designee of the Authority, the Contractor shall comply with the following conditions:

4.2.1 **Continue Management Operations.** The Contractor shall maintain, manage, and operate the Terminal Facilities in accordance with the terms and conditions of this Agreement through the Contractor Early Termination Date.

4.2.2 **No New/Renewed Agreements.** The Contractor shall refrain from entering into any new, renewal, extension, modification or replacement of any existing Terminal Agreement or Contractor Agreement, unless the same is unconditionally assignable to the

Authority, and can be unilaterally terminated by the Authority on or after the Contractor Early Termination Date, without any penalty or charge to the Authority, subject to the Authority providing not more than thirty (30) days' written notice.

4.2.3 No Cancellation of Existing Agreements. The Contractor shall refrain from cancelling or terminating, or causing the cancellation or termination of any Terminal Agreement or Contractor Agreement prior to its then effective and respective term, except in accordance with such Terminal Agreement or Contractor Agreement in the event of breach by the counter-party to such agreement.

4.2.4 List of Agreements; Third Party Notices; Assignments. The Contractor shall prepare and provide the Authority within thirty (30) days of the Contractor Advanced Termination Notice (i) a comprehensive written list of Terminal Agreements or Contractor Agreements then existing at the time of the Contractor Advanced Termination Notice, (ii) a draft copy of a written notice to all third parties to each and every Terminal Agreement or Contractor Agreement in form and content reasonably satisfactory to the Authority, advising such third parties of the Contractor Advanced Termination Notice, and (iii) an assignment and transfer of the Contractor's interest to the Authority or a designee of the Authority in and to each and every Terminal Agreement and Contractor Agreement.

4.3 Early Buyout Option by the Authority. Commencing during the month of January 2033, and effective only during January of each Year thereafter through the end of the term of this Agreement ("**Buyout Option Period**"), the Authority shall have the option not more than two (2) times during the Buyout Option Period to provide the Contractor with twelve (12) months advance written notice of its intent to terminate this Agreement ("**Authority Buyout Option Notice**") and buy out the remaining Term of this Agreement (the "**Authority Buyout**"), subject to the requirements set forth in Section 4.4 below. In the event the Authority elects not to proceed with the Authority Buyout after sending a first Authority Buyout Option Notice, and subsequently elects to exercise its option to send a second Authority Buyout Option Notice, the Parties shall use the same Forecaster and Valuation Firms that were selected pursuant to the process described in Section 4.4 below initiated by the first Authority Buyout Option Notice. Subject to the provisions of Section 4.4.1(a)(iii) and Section 4.4.1(b)(iii) below, the Authority shall be responsible for all reasonable third-party direct costs and expenses for the Forecaster, Valuation Firms, and Final Valuation Firm, incurred to effectuate the Buyout Procedures in Section 4.4 below. The Parties will use their best efforts to manage the costs and expenses of said Buyout Procedures such that the total third party professional fees, costs, and expenses do not exceed Two Hundred Fifty Thousand Dollars (\$250,000.00) (the "**Buyout Cap**"). The Parties will use their best efforts to manage the costs and expenses of said Buyout Procedures such that the total third party professional fees, costs, and expenses do not exceed Two Hundred Fifty Thousand Dollars (\$250,000.00) (the "**Buyout Cap**"). Commencing January 1, 2018, and continuing each Year thereafter, the Buyout Cap shall be adjusted upward based on the increase of the Consumer Price Index ("**CPI**") as published for the corresponding term by the United States Department of Labor. Such best efforts may include for example, the Parties' good faith efforts to agree on the third-party Forecaster, Valuation Firms, and Final Valuation Firm that is/are professionally capable, qualified, and competent to perform the tasks respectively assigned

under Section 4.4 below, but economically responsible and cost efficient with regard to its/their consulting fees, thereby resulting in the Parties not necessarily retaining the most expensive third parties to perform such tasks. In the event the Parties finalize the Authority Buyout as provided herein, and provided the Authority has paid the buyout amount to the Contractor pursuant to Section 4.4, this Agreement will terminate on January 31 of the year following the date of the Authority Buyout Option Notice ("**Authority Buyout Date**").

4.4 **Buyout Procedures.** In the event the Authority provides the Authority Buyout Option Notice, the Parties shall proceed as outlined below.

4.4.1 **Valuation and Buyout Procedure.**

(a) Forecaster.

(i) **Forecaster Designation.** Within thirty (30) days of the Contractor's receipt of the Authority Buyout Option Notice, the Parties shall mutually appoint and retain a third party forecaster (the "**Forecaster**"). The Forecaster shall:

(1) be a globally recognized firm specializing in the U.S. aviation industry, and have at least ten (10) years of experience preparing U.S. aviation demand, operating cost, and capital expenditure forecasts for small to medium hub airports; and

(2) not have been previously retained by, or worked for the Authority or the Contractor within the previous three (3) years, unless the Parties mutually agree otherwise.

(ii) **Potential Forecaster.** The Parties hereto acknowledge that Potential Forecaster options include, but are not limited to: Leigh Fisher, Jacobs Consultancy, ICF, Ricondo & Associates, and others meeting the criteria set forth in Section 4.4.1(a)(i) of this Agreement. If the Parties are unable to mutually agree on the Forecaster, the Parties may proceed to subsection (iii) below at any time prior to the expiration of the thirty (30) day time period in subsection (i) above.

(iii) **Disagreement on Forecaster.** Should the Parties be unable to agree on the appointment of a Forecaster, then the Parties shall submit the matter, along with each Party's respective list of three (3) proposed forecasters (the "**Forecaster Lists**") to binding arbitration before a qualified arbitrator with the American Arbitration Association that has aviation industry expertise (the "**Arbitrator**") within forty-five (45) days of the Contractor's receipt of the Authority Buyout Option Notice. The Arbitrator shall select the Forecaster from the Forecaster Lists that best meets the requirements specified in Section 4.4.1(a)(i) in this Agreement, and in addition, the Arbitrator shall consider the fees and expenses associated with each forecaster if such fees and expenses would substantially exceed those of the other forecasters from the Forecaster Lists relative to the amount of the transaction hereunder, but such consideration should not compromise the quality, reliability, or independence of any forecaster. The decision of the Arbitrator shall be binding, and the Parties shall use the Forecaster selected by the Arbitrator to effectuate the duties required of the Forecaster in this Agreement within

fifteen (15) days of selection by the Arbitrator. The Parties shall each pay one-half of all expenses associated with the arbitration process under this Section. If the Parties have previously selected an Arbitrator pursuant to Section 4.4.1(b)(iii), the same Arbitrator shall be used for purposes of this Section 4.4.1(a).

(iv) Forecaster Report. The Forecaster will be retained by the Parties to forecast Projected Cash Flows, hereinafter defined, and shall provide a forecaster report reflecting same ("**Forecaster Report**").

(v) Requirements for Forecaster Report. The Forecaster shall gather information from the Authority and the Contractor and prepare the Forecaster Report, which shall include an executive summary, based upon the following:

(1) the Forecaster will conduct interviews of the Authority and the Contractor and gather and analyze information provided by the Authority and the Contractor that is instructive for the forecast period, including Contractor's most current five-year business plan, and have access to management presentations as well as question and answer sessions, as needed, with Contractor's management;

(2) the Forecaster shall make the projections in the Forecaster Report based upon the assumption that the Contractor would remain in its role under this Agreement for the duration of the period of time from the Authority Buyout Option Notice to January 31, 2039 (the "**Remaining Agreement Term**");

(3) the Forecaster shall develop and provide an aviation demand forecast for the Airport using aviation industry standards for the Remaining Agreement Term; and

(4) the Forecaster shall provide Projected Cash Flows, hereinafter defined, in the following manner:

a. The Forecaster shall determine Contractor's earnings before depreciation and amortization, interest & taxes, based on GAAP, pertaining only to operations that fall under this Agreement, for the twelve-month period ending on the 31st of January of the year following the date of the Authority Buyout Option Notice and for each twelve-month period for the Remaining Agreement Term. The calculation for each twelve-month period contemplated under this Section will be hereinafter referred to as "**Projected Operating Profit**";

b. The Forecaster shall determine projected cash income taxes that would be currently payable in each respective twelve-month period using the projected effective overall tax rate of the consolidated group tax return that includes Contractor ("**Projected Income Taxes**"). The calculation of the Projected Income Taxes shall not include any carry forward losses or deferred taxes of the Contractor or any affiliate or related party to the Contractor; and

c. The Forecaster shall determine projected capital expenditures within the respective twelve-month period that would otherwise be incurred by the Contractor and that would not be subject to reimbursement by the Authority under this Agreement ("**Projected Capital Expenditures**"); and

d. For purposes of the calculations in this Section, the Projected Cash Flows are defined as the amount of Projected Operating Profit, reduced by the amount of Projected Capital Expenditures and the amount of Projected Income Taxes ("**Projected Cash Flows**"). For clarification, only projected revenues, projected operating expenses and projected capital expenditures to be incurred by the Contractor subsequent to the Authority Buyout for operations under this Agreement should be included in the calculation above. For example, Airfield costs are not the responsibility of the Contractor under this Agreement and would therefore not be included in the calculations. Schedule 4.4 is attached hereto for reference to illustrate this calculation for the Airport in 2015, but is in no way intended to limit the scope and content of the Forecaster Report. The WACC, hereinafter defined, shall not be provided to the Forecaster.

(vi) Submission of Forecaster Report. The Forecaster shall complete and provide the Forecaster Report, in the form of Microsoft Word or PowerPoint, or other similar program, evidencing the Projected Cash Flows and the basis for those projections, as well as an Excel spreadsheet, or similar program, containing the involved projections, to each Party simultaneously, and to the Final Valuation Firm, within forty-five (45) days of the Forecaster being retained by the Parties.

(b) Valuation Firm.

(i) Valuation Firm Designation. Within thirty (30) days of the Authority Buyout Option Notice (concurrently with the selection of the Forecaster), the Parties shall also mutually designate and retain three (3) distinct third party valuation firms (the "**Valuation Firms**") each of which will provide a calculation of the Weighted Average Cost of Capital ("**WACC**") to be used in the Final Valuation, hereinafter defined.

(ii) The Valuation Firms shall have the following qualifications:

(1) a top ten (10) accounting firm in the U.S. in terms of revenue, based on the most recent listing available from INSIDE Public Accounting, or comparable industry publication if INSIDE Public Accounting no longer exists, with significant experience and expertise in the valuation of aviation businesses;

(2) the individual serving as the primary point of contact at each of the Valuation Firms must hold a valuation credential of either (i) CPA (Certified Public Accountant)/ABV (Accredited Business Valuation), with ASA (American Society of Appraisers) credentials, or (ii) CFA (Chartered Financial Analyst), and to the extent

available, have at least ten (10) years of experience with aviation valuation Weighted Average Cost of Capital analysis; and

(3) not have been previously retained by, or worked for the Authority or the Contractor within the previous three (3) years, unless the Parties mutually agree otherwise.

(iii) If the Parties are unable to mutually agree on the Valuation Firms, the Parties may proceed to subsection (iv) immediately below at any time prior to the expiration of the thirty (30) day period in subsection (i) above.

(iv) Disagreement on Valuation Firms. Should the Parties be unable to agree on three Valuation Firms, then the Parties shall submit the matter, along with each Party's respective list of three (3) proposed Valuation Firms (the "**Valuation Firm Lists**") to binding arbitration before a qualified Arbitrator that has aviation industry expertise within forty-five (45) days of the Contractor's receipt of the Authority Buyout Option Notice. The Arbitrator shall select three (3) of the Valuation Firms from the Valuation Firm Lists that best meet the requirements specified in Section 4.4.1(b)(ii) in this Agreement, and in addition, the Arbitrator shall consider the fees and expenses associated with each of the Valuation Firms if such fees and expenses would substantially exceed those of the other Valuation Firms from the Valuation Firm Lists relative to the amount of the transaction hereunder, but such consideration should not compromise the quality, reliability, or independence of any of the Valuation Firms. The decision of the Arbitrator shall be binding, and the Parties shall use the three (3) Valuation Firms selected by the Arbitrator to effectuate the duties required of the Valuation Firms in this Agreement within fifteen (15) days of selection by the Arbitrator. The Parties shall each pay one-half of all expenses associated with the arbitration process under this Section. If the Parties have previously selected an Arbitrator pursuant to Section 4.4.1(a)(iii), the same Arbitrator shall be used for purposes of this Section 4.4.1(b)(iii).

(v) WACC Determination by Valuation Firms. The three (3) Valuation Firms shall be engaged fifteen (15) days after they are identified pursuant to the process described herein (the "**Engagement Date**"). The Valuation Firms will be retained to each separately calculate a WACC to be used to calculate the amount of the Final Valuation, hereinafter defined, of the Authority Buyout. The Valuation Firms shall perform their calculations independently and shall not consult with one another regarding their engagement under this Agreement. The respective WACCs shall be provided to the Authority and the Contractor simultaneously by the Valuation Firms, within fifteen (15) days after being engaged, and the Parties shall proceed to identify a single WACC for use in a Final Valuation calculation as hereinafter described.

(1) WACC Calculation. Each of the Valuation Firms shall calculate its respective WACC by using the U.S. Treasury Bond yield (the "**Bond Rate**") corresponding to the period of years in the Remaining Agreement Term (the "**Risk-Free Rate**") and the company, equity, and industry risk components of achieving those cash flows. In the event the Bond Rate is not available at such time, the Parties will use another prevailing

methodology that is then available, which prevailing methodology will permit the Parties to reach the same economic approach as reasonably possible.

(2) WACC Agreement. Within five (5) days of receipt of the respective WACC calculations from the Valuation Firms, the Parties shall determine the WACC to be used in the Final Valuation, defined below (the “**Agreed WACC**”), as follows:

a. The Parties shall determine the mean of the three (3) WACCs provided by the Valuation Firms (the “**Mean WACC**”).

b. If the value of any individual WACC is more than one standard deviation removed from the Mean WACC, that individual WACC shall be discarded, and the Agreed WACC shall be calculated by determining the average of the remaining two (2) WACCs.

c. If the value of all the individual WACCs is less than one standard deviation removed from the Mean WACC; or if two or all three of the individual WACCs are more than one standard deviation removed from the Mean WACC, the Agreed WACC shall be calculated by determining an average of all three WACCs provided by the Valuation Firms.

(vi) Final Valuation Report. Once the Parties have identified the Agreed WACC, the Authority shall engage one of the three Valuation Firms (the “**Final Valuation Firm**”) within five (5) business days to prepare a final valuation report consisting of the Final Valuation, hereinafter defined, as well as identifying the basis for calculation of the Final Valuation (the “**Final Valuation Report**”). The Final Valuation Report shall be provided to the Parties simultaneously within fifteen (15) days of selection of the Final Valuation Firm.

(vii) Final Valuation Report Format. The Final Valuation Firm shall complete and provide the Final Valuation Report, in the form of Microsoft Word or PowerPoint, or similar program, containing the Final Valuation and the basis for its calculation, and include an Excel spreadsheet, or similar program, evidencing such calculations.

(viii) Formula for Final Valuation. The Final Valuation, hereinafter defined, will be prepared by the Final Valuation Firm based on the following criteria:

(1) Projected Cash Flow. For the purposes of developing the Final Valuation, the Final Valuation Firm will use the Projected Cash Flows provided in the Forecaster Report.

(2) Valuation Method/Calculation of Formula. The Final Valuation Firm will calculate the Final Valuation by discounting the Projected Cash Flows over the Remaining Agreement Term through the Authority Buyout Date using a present value formula. The present value formula shall use a mid-year convention, discounting the first year 0.5, second year 1.5, and so on for each remaining 12-month period until the Authority Buyout Date. The present value factor formula used shall be $1 / (1 + \text{Agreed WACC})^{\text{discounting}}$

period.” Contractor’s debt will not be subtracted from the results of this calculation. Any debt, including related party payables, held by the Contractor will be paid by the Contractor. Each foregoing factor calculation will be multiplied by the corresponding 12-month Projected Cash Flows for the Remaining Agreement Term through and until the Authority Buyout Date, the sum of which shall represent the amount to be paid by the Authority to the Contractor for the Authority Buyout (the “**Final Valuation**”) as of the Authority Buyout Date. The Final Valuation will be subject to customary closing adjustments and prorations to account for items such as working capital and cash balances remaining as of the Authority Buyout Date.

(ix) Final Valuation Accepted and Closing If the Authority elects to proceed with the Authority Buyout, it shall notify the Contractor in writing of its acceptance of the amount of the Final Valuation within thirty (30) days of receipt of the Final Valuation Report (“**Buyout Acceptance Notice**”), and upon Contractor’s receipt of the Buyout Acceptance Notice (the “**Buyout Acceptance Notice Date**”), the Parties will have a binding agreement to proceed with the Authority Buyout, and will schedule a mutually agreeable closing date for the payment of the Final Valuation, which shall take place no later than the Authority Buyout Date. The Parties shall execute a sale and purchase agreement to effectuate the transaction.

(1) Contractor Performance and Transition Cooperation. The Contractor shall continue to perform its duties and obligations under this Agreement through the Authority Buyout Date. In addition, the Contractor shall use good faith efforts to fully cooperate with the Authority for a seamless transition of management of the Airport during the time period commencing on the Buyout Acceptance Notice Date through the Authority Buyout Date.

(x) Final Valuation Rejected. If the Authority elects at its sole discretion not to proceed with the Authority Buyout, the Authority shall provide written notice of such rejection (“**Rejection Notice**”) within thirty (30) days of receipt of the Final Valuation Report.

4.5 Obligations of the Contractor at the End of the Term or Early Termination. Upon expiration or earlier termination of this Agreement, the Contractor shall comply with the following conditions:

4.5.1 Surrender of the Terminal Facilities. The Contractor shall peaceably and quietly surrender and deliver the Terminal Facilities to the Authority in good condition and repair, reasonable wear and tear excepted, and free and clear of all liens, encumbrances and subtenancies, and thereafter, the management and operation of the Terminal Facilities shall vest in the Authority or its designee, without further act of either Party;

4.5.2 Material Turnover. The Contractor shall deliver to the Authority or such other person or entity as Authority shall designate, all materials, supplies, equipment, keys, contracts, documents, files, books and records pertaining to this Agreement and the management, operation and maintenance of the Terminal Facilities;

4.5.3 Terminal Agreement/Contractor Agreement Assignments. At the Authority's sole discretion, the Contractor shall assign all existing Terminal Agreements and Contractor Agreements, as applicable, to the Authority or such other person or entity as the Authority shall designate (provided, however, that the Authority shall have the right, but shall not be obligated to, accept any agreement which may have been entered into in violation of the terms of this Agreement);

4.5.4 Turnover Cooperation. The Contractor shall furnish all such information, take all such other action and cooperate with the Authority as the Authority shall reasonably require in order to effectuate an orderly and systematic termination of the Contractor's services, duties, obligations and activities under this Agreement;

4.5.5 Transfer of Licenses and Permits. To the extent requested by the Authority and legally transferable, the Contractor shall surrender and transfer and/or assign to the Authority or any person or entity designated by the Authority, all of the Contractor's right, title and interest in and to all licenses, permits and other authorizations used by the Contractor in operating and/or managing the Terminal Facilities;

4.5.6 Contractor Inventory. The Contractor shall prepare, at its sole cost, not less than ninety (90) days before the end of the Term, an inventory of the supplies, furniture, fixtures, and equipment in the Terminal Facilities, and deliver the list of such inventory to the Authority; and

4.5.7 Final Report. The Contractor shall prepare and furnish to the Authority within thirty (30) days after the expiration or termination of this Agreement, a written report similar in form and content to the Contractor's monthly reports covering the period from the last previous monthly report to the date of expiration or termination of this Agreement.

4.6 Survival. The provisions of Section 4.5 ("**Obligations of the Contractor at the End of the Term or Early Termination**") shall survive any termination or expiration of this Agreement.

5. REVENUES AND CONSIDERATION

5.1 Revenues. The Contractor will collect all Terminal Revenues, except that the Authority may directly collect such Terminal Revenues accruing from any users of Aeronautical Facilities and providers of Aeronautical Services who contract directly with the Authority as contemplated in Section 3.1 ("**Utilization and/or Provision of Aeronautical Facilities**"). With the exception of those revenues collected by the Authority in Section 3.2.13 ("**Authority Cargo Services and Revenues for Non-Passenger Aircraft**"), all Terminal Revenues, regardless of how collected, shall be deposited into the Terminal Account.

5.2 Consideration Due to the Authority. The Authority shall receive the following amounts as set forth below:

5.2.1 Authority's Share of Terminal Revenues. With the exception of the Parking Revenues, Ground Handling Revenues, Fuel Flowage Fees, and Excluded Revenues defined and outlined below, during the Term of this Agreement the Contractor shall remit to the Authority in U.S. dollars the greater of twelve and one-half percent (12.5%) of all annual Terminal Revenues ("**Authority's Share of Terminal Revenues**") or the Guaranteed Minimum Annual Payment. Notwithstanding the foregoing, the Authority's share of the Ground Handling Revenues shall count toward the Guaranteed Minimum Annual Payment. The Contractor shall remit to the Authority on a monthly basis as the same is accrued the greater of (1) the Authority's Share of Terminal Revenues, or (2) the Authority's share of the Guaranteed Minimum Annual Payment. All payments by the Contractor to the Authority are due twenty (20) days after the end of any given month.

By way of example:

If in Year 1 – Monthly Terminal Revenues are \$1,000,000.00 with annual Terminal Revenues of \$12,000,000.00; Year 1's Guaranteed Minimum Annual Payment is \$750,000.00. The Contractor would pay the Authority \$125,000.00 (12.5% X \$1,000,000.00) per month for all 12 months. The Authority's Share of Terminal Revenues at 12.5% exceeds the Guaranteed Minimum Annual Payment of \$750,000.00 on both an annual and monthly basis $1/12$ of \$750,000.00 = \$62,500.00.

If in Year 1 – January through March, the monthly Terminal Revenues are \$400,000.00 each month, April through December the monthly Terminal Revenues are \$1,000,000.00, with total annual Terminal Revenues of \$10,200,000.00; Guaranteed Minimum Annual Payment of \$750,000.00. The Contractor would pay to the Authority for each of the months of January through March, \$62,500.00 and for April \$87,500.00, and then pay \$125,000.00 for each month of May through December, which would then total on an annual basis, \$1,275,000.00. For the months of January through March, $1/12$ of the Guaranteed Minimum Annual Payment of \$750,000.00 is \$62,500.00, which is greater than 12.5% of \$400,000.00. Total Terminal Revenues then through the month of April would be \$2,200,000.00. 12.5% of \$2,200,000.00 which equals \$275,000. Payments made for the month of January through March total \$187,500.00, leaving a balance to be paid of \$87,500.00 (\$275,000.00 - \$187,500.00).

5.2.2 Guaranteed Minimum Annual Payments. The Contractor shall pay a guaranteed minimum annual payment to the Authority as set forth below ("**Guaranteed Minimum Annual Payment**"):

(a) During Year 1 through and including Year 5 of the Term, the Contractor shall pay the Authority a Guaranteed Minimum Annual Payment of Seven Hundred Fifty Thousand Dollars (\$750,000.00).

(b) The Guaranteed Minimum Annual Payment shall be adjusted and increased by twenty percent (20%) every five (5) years during the Term, commencing Year 6 of the Term. For avoidance of any doubt, by way of example and not limitation, the Guaranteed

Minimum Annual Payment for Year 6 through and including Year 10 shall be Nine Hundred Thousand Dollars (\$900,000.00), and for Year 11 through and including Year 15, the Guaranteed Minimum Annual Payment shall be One Million Eighty Thousand Dollars (\$1,080,000.00).

5.2.3 Parking Revenues. During the Term of this Agreement the Contractor shall remit to the Authority in U.S. dollars in an amount equal to twenty percent (20%) of all Parking Revenues, for parking areas only as shown on Schedule 1.77, and any off-site parking concessions. The Contractor shall remit to the Authority the Authority's Parking Revenues on a monthly basis as the same is accrued. All payments by the Contractor to the Authority are due twenty (20) days after the end of any given month. Any and all taxes collected by the Contractor shall not be considered Parking Revenues.

5.2.4 Ground Handling Revenues. The Authority's share of the Ground Handling Revenues shall count toward the Guaranteed Minimum Annual Payment

(a) Direct Contract with Airline. During the Term of this Agreement, if the Contractor has a direct contract to perform the Ground Handling Services (*defined below*) with a passenger air carrier or other user of the Terminal Facilities, cargo building or related operations (whether performed directly by the Contractor or indirectly through a subcontractor of the Contractor), the Contractor shall remit to the Authority in U.S. dollars an amount equal to one percent (1.0%) of all revenues generated from Ground Handling Services ("**Ground Handling Revenues**"), other than amounts received which are separately invoiced as reimbursement of out-of-pocket costs for administrative services provided for the handling of interrupted, delayed or cancelled flights including, without limitation, personnel costs, meal vouchers, transportation and hotel accommodation. Should the Contractor receive any amounts in addition to the invoiced out-of-pocket costs, such excess amounts shall be considered as Ground Handling Revenues. Ground Handling Revenues shall also mean all revenues in any Year derived by the Contractor for Ground Handling Services which are provided directly by the Contractor under a ground handling agreement or cargo handling agreement with a user at the Airport.

(b) No Direct Contract with Airline. If the Contractor receives any Ground Handling Revenues performed by any third-party entity under a direct contract with a passenger airline to perform the Ground Handling Services, the Contractor shall remit to the Authority a cash payment in U.S. dollars in an amount equal to twelve and one-half percent (12.5%) of all Ground Handling Revenues collected from such unrelated third party entity.

(c) "**Ground Handling Services**" shall mean the servicing of an aircraft and its passengers while on the ground at the Airport, including but not limited to Cabin Service, Catering, Ramp Service, Cargo Services, Passenger Service, and Field Operations Service, including:

(i) Cabin Service - interior cleaning of the aircraft;

(ii) Catering - including the unloading of unused food and drink from the aircraft and the loading of fresh food and drink for passengers and crew and commissary services at the Airport;

(iii) Ramp Service - including multiple services generally performed on the Terminal Ramp at the Airport such as marshalling of the aircraft; towing of the aircraft; lavatory service; water service; loading and off-loading luggage, mail, cargo; fueling; and deicing;

(iv) Cargo Services - including the loading and unloading of cargo to and from the aircraft; delivery of cargo to and from cargo, build and break of cargo operations; security and screening of cargo associated with a passenger aircraft;

(v) Passenger Service - including services provided inside the Terminal Facilities such as check-in service for departing passengers, gate services including meeting flights on arrival, departure services including boarding passengers and closing out flight paperwork, customer/passenger service, passenger assistance when flights are interrupted delayed or cancelled including meal vouchers, transportation, hotel accommodation, and personnel costs. (The Parties agree that additional services may be added to the scope of Passenger Services, subject to the prior written approval of the Authority.); and

(vi) Field Operations Service - dispatch service, including weight and balance, transmission and reception of operational messages for the aircraft.

(d) The Contractor shall remit to the Authority the Authority's Ground Handling Revenues on a monthly basis as the same is accrued. All payments by the Contractor to the Authority are due twenty (20) days after the end of any given month.

(e) If the Contractor discontinues Ground Handling Services for any given air carrier for any reason whatsoever, the Contractor shall provide written notice to the Authority of such service discontinuation so that the Authority may offer, at its sole discretion, to perform such Ground Handling Services to any given air carrier or air carriers, and retain all related revenues generated for such Ground Handling Services.

5.2.5 Fuel Flowage Fees. The Authority's authorized fuel flowage fee as set by the Authority and as amended from time to time by the Authority (currently set at three cents [\$0.03] per gallon of aviation jet fuel as of the Effective Date) ("**Fuel Flowage Fee**") shall be remitted by the Contractor to the Authority. The Fuel Flowage Fee shall be calculated for aviation jet fuel being pumped into the Fuel Farm, not into the aircraft (not into-plane). The Contractor shall provide the Authority with duplicate copies of the aviation fuel delivery ~~invoices~~ *Bill of Lading* for the previous month's deliveries into the Fuel Farm no later than the 20th calendar day during each month of the Term, along with the calculated payment remittance. The Contractor shall maintain at all times strict compliance with the minimum requirements for services relating to handling and providing aviation fuel at the Airport.

5.2.6 Excluded Revenues. Notwithstanding the foregoing, the Authority's Share of the Terminal Revenues shall not include: (a) any Landing Fees, Public Safety Fees, Customer Facility Charges, Passenger Facility Charges, or fines; (b) any revenues derived by the Authority from providers of Commercial Ground Transportation at the Airport (including any license or permit fees paid by such providers); (c) any Fuel Flowage Fees or other amounts paid to the Authority by any entity licensed to provide fuel at the Airport; (d) any revenues that the Parties may earn that are unrelated to the Terminal Facilities; (e) any amounts earned by the Contractor from the sale of any of its wholly owned assets; (f) any amounts earned as interest on funds managed by the Contractor; (g) any ground or facility lease payments made to the Authority by entities providing car rental services with respect to property that is not part of the Terminal Facilities but which cater to passengers using the Terminal Facilities, provided, however, that any other payments made by such entities (including but not limited to any privilege fee or commissions) shall be included as Terminal Revenues; (h) any revenues derived from land ownership by TBI RE (excluding Parking Revenues, as defined in Section 18.26.4 ("**Off-Site Parking Revenues by Contractor or its Affiliates**")); (i) any separately invoiced and verifiable reimbursement of costs where the Contractor is receiving reimbursement of costs including, without limitation, utility costs, janitorial costs, international garbage costs and ground service equipment fuel costs. Should the Contractor receive any amounts in addition to the invoiced reimbursement of costs, such excess amounts shall be considered as Terminal Revenues; (j) any administrative fees earned by the Contractor for collection of the fees for the Authority, including without limitation Landing Fees and Public Safety Fee commissions; (k) all exclusions from Ground Handling Revenues; (l) sales, use and other taxes; and (m) any and all payments from any agreement or lease, made by any party and paid to the Authority, whether such agreement exists prior to or after the Effective Date, and provided such agreement is not related to ownership or operation of the Terminal Facilities.

5.3 Guarantee. On the Agreement Date, the Contractor will furnish to the Authority a letter substantially in the form attached hereto as Schedule 5.3, from TBI US Operations, Inc. guaranteeing the Contractor's obligation to remit to the Authority for each Year of this Agreement through the earlier of: (i) date of the satisfaction of the Contractor's intercompany debt with TBI US Operations, Inc., evidenced by that certain promissory note, dated October 31, 2016, or (ii) December 31, 2027, for payment of the Guaranteed Minimum Annual Payment as required in Section 5.2.1 ("**Authority's Share of Terminal Revenues**") above.

5.4 Line of Credit. At the Agreement Date, the Contractor will make available to the Authority an agreement substantially in the form attached hereto as Schedule 5.4 providing that the Contractor will make available to the Authority a Line of Credit, draws upon which will be subject to interest, established at the prime rate of interest as published in the Wall Street Journal adjusted for changes in said prime rate of interest. The total amount of the Line of Credit shall be not less than Four Hundred Fifty Thousand Dollars (\$450,000.00) at the time the Authority exercises the option to secure the Line of Credit, which shall be repaid in accordance with agreement attached hereto as Schedule 5.4. The Line of Credit shall be secured by certain revenues of the Authority. Any amounts outstanding on the Line of Credit at the Termination Date (including but not limited to any accrued interest) shall be repaid by Authority to the Contractor in full within three (3) days of the Termination Date.

5.5 **Annual Reconciliation.** With the exception of Year 1, where in such event, forty-five (45) days is allowed, within thirty (30) days of the conclusion of the Authority's fiscal year (October 30) during each Year of the Term, the Parties will meet to reconcile any amounts owed by one Party or the other under this Agreement, and will promptly pay such sums thereafter within thirty (30) days of the reconciliation.

5.6 **Reconciliation of Agreement from Effective Date to Agreement Date.** Within forty-five (45) days of the Agreement Date, the Contractor shall provide to the Authority with certain and sufficient written financial information for the purpose of reconciling (i) the amounts that have been paid to the Authority under the Original Operating Documents for a period of time from the Effective Date to the Agreement Date, with (ii) the amounts payable to the Authority under this Agreement for such time period. If there is any amount owed by the Contractor to the Authority after the reconciliation, such amount shall be paid by the Contractor to the Authority within twenty (20) days of the reconciliation. Notwithstanding the foregoing, any rent the Authority was paid for space on the Terminal Ramp shall not be included in such reconciliation.

6. **REPRESENTATIONS AND WARRANTIES OF THE CONTRACTOR**

The Contractor represents to the Authority as follows:

6.1 **Organization; Authorizations; Etc.**

6.1.1 **Due Organization.** The Contractor is a corporation duly formed and existing under the laws of the State of Florida, is duly authorized to conduct its business, and has the power to enter into this Agreement and any documents related hereto to which it is a Party.

6.1.2 **All Necessary Actions.** The execution and delivery of this Agreement was duly authorized by all necessary actions of the Contractor, none of which actions have been rescinded or otherwise modified. The Contractor has full power and authority to execute and deliver this Agreement and to perform its obligations under this Agreement. Except for the consent of the Contractor's current lenders and any consent from Government Entities as set forth in Section 6.7 ("**Regulatory Approvals**"), no consents, approvals or permits are required for the performance of the terms and provisions herein, or, if any such consents, approvals or permits are required, they have been or will be, prior to the Agreement Date, obtained. This Agreement is a legal, valid, and binding obligation of the Contractor, enforceable against the Contractor in accordance with its terms.

6.1.3 **No Conflict.** The execution and delivery of this Agreement and any other documents related thereto to which the Contractor is a party, the consummation of the transactions contemplated thereby, and the fulfillment of the terms and conditions thereof do not and will not, to the best knowledge of the Contractor, (i) conflict with or result in a breach of any of the terms or conditions of the certificate of incorporation or bylaws of the Contractor, or any restriction or any agreement or instrument to which the Contractor is now a party or by which it is bound or to which any property of the Contractor is subject, (ii) constitute a default under any

of the foregoing or cause it to be in violation of any order, decree, statute, rule or regulation of any court or any state or federal regulatory body having jurisdiction over the Contractor or its properties, or (iii) result in the creation or imposition of any lien, charge or encumbrance of any nature upon any of the property or assets of the Contractor contrary to the terms of any instrument or agreement to which it is a party or by which it is bound, except where such breach, default, violation or imposition would not have a Material Adverse Effect on the Terminal Facilities, the operation and management of the Terminal Facilities, the Authority, or the ability of the Contractor to perform its obligations under this Agreement or any other documents related thereto to which it is a party.

6.2 Litigation

6.2.1 **No Claims.** There are no actions, suits, Claims, investigations or proceedings pending or, to the best of the Contractor's knowledge, threatened against the Contractor in any court or before any Governmental Authority that relate to its operation and management of the Terminal Facilities or that would materially affect the Contractor's entering into, or performance of this Agreement and, to the best of the Contractor's knowledge, there are no circumstances which might give rise to any such actions, suits, Claims, investigations or proceedings, and the Contractor is not charged by any Governmental Authority with a material violation of or, to the best of the Contractor's knowledge, threatened by any Governmental Authority with a charge of a violation of, any Legal Requirement in a manner that relates to its operation and management of the Terminal Facilities or that would materially affect the Contractor's entering into, or performance of, this Agreement.

6.2.2 **Performance Not Precluded by Legal Requirement.** The Contractor is not subject to any Legal Requirement that would materially affect the Contractor's entering into, or performance of this Agreement.

6.3 **No Default by the Contractor.** The Contractor is not in default under, and no condition exists that with notice or lapse of time or both would constitute a default under, (i) any mortgage, loan agreement, lease, lease purchase, indenture or evidence of indebtedness for borrowed money to which the Contractor is a party or by which any material amount of the assets of the Contractor is bound that would materially affect its entering into, or performance of, this Agreement or (ii) any Legal Requirement, which default or potential default could reasonably be expected to have a Material Adverse Effect on the Contractor's ability to enter into or perform its obligations under this Agreement.

6.4 **Ability to Perform.** The Contractor is financially solvent. The Contractor and each of its employees, agents, subcontractors, and contractors are competent to perform the services required under this Agreement.

6.5 **Employment; Labor.** There are no employment, union or labor agreements pending or, to the best of the Contractor's knowledge, threatened Claims or litigation of any nature, applicable to or covering the employment of the employees of the Contractor.

6.6 **Permits.** The Contractor holds all Material Permits. The Material Permits are valid and the Contractor has not received any notice that any Governmental Entity intends to modify, cancel, terminate or not renew any Material Permit.

6.7 **Regulatory Approvals.** The Contractor has received all necessary approvals from Government Entities (including, but not limited to, the FAA) for it to operate and manage the Terminal Facilities as set forth herein.

6.8 **Accuracy of Contractor Representations.** The representations made by the Contractor herein are true and accurate as of the Agreement Date.

6.9 **Disclosure.** All written agreements, lists, schedules, instruments, exhibits, documents, certificates, reports, statements and other writings furnished to the Authority pursuant hereto or in connection with this Agreement or the transactions contemplated hereby, are complete and accurate. No representation or warranty by the Contractor contained in this Agreement, in the Schedules attached hereto, or in any certificate furnished or to be furnished by the Contractor to the Authority in connection herewith or pursuant hereto contains or will contain any untrue statement of a material fact or omits or will omit to state any material fact necessary in order to make any statement contained herein or therein not misleading.

6.10 **Reliance.** The representations and warranties in this Agreement are made by the Contractor with the knowledge and expectation that Authority is placing complete reliance thereon and the same shall not be affected in any respect whatsoever by any investigation heretofore or hereafter conducted by or on behalf of the Authority, whether in contemplation of or pursuant to this Agreement or otherwise.

6.11 **Terminal Agreements.** The Contractor is party to no Terminal Agreements, except for those Terminal Agreements listed in Schedule 7.5, true and accurate copies of which have been provided to the Authority. The Terminal Agreements are in full force and effect. Neither the Contractor nor any other party is in default under any Terminal Agreement nor does any condition exist that with notice or lapse of time or both would constitute a default under any Terminal Agreement.

6.12 **Terminal Ramps Inspection.** The Contractor represents and warrants that the Parties have retained Atkins North America, Inc. (“Atkins”) as a third party consultant to perform an Airfield pavement investigation/inspection report (the “Atkins Report”) for the pavement within the security identification display area apron (the “SIDA Apron”) around Terminal A (International) Apron, Terminal B (Domestic) Apron, and the East Apron at the Airport, to identify major issues and suggested maintenance repairs, pursuant to FAA Advisory Circular AC 150/5380-6C. The Atkins Report (excluding Appendix B - FAA Advisory Circular AC 150/5380-6C), specifically titled “*SIDA Pavement Investigation Report – Orlando Sanford International Airport*”, and dated July 17, 2017, is attached as Schedule 6.12. On or before July 17, 2018, Contractor will timely make any necessary repairs to the Contractor’s portion of the responsible areas of the SIDA Apron, as shown in the Atkins Report.

7. REPRESENTATIONS AND WARRANTIES OF THE AUTHORITY

The Authority represents and warrants to the Contractor that:

7.1 Organization; Authorization, Etc.

7.1.1 Due organization. The Authority is a corporate body politic organized and existing under the laws of the State of Florida and is duly authorized and empowered to enter into and perform this Agreement and to execute all documents related thereto.

7.1.2 All Necessary Actions. The execution and delivery of this Agreement was duly authorized by all necessary governmental action, none of which action has been rescinded or otherwise modified. The Authority has full power and authority to execute and deliver this Agreement and to perform its obligations under this Agreement. Except for any consent from Government Entities as set forth in Section 7.10 (“**Regulatory Approvals**”), no consents, approvals or permits are required for the execution of this Agreement or to operate the Terminal Facilities prior to the Agreement Date or the performance of the terms and provisions herein by the Authority, or, if any such consents, approvals or permits are required, they have been or, prior to the Agreement Date, will be obtained. This Agreement is a legal, valid, and binding obligation of the Authority, enforceable against the Authority in accordance with its terms.

7.1.3 No Conflict. The execution and delivery of this Agreement and any other documents related thereto to which the Authority is a party, the consummation of the transactions contemplated thereby, and the fulfillment of the terms and conditions thereof do not and will not, to the best knowledge of the Authority, (i) conflict with or result in a breach of any of the terms or conditions of any restriction or any agreement or instrument to which the Authority is now a party or by which it is bound or to which any property of the Authority is subject, (ii) constitute a default under any of the foregoing, or, to the best knowledge of the Authority, cause the Authority to be in violation of any order, decree, statute, rule or regulation of any court or any state or federal regulatory body having jurisdiction over the Authority or its properties, or (iii) result in the creation or imposition of any lien, charge or encumbrance of any nature upon any of the property or assets of the Authority contrary to the terms of any instrument or agreement to which it is a party or by which it is bound, except where such breach, default, violation or imposition would not have a Material Adverse Effect on the Terminal Facilities, the operation of the Terminal Facilities, the Contractor, or the ability of the Authority to perform its obligations under this Agreement or any other related documents to which it is a party.

7.2 Litigation.

7.2.1 No Claims. Except for actions, suits, Claims, investigations, and proceedings identified in Schedule 7.2, (i) there are no actions, suits, Claims, investigations or proceedings pending or, to the best of the Authority’s knowledge, threatened against the Authority in any court or before any Governmental Entity that relate to its operation and maintenance of the Terminal Facilities or that would materially affect the Authority’s entering into, or performance of, this Agreement and, to the best of the Authority’s knowledge, there are

no circumstances which might give rise to any such actions, suits, Claims, investigations or proceedings, and (ii) the Authority is not charged by any Governmental Authority with a material violation of or, to the best of the Authority's knowledge, threatened by any Governmental Authority with a charge of a violation of, any Legal Requirement in a manner that relates to its operation and maintenance of the Terminal Facilities or that would materially affect the Authority's entering into, or performance of, this Agreement.

7.2.2 Performance not Precluded by Legal Requirement. The Authority is not subject to any Legal Requirement that would materially affect the Authority's entering into, or performance of this Agreement.

7.3 No Default by the Authority. The Authority is not in default under, and, to the best of its knowledge, no condition exists that with notice or lapse of time or both would constitute a default under, (i) any mortgage, loan agreement, lease, lease purchase, indenture or evidence of indebtedness for borrowed money to which the Authority is a party or by which any material amount of the assets of the Authority is bound that would materially affect its entering into, or performance of, this Agreement or (ii) any Legal Requirement, which default or potential default could reasonably be expected to have a Material Adverse Effect on the Authority.

7.4 Compliance with Law. To the best of the Authority's knowledge, the Authority is in compliance with the terms of all applicable Legal Requirements. The Authority has properly prepared and timely filed prior to the Effective Date, all permit applications required by any applicable Legal Requirement. Except as otherwise disclosed in Schedule 7.4 attached hereto, there are no outstanding complaints, orders, citations, notices or orders of violation or non-compliance issued to the Authority relating to the operation, maintenance or condition of the Terminal Facilities.

7.5 Terminal Agreements. The Authority is party to no Terminal Agreements, except for those Terminal Agreements listed in Schedule 7.5, true and accurate copies of which have been provided to the Contractor. The Terminal Agreements are in full force and effect. Neither the Authority nor any other party is in default under any Terminal Agreement nor does any condition exist that with notice or lapse of time or both would constitute a default under any Terminal Agreement.

7.6 Employment; Labor. There are no employment, union or labor agreements or pending or, to the best of the Authority's knowledge, threatened Claims or litigation of any nature, applicable to or covering the employment of the employees of the Authority.

7.7 Insurance. The Authority is covered by insurance policies of such type and in such amounts as are customarily carried by persons conducting business similar to that of the Authority. All premiums payable under such policies have been paid and the Authority is otherwise in full compliance with the terms of such policies. To the knowledge of the Authority, there have been no threatened terminations of any of such policies.

7.8 **Liens, Encumbrances.** There are no covenants, restrictions, liens, encumbrances, mortgages or easements with respect to any part or all of the Terminal Facilities, except those listed in Schedule 7.8 none of which would, in any event, materially interfere with the Contractor's operation, maintenance or management of the Terminal Facilities in accordance with the terms of this Agreement.

7.9 **Permits.** The Authority holds all Material Permits. The Material Permits are valid and the Authority has not received any notice that any Governmental Entity intends to modify, cancel, terminate or not renew any Material Permit.

7.10 **Regulatory Approvals.** The Authority has received all necessary approvals from Government Entities (including, but not limited to, the FAA) for the Contractor to operate and manage the Terminal Facilities as set forth herein.

7.11 **Taxes.** The Authority has timely filed or will timely file all requisite Tax Returns for all periods ending on or before the Effective Date, and all such tax returns are true, correct and complete in all respects. Except as set forth in Schedule 7.11, there are no examinations in progress or Claims against the Authority for Taxes for period or periods and no notice of any Claim for Taxes, whether pending or threatened has been received.

7.12 **Environmental.**

7.12.1 **Compliance with Environmental Law.** Except as set forth in Section 7.12.7, the Authority and the Terminal comply with any applicable Environmental Law;

7.12.2 **No Release.** There has been no Release, threatened Release, or disposal of any Hazardous Material at the Terminal Facilities in any material quantity, nor are the Terminal Facilities adversely affected in any material respect by any Release, threatened Release or disposal of a Hazardous Material originating or emanating from any other property;

7.12.3 **No Known Asbestos, Landfills, Waste Management Facilities.** Except for the boiler room on the second floor contained in the Terminal Facilities previously constructed by the United States Navy, the Terminal Facilities the Authority is unaware of any known (i) material amounts of asbestos-containing building material; (ii) any landfills or dumps; or (iii) hazardous waste management facility as defined pursuant to RCRA or any comparable state law;

7.12.4 **National Priority List.** Neither the Terminal Facilities, nor any portion thereof, is on or has been nominated for the National Priority List promulgated pursuant to CERCLA or any state remedial priority list promulgated or published pursuant to any comparable state law;

7.12.5 **No Hazardous Material.** The Authority has used no material quantity of any Hazardous Material in violation of any Environmental Law and has conducted no Hazardous Material Activity at the Terminal Facilities in violation of any Environmental Law;

7.12.6 No Restriction. The Terminal Facilities are not subject to, and the Authority has no knowledge of, any imminent restriction on the operation and management of the Terminal Facilities in connection with any (i) Environmental Law or (ii) Release, threatened Release, or disposal of a Hazardous Material; and

7.12.7 Miscellaneous. With the exception of that certain matter with the Florida Department of Environmental Protection, referenced as "Incident Date: September 28, 1993 – DEP Facility #598731879", relating to petroleum product contamination discovered during removal of tank numbers 1B, 5A, and 5B at the Airport, to the best of its knowledge, (i) the Authority has no material liability for response or corrective action, natural resource damage, or other harm pursuant to an Environmental Law; (ii) the Authority is not subject to, has no notice or knowledge of, and is not required to give any notice of any Environmental Claim involving the Authority or the Terminal Facilities; and (iii) there are no conditions or occurrences at the Terminal Facilities which could form the basis for a material Environmental Claim against the Authority or the Terminal Facilities.

7.13 Intellectual Property.

7.13.1 Licenses. The Authority owns or possesses adequate, enforceable and transferable long-term licenses or other rights to use, without payment, all Intellectual Property currently used in the operation of the Terminal Facilities and such rights will not cease to be valid rights of the Authority by reason of the execution, delivery and performance of this Agreement or the consummation of the transactions contemplated hereby. To the extent necessary to the performance of this Agreement, the Authority will provide the Contractor a limited, non-exclusive, license to use the Intellectual Property in the performance of this Agreement only.

7.13.2 No Obligation to Compensate. The Authority has no obligations to compensate any person for the use of any Intellectual Property, including, without limitation, Contractor.

7.13.3 Subsequently Developed Intellectual Property. The Contractor represents and warrants to the Authority that the Contractor is not an owner, assignor, assignee, licensor or licensee of any Intellectual Property or Intellectual Property rights that will or may be used in the performance of this Agreement. To the extent that the Contractor is an owner, assignor, assignee, licensor or licensee of any Intellectual Property or Intellectual Property rights that will or may be used in the performance of this Agreement, the Contractor will immediately assign all such Intellectual Property or Intellectual Property rights to the Authority. The Parties acknowledge and agree that certain Intellectual Property or Intellectual Property rights may be developed or created during the performance of this Agreement (the "**Subsequently Developed Intellectual Property**"). The Contractor hereby acknowledges, covenants and agrees that all Subsequently Developed Intellectual Property will be deemed the sole and exclusive property of the Authority and that the Authority shall be deemed the owner of any and all Subsequently Developed Intellectual Property. The Contractor will immediately assign or transfer all Subsequently Developed Intellectual Property to the Authority immediately upon the creation of

the Subsequently Developed Intellectual Property. To the extent necessary, Subsequently Developed Intellectual Property shall be deemed a work-for-hire.

7.14 **Accuracy of Authority Representations.** The representations made by the Authority herein are true and accurate as of the Agreement Date.

7.15 **Disclosure.** All written agreements, lists, schedules, instruments, exhibits, documents, certificates, reports, statements and other writings furnished to the Contractor pursuant hereto or in connection with this Agreement or the transactions contemplated hereby, are complete and accurate. No representation or warranty by the Authority contained in this Agreement, in the schedules attached hereto or in any certificate furnished or to be furnished by the Authority to the Contractor in connection herewith or pursuant hereto contains or will contain any untrue statement of a material fact or omits or will omit to state any material fact necessary in order to make any statement contained herein or therein not misleading.

7.16 **Reliance.** The representations and warranties in this Agreement are made by the Authority with the knowledge and expectation that the Contractor and the Contractor's parent company are placing complete reliance thereon and the same shall not be affected in any respect whatsoever by any investigation heretofore or hereafter conducted by or on behalf of the Contractor, whether in contemplation of or pursuant to this Agreement or otherwise.

7.17 **Full Faith and Credit.** To the extent that Section 14 of Chapter 71-924, Laws of Florida is applicable to any obligation created by this Agreement, neither the full faith and credit of the Authority, the City of Sanford, Florida, nor the State of Florida is pledged to the Contractor with respect to any monetary obligation of the Authority under this Agreement, provided, however, that the foregoing shall not limit or invalidate any security interests that may be granted by the Authority in this Agreement, the agreement creating the Line of Credit, or any other document referenced in or contemplated by this Agreement.

7.18 **Terminal Ramps Inspection.** The Authority represents and warrants that the Parties have retained Atkins as a third party consultant to prepare the Atkins Report for the SIDA Apron around Terminal A (International) Apron, Terminal B (Domestic) Apron, and the East Apron at the Airport, to identify major issues and suggested maintenance repairs, pursuant to FAA Advisory Circular AC 150/5380-6C. The Atkins Report (excluding Appendix B - FAA Advisory Circular AC 150/5380-6C), specifically titled "*SIDA Pavement Investigation Report – Orlando Sanford International Airport*", and dated July 17, 2017, is attached as Schedule 6.12. On or before July 17, 2018, the Authority will timely make any necessary repairs to the Authority's portion of the responsible areas of the SIDA Apron, as shown in the Atkins Report.

8. **COVENANTS OF THE CONTRACTOR**

The following covenants and conditions shall apply during the Term and any extension thereof:

8.1 **Actions Inconsistent with this Agreement.** Without prior consent of the Authority, the Contractor will not knowingly or intentionally take any actions, including but not

limited to the enactment of any rules, regulations, plans or policies that are inconsistent with its rights, responsibilities and covenants under this Agreement.

8.2 **Compliance with Jointly Developed Standards.** The Contractor shall comply with certain reasonable standards governing operation and management of the Terminal Facilities that the Parties may jointly develop from time to time as necessary in order to ensure that a high level of customer service is consistently delivered.

8.3 **Environmental Compliance.** In addition to the obligation to comply with all Legal Requirements as set forth in Section 11.1 (“**Compliance with Law**”), the Contractor shall comply with all Environmental Laws in connection with its operation and maintenance of the Terminal Facilities after the Effective Date, subject to the right to contest set forth in Section 11.4 (“**Preservation of Rights**”) herein.

8.4 **Litigation and Claim Protocol.** The Contractor shall immediately provide the Authority with written notice of the commencement of any litigation or the receipt of any material Claim which relates to the Terminal Facilities or to the execution or performance of this Agreement which litigation or Claim could reasonably have a Material Adverse Effect on the Authority. The Contractor shall promptly refer any such matter(s) to the appropriate insurance company, if appropriate. If the matter is not or may not be adequately covered by insurance, the Contractor shall promptly submit to the Authority a written plan for the litigation and/or Claim, including recommended counsel to defend such matter(s). Subject to the provisions of Section 17.5 (“**Fines and Penalties**”), if both the Authority and the Contractor are parties to the litigation and/or Claim, each may employ its own counsel, but at its own expense; provided, however, that it is understood by the Parties hereto that the litigation costs relating to litigation in the normal course shall be an operating expense of the Terminal Facilities. All decisions regarding settlement by the Authority with respect to matter(s) to which the Authority is a party shall rest with the Authority unless expressly and specifically delegated to the Contractor.

8.5 **Representations and Warranties Certificate.** On the Agreement Date, the Contractor shall execute a certificate, in form and substance acceptable to the Authority, recertifying each of its representations and warranties contained in Section 6 (“**Representations and Warranties of Contractor**”) herein effective as of the Agreement Date.

8.6 **Fundamental Changes.** During the Term, with the exception of any federal, state, or local law, regulation, directive, and the like, the Contractor will not intentionally undertake any action that has a Material Adverse Effect on the Authority and its rights and obligations under this Agreement.

9. **COVENANTS OF THE AUTHORITY**

9.1 **Actions Inconsistent with this Agreement.** Without prior consent of the Contractor, the Authority will not knowingly or intentionally take any actions, including but not limited to the enactment of any rules, regulations, plans or policies that are inconsistent with the Authority’s rights, responsibilities and covenants under this Agreement.

9.2 Construction of Planned Terminal Expansion. At its sole cost and expense, the Authority anticipates construction of the Planned Terminal Expansion, as shown on Schedule 9.2. In the event that the Planned Terminal Expansion or any portion thereof is constructed as planned, the Contractor will operate and manage the additional space and improvements created with the exception of (i) those areas designated for exclusive use by the Authority, such as the Airport Police Station and Badging Office; (ii) the storage space created beneath the new pier and boarding bridges, which space is to be shared by both the Authority and the Contractor as reasonably determined by the Authority; and (iii) any other space designated by the Authority for its own use. The Contractor shall regularly attend the Authority's construction progress meetings to stay informed of any material deviation of the Planned Terminal Expansion.

9.2.1 Construction Procedures. The Authority will construct or will cause to be constructed the Planned Terminal Expansion consistent with the following provisions:

(a) Construction in Accordance with Plans and Specifications. The Planned Terminal Expansion will be constructed in complete accordance with the plans and specifications. Without limiting the foregoing, the Planned Terminal Expansion will include four (4) gates, provision for passenger access between the Domestic Terminal and the International Terminal facility located at the Airport in accordance with Federal Inspection Services regulations, and enlargement of the existing ticketing, baggage claim, concession and retail areas. There shall be no proposed deviation, without notice to the Contractor, from said plans and specifications that would have a Material Adverse Effect on the Contractor. Deviations that would have a Material Adverse Effect on the Contractor include, but are not limited to, changes in the number of aircraft parking positions, the capacity of passenger hold areas, the number of ticket counter positions, or the size of the baggage claim area or the bag make-up area. Such notice shall be deemed effective by the Parties, by virtue of Contractor's weekly progress meeting attendance and receipt of copies of the meeting minutes, as provided in subsection (b) immediately below.

(b) Progress Reports. In the event that the 2017 Terminal Expansion project is constructed, the Contractor shall attend the weekly progress meetings to stay informed as to the progress towards completion of the project. The Authority shall provide the Contractor with copies of the minutes of said weekly progress meetings which shall constitute the Authority's "notice" to the Contractor, as required in subsection (a) immediately above.

(c) Part of the Terminal Facilities. Upon issuance of a certificate of occupancy (including any temporary or partial certificate of occupancy), the 2017 Terminal Expansion or all parts thereof covered by the certificate of occupancy shall immediately become part of the Terminal Facilities for purposes of this Agreement.

9.2.2 Contractor's Waiver. The Contractor acknowledges that the Authority may utilize and/or repurpose a portion of the real property as shown in Schedules 1.30 and 1.78 for the Planned Terminal Expansion. If so utilized by the Authority, the Contractor hereby waives now and forever any and all claims it may have against the Authority or any other person

or entity for inverse condemnation, or for a Taking resulting from the Planned Terminal Expansion.

9.3 **Actions Under and/or Amendments of Terminal Agreements.** On or prior to the Effective Date, the Authority will have taken whatever actions are required under, and/or caused whatever amendments are required of all Terminal Agreements to ensure that the Contractor is able to exercise its rights and perform its duties under this Agreement. The Authority's rights and obligations under any Terminal Agreement shall not be assigned, delegated or assumed to or by the Contractor unless the Authority, the Contractor and the relevant third party(ies) agree in writing.

9.4 **Passenger Facility Charge.**

9.4.1 **Use of PFCs Generally.** The Authority will file all requisite applications for approval of a PFC, the proceeds from which will be used by the Authority in accordance with all Legal Requirements. Although it is acknowledged by the Parties that the implementation and use of PFCs is at the sole discretion of the Authority, any modifications to the aforementioned PFC or future PFC will be coordinated between the Parties as PFC-eligible capital improvement project needs are developed from time to time.

9.4.2 **Use of PFCs for Repair or Replacement of Fixed Assets.** The Authority shall use PFCs for the repair and replacement of Fixed Assets, as provided in Section 2.5.

9.5 **Damage or Destruction.** If all or any part of the Terminal Facilities shall be damaged or destroyed in whole or in part, the Authority shall promptly cause any and all such parts of the Terminal Facilities to be repaired and/or restored as they existed prior to such damage or destruction in accordance with the Insurance Requirements of Section 10 ("**Insurance Requirements**"). The method and procedure for which the Authority carries out such repair and/or restoration of any damaged or destroyed part or parts of the Terminal Facilities shall be at the sole discretion of the Authority. The Contractor shall cooperate with the Authority with respect to the repair and/or restoration of the damaged or destroyed Terminal Facilities, and shall, at the direction of the Authority, administer and supervise the repair and/or restoration of the damaged or destroyed Terminal Facilities.

9.6 **Takings.** In the event of any Taking, either Party may terminate this Agreement by written notice thereof to the other Party and stating the effective date of termination. Acknowledging that this is a risk assumed by each Party, in the event of a termination as a result of a Taking, no further payments shall accrue or become due to either Party under this Agreement, and the Parties shall be released of all further obligations and liabilities hereunder. Any portion of the Terminal Facilities or Airport not taken in the Taking shall remain the sole property of the Authority. The Contractor may, in its sole discretion, participate in the Taking proceedings and recover amounts determined by the court order to be due to the Contractor, as its interest may appear.

9.7 **Fundamental Changes.** During the Term, with the exception of any federal, state, or local law, regulation, directive, and the like, the Authority will not intentionally undertake any action that has a Material Adverse Effect on the Contractor and its rights and obligations under this Agreement.

9.8 **Cooperation.** The Authority shall cooperate in good faith with the Contractor so the Contractor may operate and maintain the Terminal Facilities and attempt to maximize Terminal Revenues and operate and manage the Terminal Facilities in accordance with the Legal Requirements and the terms of this Agreement. The Authority shall also cooperate in good faith with the Contractor in (i) dealing with all Governmental Entities in connection with the operation and management of the Terminal Facilities and the future development thereof, including, but not limited to, the application for and obtaining of any approvals of any Governmental Entities in connection therewith, (ii) the administration and enforcement of any agreement or license (including but not limited to any lease, terminal use agreement or concession agreement) concerning any part or all of the Terminal Facilities, and (iii) the general performance by the Contractor of its rights, duties, and obligations under this Agreement.

9.9 **Compliance with Jointly Developed Standards.** The Authority shall comply with certain reasonable standards governing operation and management of the Terminal Facilities that the Parties may jointly develop from time to time as necessary in order to ensure that a high level of customer service is consistently delivered.

9.10 **Keep Airport Open.** Throughout the Term and any extension thereof, the Authority agrees to use its best efforts to keep the Airport open and functioning as a viable public airport for around-the-clock operations (except as weather and duly-promulgated orders from the FAA may otherwise require), including but not limited to securing and maintaining the approvals from Governmental Entities necessary for the Airport to remain open during the Term and any extension thereof.

9.11 **Representations and Warranties Certificate.** On the Agreement Date, the Authority shall execute a certificate, in form and substance reasonably acceptable to the Contractor, recertifying each of its representations and warranties contained in Section 7 (“Representations and Warranties of the Authority”) herein effective as of the Agreement Date.

9.12 **Litigation and Claim Protocol.** The Authority shall immediately provide the Contractor with written notice of the commencement of any litigation or the receipt of any material Claim which relates to the Terminal Facilities or to the execution or performance of this Agreement which litigation or Claim could reasonably have a Material Adverse Effect on the Authority. The Authority shall promptly refer any such matter(s) to the appropriate insurance company, if appropriate. If the matter is not or may not be adequately covered by insurance, the Authority shall promptly submit to the Contractor a written plan for the litigation and/or Claim, including recommended counsel to defend such matter(s).

10. **INSURANCE REQUIREMENTS**

10.1 **Property Loss Insurance.** The Contractor shall maintain a property insurance policy covering the Terminal Facilities, Equipment, and other property in the Contractor's care, custody or control, against physical loss or damage caused by perils ordinarily covered under fire, extended coverages including flood and earthquake, and covered perils under at least an ISO Special Form including theft, on a replacement cost basis, including equipment breakdown coverage for the Equipment. The Parties shall not do or permit anything to be done which shall invalidate any such insurance. The Contractor shall name the Authority and the City of Sanford, Florida as an additional insured and a recipient of all notices related thereto, including any notice of expiration, termination or non-renewal. The Contractor shall be entitled to all insurance proceeds from insurance and shall use such proceeds to repair any damage or destruction to the Terminal Facilities covered by the Contractor's insurance policies if such damage occurs during the Term of this Agreement, and the insurance proceeds are received during the Term of this Agreement; provided, however, that if such insurance proceeds are received after the Term of this Agreement, that the Authority shall have the sole and exclusive right to settle and adjust any insurance claims pertaining to any damage to the Terminal Facilities and to receive the proceeds thereof. The foregoing shall be subject to the Authority's obligations set forth in Section 9.5 ("Damage or Destruction").

10.2 **Comprehensive General Liability and Airport Commercial General Insurance.** The Contractor shall, at its own cost and expense, obtain and maintain at all times during the Term of this Agreement, a policy or policies of insurance with a company or companies acceptable to the Authority, with coverage including but not limited to (i) Hangar Keepers Coverage with limits in amounts required by the Authority in an amount not less than \$300,000,000.00 for combined single limit bodily injury or property damage to the public and per occurrence, (ii) Garage Keepers Liability, or its equivalent, in the case of any damages occurring in the Terminal Parking Lots in the amounts not less than \$1,000,000.00, and (iii) Personal Injury with a \$25,000,000.00 aggregate limit including incidental medical malpractice coverage in providing emergency medical relief naming the Authority as an additional insured and a recipient of all notices related thereto, including any notice of expiration, termination or non-renewal, and shall provide insurance certificates thereof to the Authority and proof of premiums paid for such insurance.

10.3 **Business Interruption Insurance.** Coverage shall also include business interruption and extra expense arising from perils of the ISO Special Form or better. Such policy shall be written on an actual loss sustained basis and will provide the all notices related thereto, including any notice of expiration, termination or non-renewal, and shall provide insurance certificates thereof to the Authority and proof of premiums paid for such insurance.

10.4 **Other Forms of Insurance.** Each Party will maintain in an amount and on terms consistent with industry standards the following types of insurance, and the Contractor shall name the Authority and the City of Sanford, Florida as an additional insured and a recipient of all notices related thereto, including any notice of expiration, termination or non-renewal, to the extent allowed under applicable law:

(a) Comprehensive aviation liability insurance and excess liability insurance with coverage to include: (i) bodily injury, property damage, and personal injury liability; (ii) the operation of vehicles on the Airport premises; (iii) independent contractors and contractors liability, (iv) incidental host liquor liability; (v) Airport premises liability and hangar-keepers legal liability; and (vi) completed operations;

(b) Comprehensive General Liability Coverage.

(i) Comprehensive Automobile Liability Insurance with coverage in an amount not less than \$1,000,000.00, including the operation of all vehicles owned/leased by the Party, both at and away from the Airport and/or Terminal Facilities;

(ii) Directors' and Officers' Liability Insurance in an amount not less than \$1,000,000.00;

(iii) Workers' Compensation Insurance with limits in amounts that fully comply with applicable statutory limits in the State of Florida; and

(iv) Crime Insurance in an amount not less than \$1,000,000.00. Notwithstanding the foregoing, the Authority shall not be required to obtain Crime Insurance.

11. LEGAL COMPLIANCE

11.1 Compliance with Law. The Contractor and the Authority shall each comply with all Legal Requirements governing the ownership, operation and management of the Terminal Facilities. Each Party shall cooperate with and assist the other in gathering all reports, forms, statements, and other documentation required by local, state, and federal authorities. Such information shall be provided in a timely manner so as to allow the Party requiring such documentation adequate time to prepare and submit any necessary documentation within required deadlines. Each Party will cooperate with and seek to preserve the other's good relations with the FAA, FDOT, and TSA.

11.2 FAA Covenants. Without limiting the foregoing Section 11.1 ("Compliance with Law"), each Party agrees to comply with all requirements, regulations and covenants promulgated by the FAA applicable to the Authority, the Terminal Facilities or the operation and management thereof, including but not limited to the following:

11.2.1 Airport Protection. It shall be a condition of this Agreement that the Authority reserves unto itself its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the Terminal, together with the right to cause in said airspace such noise as may be inherent in the operation of aircraft, now known or hereafter used, for navigation of or flight in the said airspace, and for use of said airspace for landing on, taking off from or operating on the Airport.

Each Party expressly agrees for itself, its successors and assigns, to restrict the height of structures, objects of natural growth and other obstructions on the Terminal Facilities areas to such a height so as to comply with Federal Aviation Regulations, Part 77.

Each Party expressly agrees for itself, its successors and assigns, to prevent any use of the Terminal Facilities which would interfere with or adversely affect the operation or maintenance of the Airport, or otherwise constitute an airport hazard.

The Authority reserves for itself the right to further develop, protect or improve any area of the Airport as the Authority deems proper consistent with the requirements set forth herein. The Contractor acknowledges that it has no fee interest in the real property comprising the Airport.

11.2.2 Subordination. This Agreement and all provisions hereof are subject to and subordinate to the terms and conditions of the instruments and documents under which the Airport owner acquired the Airport property from the United States of America and shall be given only such effect as will not conflict or be inconsistent with the terms and conditions contained in said instruments or documents, and any existing or subsequent amendments thereto. This Agreement is also subject to and subordinate to the provisions of any existing or future agreement between the Authority and the United States of America, or any branch or department thereof, and is subject to any ordinances, rules, or regulations which have been, or may hereafter be adopted by the Authority pertaining to the Airport.

11.2.3 Non-Exclusive Rights. Notwithstanding anything herein contained that may be, or appear to be, to the contrary, it is expressly understood and agreed that the rights granted under this Agreement are non-exclusive with respect to areas not covered by this Agreement or the Airport as a whole and the Authority herein reserves the right to grant similar privileges to other operators or other lessees on other parts of the Airport. Nothing herein shall be deemed to be the grant of an impermissible exclusive right as defined in the Grant Assurances or Legal Requirements.

11.2.4 Nondiscrimination. The Contractor, for itself, its personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree that (1) 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 any facilities managed by the Contractor, (2) that in the construction of any improvements on, over or under the Terminal Facilities 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 be otherwise subjected to discrimination, (3) that the Contractor shall use the Terminal Facilities in compliance with all other requirements imposed by or pursuant to (i) Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said regulations may be amended, and (ii) to the extent applicable to the Contractor, the Required Contract

Provisions for Airport Improvement Program and for Obligated Sponsors, published by the Federal Aviation Administration, and issued on January 29, 2016, as the same may be amended.

11.2.5 Rates and Charges. All aeronautical and non-aeronautical rates, fees and charges established by the Authority and/or the Contractor pursuant to Sections 2.3.4 (“**Agreements Regarding Use of Aeronautical Facilities**”) and Section 2.3.5 (“**Non-Aeronautical Facilities and Services**”) of this Agreement shall be in accordance with all Legal Requirements, including all FAA rules, regulations and policies, and all TSA rules, regulations, and policies. The foregoing does not limit the Authority in its right to levy fines associated with a Contractor violation of FAA and/or TSA rules and regulations.

11.2.6 Business Practices. The Contractor shall make the Terminal Facilities available for public use and shall operate the same in a fair, reasonable and nondiscriminatory manner. The Contractor shall adopt policies which enhance competition, economic nondiscrimination and reasonable access between and by air carriers and other service providers and which discourage monopolies, price-fixing and other anti-competitive practices. As Legal Requirements change and evolve, the Contractor agrees to amend its policies to be consistent with changed Legal Requirements.

Nothing herein shall act to restrict the Authority’s ability to contract with any person with respect to any areas of the Airport not subject to this Agreement (including any future airport terminals), and nothing herein shall obligate the Authority to make any payments to the Contractor for concessions or other services at the Airport, other than the Terminal Facilities, not exclusively leased to or operated by the Contractor or other third parties.

11.2.7 Required Contract Clauses. To the extent applicable to the Contractor, the Contractor shall comply with the required federal contract clauses contained in that certain publication entitled “Required Contract Provisions for Airport Improvement Program and for Obligated Sponsors”, published by the Federal Aviation Administration, and issued on January 29, 2016, as the same may be amended (the “**January 29, 2016 FAA Publication**”). In the event of any conflict between the provisions of the January 29, 2016 FAA Publication and this Agreement, the more stringent or restrictive provision shall apply.

11.3 Modifications Caused by Legal Requirement.

11.3.1 Agreement Modifications. If at any time during the Term it shall be determined that any of the terms and conditions of or actions contemplated by this Agreement, including any fees and charges required to be paid hereunder by the Contractor or the users of the Terminal Facilities or by lessees under other agreements for the lease or use of the Terminal Facilities, are not in compliance with any Legal Requirement, the Parties agree to negotiate in good faith such modifications of or amendments to this Agreement, consistent with the intentions of the Parties expressed herein, as are needed to bring it into compliance with said Legal Requirement.

11.3.2 Rate Modifications. If at any time during the Term it shall be determined that any rate, fee or charge is not in compliance with any Legal Requirement, the Parties agree to take such steps as are needed to bring it into compliance with said Legal Requirement.

11.3.3 Material and Detrimental Modifications. If at any time during the Term a change in Legal Requirements shall cause a material and detrimental change in the value or benefit of the Agreement to either Party, the Parties agree to negotiate in good faith such modifications or amendments to this Agreement as are needed to maintain the benefit of the bargain for each Party, consistent with the intentions of the Parties expressed herein. If, the Parties are not able to agree upon appropriate modifications or amendments, the matter shall be resolved through the procedures set forth in Section 14 ("**Dispute Resolution**").

11.4 Preservation of Rights. Notwithstanding any other provision in this Agreement, each Party shall retain all rights to contest in good faith, by appropriate legal proceedings, the validity or application of any Legal Requirement, and if by the terms of any such Legal Requirement, compliance therewith pending the prosecution of any such proceeding may legally be held in abeyance, the challenging Party may postpone compliance therewith until the final determination of any such proceedings, provided that all such proceedings shall be prosecuted with all due diligence and dispatch.

12. PROVISION OF INFORMATION

12.1 Inspection of Records and Reports. The Contractor agrees to make available to the Authority for its inspection during normal business hours, in the Contractor's offices and subject to reasonable advance request, such records and reports regarding the Terminal Facilities and its operation and maintenance as is reasonably necessary to ensure that the Contractor is in compliance with the Contractor's obligations under this Agreement. So the Authority can satisfactorily exercise the valuation of the Agreement for purposes of the Authority Buyout, commencing January 1, 2032, the Contractor will provide access to the books and records of the Contractor with a detailed trial balance in workable, native Excel format (or comparable format, provided it can be exported for use and manipulation in Excel) for a two (2) year period prior to request by the Authority, if requested by the Authority, as it relates to the operations and activities of the Contractor under this Agreement.

12.1.1 Performance Reporting. The Parties shall establish commercially reasonable performance criteria and standards based upon comparable airports with evaluation milestones and metrics. To the extent that the Contractor is in control of ground handling, the Contractor will provide information regarding performance criteria that impacts the public or public perception (such as passenger satisfaction and wait times) to the Authority.

12.1.2 Financial and Performance Audits. Subject to the provisions of sub-Section 12.1.2(d) below, at the Authority's sole cost and expense, the Authority shall be entitled to financial and performance audits and/or review of the Contractor relating to this Agreement, including:

(a) A mandatory audit of this Agreement by a Certified Public Accountant/Auditing Firm, which shall be selected by the Authority at the Authority's discretion, the term of which shall follow the Authority's fiscal year of October 1, 2016 through September 30, 2017, and completed no later than January 31, 2018. For clarification, all financial audits in this Section 12.1.2 shall be performed by a Certified Public Accountant.

(b) A mandatory audit by a Certified Public Accountant/Auditing Firm at the Authority's discretion and/or election, at least one time every three (3) years, including without limitation any special audit of all or selected Terminal Revenues reported by the Contractor, with each audit covering no more than the previous three (3) years, and only applicable for those years not previously audited, which shall be completed no later than October 31 of any given Year in which the audit is performed.

(c) Review by the Authority and the Contractor of all standard rates and charges for the Airport set by the Authority in November each year as part of the Authority's budget preparation for the Authority's following fiscal year, or such other time that the Authority's Board of Directors may schedule, subject to reasonable advance notice to the Contractor.

(d) The Contractor shall make all necessary accounting records to validate the revenues available to the Authority at a location in Seminole County, Florida. For any audit conducted pursuant to this Section 12.1.2, an audit report will be issued by the Authority or its representatives and made available to the Contractor. The Contractor shall have thirty (30) days to comment in writing on the audit report. Failure of the Contractor to submit such written comments shall constitute acceptance of the audit report as issued. Any unresolved dispute with respect to the audit report shall be resolved through the procedures set forth in Section 14 ("**Dispute Resolution**"). If it is determined that the Contractor has underpaid the Authority's Share of Terminal Revenues by five percent (5%) or more, or if the records of the Contractor are in such a state that the revenue due the Authority cannot be properly determined, then the cost of the audit and the shortfall in the Authority's Share of Terminal Revenues plus interest at the highest legal rate shall be paid by the Contractor.

Notwithstanding the foregoing, the Contractor shall be under no obligation to make available to the Authority any information about the costs incurred by the Contractor in exercising its rights or performing its obligations under this Agreement except to the extent that such information is required to be made available to the Authority by any Legal Requirement (including but not limited to any complaint to or investigation by the FAA with respect to the Authority's rates and charges). To the extent that any requisite records or reports are not located in the State of Florida, the Contractor shall be responsible for the payment of reasonable travel costs necessary for the Authority to exercise its inspection rights set forth above.

12.2 Reports and Joint Meetings.

12.2.1 Periodic Reports. The Contractor shall provide periodic reports to the Authority on such aspects of the operation of the Terminal Facilities as the Authority may

reasonably request from time to time, including but not limited to: (i) an annual statement of Terminal Revenues provided to the Authority annually no later than thirty (30) days after publication of the Contractor's audited results; (ii) monthly statistical data on air carrier operations (covering gate utilization by carrier and type of aircraft passenger; freight, and mail enplanements and deplanements; numbers of flights per day by hour); (iii) monthly statistical data on concession sales volume and gross revenues, parking lot revenues, and rental car gross revenues; and (iv) sufficient data for the Authority to file its required annual FAA 127 Report. The Authority shall solely be responsible for submitting official reports of such statistical data to the FAA, FDOT, and other governmental agencies, as well as to news media and aviation statistical clearinghouses such as ACI, AAAE, ICAO, IATA, and ATA.

12.2.2 Additional Monthly Reporting Requirements of the Contractor. The Contractor shall provide:

(a) An oral report for airline marketing and procurement negotiations, as needed, but not less than monthly;

(b) An oral report for performance metrics and evaluation of marketing effectiveness, as needed, but not less than monthly; and

(c) A written report for the operation, maintenance, repair, and replacement activities, using a CMMS-generated monthly (and a quarterly consolidated) report, and incorporating a defined scope of activities to be approved by the Authority that will be included in the CMMS report, and which will include, but not necessarily be limited to the status of repair completion of any given item and the related costs), all with allowable access to the CMMS reporting system.

(d) Data provided (such as Aircraft Operations) in reports pursuant to this Section 12.2.2 shall be reported monthly using raw and compiled data in a native and workable format (not PDF format), which can be manipulated by the Authority for analysis and report compilation initiatives.

(e) During the last five (5) years of the Term of this Agreement, in addition to any reporting requirements under this Agreement, the Contractor shall provide the Authority with monthly detailed trial balances relating to all operations under this Agreement.

12.2.3 Additional Disclosure of the Contractor. The Contractor will provide not less than once per Year or as reasonably requested by the Authority, a list of all the Contractor affiliated entities that have third party provider permits for the Airport, or that are doing aeronautical business related to the Airport directly with the Contractor. In addition, the Contractor will provide annually a list or schedule of the Contractor debts, revenues, and equity transfers with any Contractor affiliate conducting business at the Airport. The Authority acknowledges that the Contractor has an affiliate, SFB Fueling, LLC, that provides contract fuel sales at the Airport. The Authority also acknowledges that the Contractor has an affiliate, TBI RE, which owns real property west of Red Cleveland Blvd. and north of Marquette Ave. which

is subject to an existing land lease, and may be developed in the future as noted herein. The Authority also acknowledges that the Contractor currently subcontracts with an affiliate, TBI Airport Management, Inc., a Delaware corporation, to provide ground handling services at the Airport. The Authority further acknowledges that the Contractor shares expenses with affiliated entities and these entities may or may not be the same as those recognizing revenues at the Airport.

12.2.4 Joint Meetings and Efforts by the Parties.

(a) Monthly Meetings. The Parties will hold regularly scheduled monthly meetings, which shall be attended by the Parties' respective executive staff and their designees only, to verbally and informally discuss (1) the ongoing status of operational issues; (2) recent airline negotiations, and (3) information regarding any new airline procurement negotiations for the Airport by the Contractor or any other affiliated entity. The Parties need not record minutes of such monthly meetings. The Contractor shall notify the Authority of any new airline procurement negotiations by the Contractor or any other affiliated entity, and include the Authority in all airline procurement negotiations and agreements from commencement of discussions.

(b) Annual Meetings.

(i) The Parties will hold annual strategic, master planning, and development meetings for five (5) year planning to assure transparency and coordinated efforts of each Party, which shall be attended by both the Authority and Contractor Board Chairpersons or their designees and executive staff from both the Authority and the Contractor.

(ii) The Parties will establish a list and budget annually for capital expenses and improvements for the Terminal Facilities for five (5) year increments, with input from and involvement with the Authority to consider and approve a list of projects (not expenses) at or in the vicinity of the Airport by each Party for planning purposes.

(iii) The Authority shall invite the Contractor to attend and participate in the Authority's meetings with FAA and/or FDOT regarding monetary grant initiatives.

(iv) The Parties shall hold and participate in annual joint Board of Director meetings with their respective Board of Director members for review and discussion of past performance, and Airport future master planning and development to (1) discuss any current or future development initiatives on or adjacent to the Airport within one (1) mile radius of the Airport property; and (2) inform the Authority whether the Contractor or any affiliate, sister, or parent entity of the Contractor acquires or leases additional property within a one (1) mile radius of the Airport property.

12.3 Contractor Provision of Information to Third Parties. The Contractor will furnish to any third party such information regarding the Terminal Facilities and its operation and management as it is required to provide by any applicable Legal Requirement and on such

terms as may be dictated by such Legal Requirement. Notwithstanding the preceding sentence, the Contractor may challenge or refuse to comply with any claim to or request for information by any third party, provided, however, that in the event of such challenge or refusal to comply, the Contractor will indemnify the Authority, and its directors, officers, employees, agents, attorneys, successors, and assigns with respect to any Claims deriving from such challenge or refusal to comply.

13. DEFAULTS AND REMEDIES

13.1 Contractor Events of Default. The occurrence of any of the following shall constitute an event of default by the Contractor ("**Contractor Event of Default**") for purposes of this Agreement:

13.1.1 Breach of Representations or Obligations. The breach by the Contractor of any representation, covenant, warranty or obligation of the Contractor under this Agreement, not caused by Unforeseen Circumstances, that has a Material Adverse Effect on the Authority;

13.1.2 Insolvency. The institution against the Contractor of bankruptcy, insolvency, reorganization, arrangement, debt adjustment, liquidation or receivership proceedings in which it is alleged that the Contractor is insolvent or unable to meet its debts as they mature;

13.1.3 Dissolution. The Contractor shall become a corporation in dissolution under applicable bankruptcy or insolvency laws;

13.1.4 Liens. A lien which exceeds twenty-five thousand dollars (\$25,000), or liens which in the aggregate exceed fifty thousand dollars (\$50,000), shall be filed against the Terminal Facilities, or any portion thereof, because of any act(s) or omission(s) of the Contractor, its employees or agents, and are not discharged within thirty (30) days after receipt of notice or other knowledge thereof by the Contractor. The Contractor may however within the aforesaid thirty (30) days, furnish to the Authority evidence that it has bonded off such lien or liens, which in essence removes the lien encumbrance and transfers it to some form of security in the amount of such lien or liens and removes the lien against the interests of the Authority;

13.1.5 Failure to Operate and Manage Safely. The operation and maintenance of (or the failure to operate and maintain) the Terminal Facilities or the operation of (or the failure to operate) the Terminal Ramps as provided in Section 2.3.7 ("**Control of Movements on and Responsibility for the Terminal Ramps**") by the Contractor in such a manner as to create a situation which poses a real, serious, and immediate threat to the health, safety and public welfare of the City of Sanford, its citizens or the traveling public; or

13.1.6 Felony. Any act or omission by the Contractor in connection with its obligations under this Agreement which constitutes a felony under applicable law.

13.1.7 Cross-Default. "**LESSEE Event of Default**", as provided under Lease No. 2017-24 (also commonly referred as the *Fuel Farm Lease*) between the Contractor and the

Authority, as that term is defined therein, which is not due to any Unforeseen Circumstances, that results in a Material Adverse Effect on the Authority shall be deemed as a Contractor Event of Default under this Agreement.

13.2 **Authority Events of Default.** The occurrence of any of the following shall constitute an event of default by the Authority ("**Authority Event of Default**") for purposes of this Agreement:

13.2.1 **Breach of Representations or Obligations.** The breach by the Authority of any representation, covenant, warranty or obligation of the Authority under this Agreement, not caused by Unforeseen Circumstances, that has a Material Adverse Effect on the Contractor;

13.2.2 **Insolvency.** The institution against the Authority of bankruptcy, insolvency, reorganization, arrangement, debt adjustment, liquidation or receivership proceedings in which it is alleged that the Authority is insolvent or unable to meet its debts as they mature; or

13.2.3 **Dissolution.** The Authority shall become a corporate body politic in dissolution under applicable bankruptcy or insolvency laws.

13.3 **Notice and Cure.** The non-defaulting Party shall give written notice to the Party in default of any Event of Default. The Party in default shall have thirty (30) days from the date of receipt of such notice to (i) contest such Notice of Default if the Party in default has a good faith basis to do so, in which case the Parties shall institute dispute resolution procedures as set forth in Section 14 ("**Dispute Resolution**") or (ii) cure the default (hereinafter referred to as the "**First Cure Period**"). If such default is not cured at the expiration of the First Cure Period, and the defaulting Party is diligently pursuing a cure, such cure period shall be extended for an additional thirty (30) day period (hereinafter referred to as the "**Second Cure Period**"). If such default has not been cured at the expiration of the Second Cure Period and the defaulting Party is still diligently pursuing a cure which is reasonably expected to occur within a reasonable period of time, the Party in default shall provide the non-defaulting Party with security adequate to protect the non-defaulting Party from any Damages which may reasonably be caused by the lack of a timely cure by the defaulting Party. If such default has not been cured at the expiration of the Second Cure Period and the defaulting Party is not diligently pursuing a cure or such a cure is not expected to occur within a reasonable period of time, the non-defaulting Party may exercise any of the remedies set forth in Section 13.4 ("**Remedies**") herein. Notwithstanding the cure period outlined above, if an Event of Default is due to a violation of City of Sanford life safety code or regulation, the Contractor shall waive the requisite thirty (30) day notice period, and if the Contractor fails to cure the default within twenty-four (24) hours of notice of such violation, the Authority may, but is not obligated to take immediate action and implement self-help remedies, and proceed as allowed by Section 13.4.1(a) below. Furthermore, notwithstanding the cure period outlined above, if an Event of Default is due to a violation of City of Sanford Building Code or regulation, the Contractor shall waive the requisite thirty (30) day notice period, and if the Contractor fails to cure the default within three (3) days of notice of such

violation, the Authority may, but is not obligated to take immediate action and implement self-help remedies, and proceed as allowed by Section 13.4.1(a) below.

13.4 **Remedies**. The following remedies shall be available to the non-defaulting Party against a Party which has committed an Event of Default which does not cure its Event of Default as set forth in Section 13.3 ("**Notice and Cure**"):

13.4.1 **Authority Remedies**. If the Party in default is the Contractor, the Authority may:

(a) Elect a reasonable self-help remedy or remedies. If the Contractor fails to cure the Event of Default after the Authority provides the requisite notice as outlined in Section 13.3 above, and the Authority elects the self-help remedy, the Contractor shall reimburse the Authority for its self-help costs, plus an administrative fee of twenty-five percent (25%) of the costs incurred by the Authority for the self-help remedy; or

(b) Terminate this Agreement, as set forth in Section 14.4 ("**Termination**").

13.4.2 **Contractor Remedies**. If the Party in default is the Authority, the Contractor may (i) withhold payment of the compensation payable to the Authority pursuant to Section 5.2 ("**Consideration Due to the Authority**"), without such non-payment constituting a Contractor Event of Default, until such time as the default is cured; and/or (ii) terminate this Agreement as set forth in Section 15 ("**Termination**").

13.4.3 **Expenses**. The Party in default shall reimburse the non-defaulting Party and be responsible for all the expenses incurred as a result of the default, including Damages. If the default is a monetary default, the Party in default shall pay the amount owed plus the legal rate of interest (as prescribed under Florida law) on that amount, accrued at the legal rate of interest, from the date of default until the date of payment notwithstanding the availability of the cure periods set forth above.

13.4.4 **Other**. Notwithstanding any other provision of this Agreement, the remedies provided in this Agreement shall be cumulative and, in addition to the remedies specified herein, the non-defaulting Party shall have available to it all remedies available at law or in equity. The Parties agree that any remedy sought by a Party as a result of an uncured Event of Default by the other Party shall be just, reasonable, and appropriate in relation to the nature of the Event of Default.

14. **DISPUTE RESOLUTION**

14.1 **Negotiation**. The Authority and the Contractor shall attempt in good faith to resolve any and all controversies or Claims arising out of or relating to this Agreement, including but not limited to any Event of Default that is contested as contemplated under Section 13.3 ("**Notice and Cure**") promptly by negotiation, including referring such matter to the President/Chief Executive Officer of the Airport and the President of the Contractor.

14.2 **Exchange of Statements.** In the event such negotiation efforts fail to resolve such controversies or Claims, the disputing Party shall give the other Party written notice of the dispute. Within twenty (20) days after receipt of said notice, the receiving Party shall submit to the other Party a written response. The notice and response shall include (a) a statement of each Party's position and a summary of the facts and arguments supporting its position, and (b) the name and title of the executive who will represent that Party. The executives shall meet at a mutually acceptable time and place within thirty (30) days of the date of the disputing Party's notice and thereafter as often as they reasonably deem necessary to exchange relevant information and to attempt to resolve the dispute.

14.3 **Mediation.** If the matter has not been resolved within sixty (60) days of the disputing Party's notice, or if the Party receiving said notice will not meet within said thirty (30) days, the matter must then be submitted to mediation (with the Parties sharing equally the cost of the mediator's fee) prior to any equitable or legal action being filed. Upon either Party's initiation of the mediation process, the Parties shall work with each other in good faith to agree on one (1) mediator. If they cannot agree on one (1) mediator, the Party initiating mediation shall request the Circuit Court for Seminole County to appoint a mediator. The mediation meeting shall not exceed one (1) day of eight (8) hours, unless mutually agreed upon by the Parties.

14.4 **Litigation.** If the matter cannot be resolved by mediation within ninety (90) days of the disputing Party's notice, or if the Party receiving said notice will not mediate within said sixty (60) days, either Party may initiate litigation with the venue for such litigation exclusively in Seminole County, Florida.

15. **TERMINATION**

15.1 **Termination Prior to End of Term.** This Agreement (i) will automatically terminate at the end of the Term, or (ii) may be terminated prior to the end of the Term solely by:

- (a) mutual written consent of the Authority and the Contractor;
- (b) the Authority, if a Contractor Event of Default has occurred as set forth in Section 13.4.1 ("**Authority Remedies**") subject to the requirements of Section 14 ("**Dispute Resolution**");
- (c) the Contractor, if an Authority Event of Default has occurred as set forth in Section 13.4.2 ("**Contractor Remedies**") subject to the requirements of Section 14 ("**Dispute Resolution**");
- (d) either Party, if there shall be a No Fault Termination Event; or
- (e) either Party pursuant to any other termination right as provided in this Agreement.

15.2 **Effect of Termination.** In the event of the termination of this Agreement:

(a) This Agreement shall forthwith become void, and there shall be no liability or obligation on the part of any Party hereto or its officers, directors or shareholders. Notwithstanding the foregoing sentence, (i) the provisions of Section 4.5 (“**Obligations of the Contractor at the End of the Term or Early Termination**”), Section 13 (“**Defaults and Remedies**”) and Section 17 (“**Indemnification and Obligations**”) shall remain in full force and effect and survive any termination of this Agreement; and (ii) each Party shall remain liable for any breach of this Agreement or Event of Default prior to its termination;

(b) each Party shall promptly pay the other Party any sums due the other Party; and

(c) the Contractor shall forthwith surrender the Terminal Facilities to the Authority in good order, repair, and condition, ordinary wear and tear excepted.

15.3 **Transition at Termination.** Prior to the Termination Date, the Contractor shall cooperate with the Authority to ensure a smooth transition of the operation and maintenance of the Terminal Facilities. Such cooperation shall commence at least one (1) year prior to the Termination Date, or, in the event of a No-Fault Termination Event or an unexpected termination (other than an early termination pursuant to Sections 4.2 or 4.3), as early as is reasonably feasible. Maintenance and repair of the Terminal Facilities shall occur as set forth in Section 2.3.6 (“**Routine Maintenance, Repairs, and Landscaping**”) and Section 2.5 (“**Repairs or Replacement of Fixed Assets**”) until the Termination Date.

15.4 **Operating Expenses after Termination.** Notwithstanding any other provision herein, the Authority shall be solely responsible for all expenses pertaining to the Terminal beginning at 12:01 a.m. the day after the Termination Date.

16. **FURTHER EXPANSION AND MODIFICATION OF THE TERMINAL FACILITIES**

16.1 **Notice and Negotiation.** The Parties agree to keep each other informed as to circumstances and information indicating a need for further expansion or modification of the Terminal Facilities. Either Party may give notice at any time that it desires to commence negotiations for amendment of this Agreement to provide for expansion or modification of the Terminal Facilities and for the payment of modified compensation to the Parties. Upon receipt of such notice, the Authority and the Contractor shall attempt to resolve all such matters in good faith.

16.2 **Future Development.** The Parties agree to discuss in good faith opportunities that may arise to expand or modify the Terminal Facilities as such opportunities arise. Without limiting any other rights or obligations set forth herein, the Authority will consult in a timely manner with the Contractor, and involve the Contractor in all discussions, negotiations and planning regarding any proposed additional development or expansion to or modification of the Terminal Facilities. The Parties agree to negotiate in good faith such amendments of this

Agreement as may be required to incorporate such expansions or modifications into this Agreement. Notwithstanding the foregoing, in the event the Authority plans any future development that affects or impacts any of the existing Terminal Parking Lots, the Authority reserves the absolute right to relocate and replace any parking spaces that are impacted at its sole cost and expense, and such impact and relocation activity by the Authority shall not be deemed as a "Taking" under this Agreement, nor any other instrument where such an assertion, claim, or demand could be made by the Contractor.

16.3 **Absence of Agreement.** Nothing in this Agreement imposes any obligation on either Party to expand or modify the Terminal Facilities. In the event the Authority and the Contractor cannot agree upon an amendment to this Agreement, the Contractor and the Authority shall continue to comply with their respective duties pursuant to this Agreement unless otherwise terminated. In the absence of agreement, the Authority, at its sole discretion, may choose to expand or modify the Terminal Facilities.

16.4 **Additional Surface and/or Structured Off-Street Parking by the Authority.** The Authority at its sole discretion may, from time to time, elect to construct additional surface area and/or structured off-street parking ("New Terminal Parking by the Authority") whose principal purpose will be to service persons using the Terminal Facilities. If the Authority elects to construct any surface area and/or structured off-street parking at the Airport, the Authority will in good faith negotiate a management agreement with the Contractor for the New Terminal Parking by the Authority. If the Parties are unable to successfully negotiate such management agreement, the Parties may resort to Dispute Resolution as provide in Section 14 above. If the Parties are unable resolve the dispute and successfully negotiate such management agreement, the Authority may negotiate such a management agreement with a third party for the New Terminal Parking by the Authority.

16.5 **Additional Surface and/or Structured Off-Street Parking by the Contractor.** Subject to the approval by the Authority, which approval may be conditioned or denied, the Contractor may from time to time, elect to construct additional surface area and/or structured off-street ("New Terminal Parking by Contractor") which principal purpose will be to service persons using the Terminal Facilities. If the Contractor elects to construct any surface area and/or structured off-street parking at the Airport, (i) the Contractor shall request written approval from the Authority, and (ii) provide the Authority with schematic plans and specifications in sufficient and reasonable detail for the Authority to consider the request. If the Authority approves the proposed New Terminal Parking by the Contractor, the Contractor may design and construct the New Terminal Parking by the Contractor at the Contractor's sole cost and expense. Upon completion of the New Terminal Parking by the Contractor, any Parking Revenues generated therefrom shall be subject to the terms and conditions of Section 5.2.3 ("Parking Revenues").

17. **INDEMNIFICATION AND OBLIGATIONS**

17.1 **Contractor to Indemnify the Authority.** The Contractor shall defend, protect, indemnify, and hold harmless the Authority, the City of Sanford, Florida, and its directors,

officers, elected officials, employees, agents, attorneys, successors, and assigns from all liability, claims, actions, charges, allegations, demands, administrative proceedings, costs, fines, penalties, investigations, and Damages of any nature whatsoever, including attorneys' fees (hereinafter referred to as "**Claims**"), which arise from the negligent act(s) or omission(s) or willful or intentional misconduct of the Contractor, its employees or agents in connection with the performance of the Original Operating Documents, and this Agreement during the Term. Such Claims include, but are not in any way limited to, Claims relating to (a) personal injury (including bodily injury and mental injury) and/or damage to, loss of use of and/or loss of any personal or real property which is caused by or arises out of the negligent act(s) or omissions(s) or willful or intentional misconduct of the Contractor, its employees or agents; (b) any breach of any representation, covenant or warranty of the Contractor set forth in this Agreement; and/or (c) any violation by the Contractor, its employees or agents of any Legal Requirement.

17.2 Authority to Indemnify the Contractor. To the extent allowed under Florida law, the Authority shall defend, protect, indemnify, and hold harmless the Contractor, its parents, and subsidiaries and their shareholders, members, directors, officers, employees, agents, attorneys, successors, and assigns from all Claims which arise from or are due to (a) the negligent act(s) or omission(s) or willful or intentional misconduct of the Authority, its agents or employees (excluding the Contractor, its employees or agents), including but not limited to Claims relating to personal injury and/or damage to, loss of use of and/or loss of any personal or real property; and/or (b) any breach of any representation, covenant or warranty of the Authority set forth in this Agreement; and/or (c) any violation by the Authority, its employees or agents (excluding the Contractor and its employees and agents) of any Legal Requirement.

17.3 Environmental Indemnity to the Contractor. Without limiting the applicability of Section 17.1 ("**Authority to Indemnify the Contractor**") in any respect, to the extent allowed by Florida law, the Authority shall indemnify and hold harmless the Contractor, its parents, and subsidiaries and their shareholders, members, directors, officers, employees, agents, attorneys, successors, and assigns for any Damages to the extent they arise from any of the following conditions or events, to the extent that said condition or event existed on or prior to the applicable effective dates of the Original Operating Documents, or which are attributable to the negligent act(s) or omission(s) or willful or intentional misconduct of the Authority, its predecessors, employees or agents:

(a) the condition disclosed at: (i) Section 7.12.3 (specifically relating to a known asbestos-containing building material at the boiler room on the second floor of the Terminal Facilities), and (ii) Section 7.12.7 above;

(b) any Release, threatened Release or disposal of any Hazardous Material at the Terminal Facilities;

(c) the violation of any Environmental Law at, or with respect to, the Terminal Facilities;

(d) any Environmental Claim in connection with the Terminal Facilities; Facilities

- (e) the de-icing of airplanes at the Terminal Facilities;
- (f) the exposure, whether or not resulting in disease or injury, of any person to Hazardous Materials at any time located on, released, released from, disposed on or migrating from the Terminal Facilities;
- (g) any event, circumstance, occurrence, Release, threatened Release or condition that occurred or was in existence at the Terminal Facilities; or
- (h) the inaccuracy or breach of any representation or warranty by the Authority contained in Section 7.12 (“**Environmental**”).

17.4 **Environmental Indemnity to the Authority.** Without limiting the applicability of Section 17.1 (“**Contractor to Indemnify the Authority**”) herein in any respect, the Contractor shall indemnify and hold harmless the Authority and its directors, officers, employees, agents, attorneys, successors, and assigns for any Damages to the extent they arise from any of the following events, after the applicable effective dates of the Original Operating Documents which are caused or attributable to the negligent act(s) or omission(s) or willful or intentional misconduct of the Contractor, its employees or agents:

- (a) any Release, threatened Release or disposal of any Hazardous Material at the Terminal Facilities;
- (b) the violation of any Environmental Law at, or with respect to, the Terminal Facilities;
- (c) any Environmental Claim in connection with the Terminal Facilities;
- (d) the de-icing of airplanes at the Terminal Facilities;
- (e) any Release or threatened Release;
- (f) the exposure, whether or not resulting in disease or injury, of any person to Hazardous Materials at any time located on, released, released from, disposed on or migrating from the Terminal Facilities; or
- (g) any violation of the terms of Section 8.3 (“**Environmental Compliance**”) by the Contractor.

17.5 **Fines and Penalties.** The Contractor shall be liable for civil or criminal penalties and/or fines imposed by any Governmental Authority for violation of any Legal Requirement, which civil or criminal penalties and/or fines are a result of the failure of the Contractor, its employees, agents or subcontractors (except for such agents or subcontractors who are party to any Terminal Agreement which does not indemnify the Contractor, its employees, agents or subcontractors for such civil or criminal penalties and/or fines) to operate and maintain the

Terminal Facilities in accordance with the terms of this Agreement and/or otherwise arise out of or relate to the negligent act(s) or omission(s) or willful or intentional misconduct of the Contractor, its employees, agents or subcontractors. The Authority shall be liable for all other civil or criminal penalties and/or fines imposed by any Governmental Entity for violation of any Legal Requirement relating to the Terminal Facilities for which the Authority is responsible (except for liability of the Contractor, its employees, agents or subcontractors (except for such agents or subcontractors who are party to any Terminal Agreement which does not indemnify the Contractor, its employees, agents or subcontractors for such civil or criminal penalties and/or fines)). Each Party hereby agrees to assist the other, to the extent warranted, in defending or contesting any such civil or criminal penalties and/or fines in any administrative or court proceeding prior to the payment of such civil or criminal penalty and/or fine. Each Party shall be responsible for the cost of contesting any civil or criminal penalty and/or fine for which it is liable hereunder together with any Damages to the other Party resulting therefrom.

17.6 **Demand for Indemnification.** If any action is brought against a Party to this Agreement entitled to indemnification pursuant to this Section 17 ("**Indemnification and Obligations**") (hereinafter referred to as an "**Indemnified Party**") in respect of which indemnity may be sought against the Party granting indemnification (hereinafter referred to as an "**Indemnifying Party**") pursuant to this Section 17 ("**Indemnification and Obligations**"), the following provisions shall apply:

(a) Such Indemnified Party shall promptly notify such Indemnifying Party in writing of the Claim or right to indemnity.

(b) The failure to notify the Indemnifying Party of any such action shall not release the Indemnifying Party from any liability it may have to such Indemnified Party, unless the Indemnifying Party is prejudiced thereby, in which case the latter is released to the extent of the prejudice.

(c) In case any such action is brought against an Indemnified Party and it notifies an Indemnifying Party of the commencement thereof, the Indemnifying Party against which an indemnity claim is to be made shall be entitled to assume and conduct the defense of that action and to otherwise participate therein at its own expense, with counsel reasonably satisfactory to such Indemnified Party. The Indemnified Party shall still be entitled to have counsel chosen by the Indemnified Party participate in, but not conduct, the defense.

(d) If the defendants/opposing parties to any such action include both the Indemnified Party and the Indemnifying Party, and the Indemnified Party shall have reasonably concluded, based upon advice of counsel, that there may be legal defenses available to it and/or other indemnified parties which are different from or additional to those available to the Indemnifying Party, the Indemnified Party shall have the right to select separate counsel to assume such legal defenses and otherwise to participate in the defense of such action on behalf of such Indemnified Party or indemnified parties at the expense of the Indemnifying Party.

(e) Upon receipt of notice from the Indemnifying Party to such Indemnified Party of its election to assume the defense of such action and approval by the Indemnified Party of counsel, the Indemnifying Party shall not be liable to such Indemnified Party under this Section 17 ("**Indemnification and Obligations**") for any legal or other expenses subsequently incurred by such Indemnified Party in connection with the defense thereof unless, (i) the Indemnified Party shall have employed such counsel in connection with the assumption of legal defenses in accordance with Section 17 ("**Indemnification and Obligations**") herein (it being understood, however, that the Indemnifying Party shall not be liable for the expenses of more than one separate counsel); (ii) the Indemnifying Party shall not have employed counsel reasonably satisfactory to the Indemnified Party to represent the Indemnified Party within a reasonable time after notice of commencement of the action; or (iii) the Indemnifying Party has authorized the employment of counsel for the Indemnified Party at the expense of the Indemnifying Party.

(f) An Indemnifying Party shall not be liable for any settlement of any Claim, action or proceeding affected without its written consent.

17.7 **Survival of Obligation.** The obligations set forth under this Section 17 ("**Indemnification and Obligations**") shall survive the Termination Date.

18. **MISCELLANEOUS**

18.1 **Entire Agreement; Modification.** This Agreement and the schedules attached hereto contain the entire understanding between the Authority and the Contractor with respect to the subject matter hereof, and supersede all prior and contemporaneous agreements and understandings, inducements, and conditions, expressed or implied, oral or written, except as herein contained. The express terms herein control and supersede any course of performance or usage of the trade inconsistent with any of the terms herein. This Agreement and the schedules attached hereto may not be modified or amended other than by an agreement in writing signed by the Authority and the Contractor.

18.2 **Waiver.** Neither the failure nor any delay on the part of any Party to exercise any right, remedy, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege preclude any other or further exercise of the same or of any other right, remedy, power or privilege with respect to any occurrence be construed as a waiver of such right, remedy, power or privilege with respect to any other occurrence. No waiver shall be effective unless it is in writing and is signed by the Party asserted to have granted such waiver.

18.3 **The Authority's Ability to Waive Certain Provisions.** If, based upon the advice of nationally recognized bond counsel, the Authority reasonably concludes that any provision of this Agreement would adversely affect any exclusion of interest for federal income tax purposes on any tax-exempt obligations, the Authority may, at its option, either (i) waive such provision(s), in which case this Agreement shall be deemed to have been amended to delete such provision(s), or (ii) request the Contractor to negotiate in good faith to amend such provision(s)

to reduce or eliminate such risk while preserving the original intent of the Authority and the Contractor to the extent practical. If any action taken under this Section 18.3 (“**The Authority’s Ability to Waive Certain Provisions**”) changes the scope of the services to be provided under this Agreement, the Authority and the Contractor shall make an appropriate adjustment to this Agreement.

18.4 **No Challenge**. Each Party agrees and acknowledges its belief that this Agreement and all provisions, rights and obligations contained herein are consistent with all Legal Requirements. Neither Party will challenge, contest or take any position denying (or encourage or cooperate with any third party challenging, contesting or denying) the validity of this Agreement or any provision, right or obligation contained herein under any Legal Requirement (including, but not limited to, any state or federal aviation law), and both Parties will seek to uphold the validity of this Agreement and any provision, right or obligation contained herein if challenged by any third party as inconsistent with any Legal Requirement.

18.5 **Governing Law**. This Agreement and all questions relating to its validity, interpretation, performance, and enforcement shall be governed by the laws and decisions of the courts of the State of Florida, notwithstanding any Florida or other conflict-of-law provision or court decision to the contrary.

18.6 **Lobbying Actions**. The Parties agree to consult with each other and to coordinate their efforts at the local, state and federal level when lobbying, seeking funding, or other economic assistance for the Airport. The Parties shall require their agents and independent contractors to provide services which are consistent with this Section 18.6 (“**Lobbying Actions**”) of the Agreement.

18.7 **Consent to Jurisdiction**. Subject to the requirements set forth in Section 14 (“**Dispute Resolution**”), both Parties hereby irrevocably consent to the jurisdiction of the Circuit Court for Seminole County, Florida or the Federal Court located in the Middle District of Florida, in connection with any action or proceeding arising out of or relating to this Agreement or any document or instrument delivered with respect to any of the obligations hereunder, provided, however, that nothing herein shall constitute a waiver of a Party’s right to seek removal or dismissal of any action or proceeding on any grounds available under law (including, but not limited to, diversity of jurisdiction or other jurisdictional defenses).

18.8 **Notices**. All notices, requests, demands, and other communications required or permitted under this Agreement shall be in writing and shall be deemed to have been received when delivered by hand or by facsimile (with confirmation by registered or certified mail) or on the third business day following the mailing, by registered or certified mail, postage prepaid, return receipt requested, thereof, addressed as set forth below:

To the Authority:

Attn: CEO and President
Sanford Airport Authority
1200 Red Cleveland Blvd.
Sanford, Florida 32773
Fax: (407) 585-4045

With a copy to:

Kenneth W. Wright, Esq., General Counsel, and
Brett R. Renton, Esq., Deputy General Counsel
Shutts & Bowen LLP
300 South Orange Avenue, Suite 1000
Orlando, FL 32801
Fax: (407) 425-8316

To the Contractor:

Attn: CEO and President
Orlando Sanford International, Inc.
3200 Red Cleveland Blvd.
Sanford, Florida 32773
Fax: (407) 585-4545

With a copy to:

Attn: General Counsel
Orlando Sanford International, Inc.
3200 Red Cleveland Blvd.
Sanford, Florida 32773
Fax: (407) 5-4596

Any Party hereto may change the address to which notices are to be sent by giving notice of such change of address in conformity with this Section 18.8 ("Notices").

18.9 Binding Nature of Agreement; Assignment. This Agreement shall be binding upon and inure to the benefit of the Authority and the Contractor and their successors and assigns. The Contractor may not assign or transfer its right and/or obligations under this Agreement to any third-party without the sole and absolute written consent of the Authority, which consent shall be conditioned upon the Authority's reasonable evaluation of the prospective third party assignee, and its qualifications (including but not limited to assets, experience, financial capital, and the like). The Authority may assign its right and/or obligations under this Agreement to a private entity, subject to the approval of the Contractor, which approval shall not

be unreasonably withheld or delayed. Notwithstanding the foregoing, if the Authority assigns its right and/or obligations under this Agreement to another non-foreign Governmental Entity, no consent of the Contractor will be allowed or permitted.

18.10 **Nature of Relationship.** The relationship of the Parties under this Agreement is that of owner and independent contractor, except as may otherwise be specifically stated herein. The Authority is owner of the Terminal Facilities and the Contractor shall act as an independent contractor to the Authority for the safe, professional, and cost efficient management and operation of the Terminal Facilities. Nothing herein is intended to, or shall be construed to, create the relationship of landlord and tenant, partners, joint venturers or of employer and employee between the Authority and the Contractor.

18.11 **Execution in Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original as against any Party whose signature appears thereon, and all of which shall together constitute one and the same instrument. This Agreement shall become binding when one or more counterparts thereof, individually or taken together, shall bear the signatures of the Authority and the Contractor reflected hereon as the signatories.

18.12 **Severability.** The provisions of this Agreement and of each section or other subdivision herein are independent of and separable from each other, and no provision shall be affected or rendered invalid or unenforceable by virtue of the fact that for any reason any other or others of them may be invalid or unenforceable in whole or in part unless this Agreement is rendered totally unenforceable thereby.

18.13 **Sections.** This Agreement is divided into sections, numbered in whole Arabic numbers, each of which is subdivided into subdivisions numbered with the whole Arabic designation of the section in which it is located, followed by a decimal point and an Arabic numeral designating the subdivision. Both the sections and the subdivisions are referred to as "Sections." In construing this Agreement, the word Section should be given the meaning which its context suggests and doubts should be resolved in favor of the broader designation.

18.14 **Section Headings.** The section headings in this Agreement are for convenience of reference only. The section headings form no part of this Agreement and shall not affect its interpretation.

18.15 **Gender.** Words used herein, regardless of the number and gender specifically used, shall be deemed and construed to include any other number, singular or plural, and any other gender, whether masculine, feminine or neuter, which the context may require.

18.16 **No Third-Party Beneficiaries.** Nothing herein is intended to give, nor shall it have the effect of giving, any enforceable rights to any third parties who are not Parties or successors or permitted assigns of the Parties, whether such claims are asserted as third party beneficiary rights or otherwise. Notwithstanding the foregoing, those persons or entities named in Section 17 ("**Indemnification and Obligations**") shall enjoy the protections set forth therein.

18.17 **Number of Days.** Except as expressly stated to the contrary elsewhere herein, in computing the number of days, for purposes of this Agreement, all days shall be counted, including Saturdays, Sundays, and legal holidays; provided, however, that if the final day of any time period falls on a Saturday, Sunday or legal holiday, then the final day shall be deemed to be the next day which is not a Saturday, Sunday or legal holiday.

18.18 **Consents.** Whenever the consent or approval of a Party is required by this Agreement, it shall not be unreasonably withheld or delayed. The Authority agrees that routine matters in connection with this Agreement may be handled on its behalf by the President/Chief Executive Officer, including but not limited to the execution on its behalf of any Aeronautical Facilities or Non-aeronautical Facilities use and/or lease agreements.

18.19 **Non-Liability of Officials.** No official, director, officer, employee or agent of the Authority or the Contractor shall be charged personally by the other Party, its employees or agents with any liabilities or expenses of defense or be held personally liable to the other Party under any term or provision of this Agreement or because of the execution by such Party of this Agreement or because of any default by such Party hereunder.

18.20 **Schedules.** Each schedule to this Agreement is incorporated in and made part of this Agreement as if set forth in full whenever in this Agreement reference is made thereto.

18.21 **GAAP.** All accounting terms used in this Agreement shall be interpreted, and all financial statements and certificates and reports as to financial matters required to be delivered hereunder shall be prepared, in accordance with GAAP, consistently applied.

18.22 **Survival of Representations and Warranties.** The representations and warranties of the Contractor set forth in Section 6 ("**Representations and Warranties of the Contractor**") herein and the representations and warranties of the Authority set forth in Section 7 ("**Representations and Warranties of the Authority**") herein shall survive and remain in effect until, and expire upon, the termination of the relevant indemnification obligation.

18.23 **Primary Contractor.** It is the intent of the Parties hereto that Orlando Sanford International, Inc. shall be the primary contractor under this Agreement, that all obligations of the Contractor under this Agreement shall be performed by Orlando Sanford International, Inc. and that all payments of any kind required to be made to the Contractor hereunder shall be made to Orlando Sanford International, Inc.

18.24 **Due Inquiry.** Where any representation or warranty contained herein refers to the knowledge, information or belief of the Authority or the Contractor, it shall be deemed to incorporate a statement that reasonable and proper inquiry into the subject matter of such representation or warranty has been made by the Party giving that representation or warranty.

18.25 **Time of the Essence.** Time is of the essence with regard to all provisions of this Agreement.

18.26 Real Estate Development.

18.26.1 Annual Joint Planning. The Parties shall meet at least once per Year to discuss the potential for joint and collaborative efforts for real estate development (such as hotel and restaurant development) at or in the vicinity of the Airport.

18.26.2 Proposed Development by the Contractor. If the Contractor or one of its affiliates proposes to develop or improve any real property located within one (1) mile of Airport property, the Contractor shall seek the approval of the Authority prior to commencing construction, such approval not to be unreasonably withheld or delayed. The Authority may withhold approval if the Authority reasonably believes that the proposed development or improvement could be construed as:

(a) providing substantially similar services and catering to the same industry segment as any existing Authority-owned facility located, under construction, or planned at the Airport;

(b) hosting an enterprise that would directly compete with an existing, under construction, or planned enterprise at any Authority-owned property; or

(c) being inconsistent or incompatible with the comprehensive plan of development by the Authority for real property owned and/or controlled the Authority, as prepared by Zyscovich, Inc., doing business as Zyscovich Architects, which comprehensive plan of development is anticipated to be completed on or before March 30, 2018.

18.26.3 Phase I and II Allegiant Training Facility. Notwithstanding the foregoing, the Authority consents to, and no further approval is required for, Phase I and II development of the Allegiant training facility and potential future hotel development on the land currently owned by TBI RE.

18.26.4 Off-Site Parking Revenues by the Contractor or its Affiliates. Notwithstanding anything in this Agreement to the contrary, should the Contractor or any of its affiliates use any real property, including, without limitation, for hotel development (“Development”) the Authority shall be entitled to twenty percent (20%) of said revenues generated from such Development, excluding any parking revenues for registered hotel guests customarily charged to such guests.

18.27 Public Records. In compliance with all Florida Public Records Laws, the Contractor shall: (i) keep and maintain public records required by the Authority to perform the Contractor's services under this Agreement; (ii) upon request from the Authority's custodian of public records, provide the Authority with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in Chapter 119, Fla. Stat., or as otherwise provided by law; (iii) ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed, except as authorized by law for the duration of the term of this Agreement, and following completion of the Contractor's services under this Agreement if the Contractor does

not transfer the records to the public agency; and (iv) upon expiration or termination of this Agreement, (a) transfer, at no cost to the Authority all public records in possession of the Contractor, or (b) keep and maintain public records required by the Authority to perform the services under this Agreement. If the Contractor transfers all public records to the Authority upon expiration or termination of this Agreement, the Contractor shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If the Contractor keeps and maintains public records upon expiration or termination this Agreement, the Contractor shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the Authority upon request from the Authority's custodian of public records, in a format that is compatible with the information technology systems of the Authority.

18.28 Certifications Pursuant to Section 287.135, Florida Statutes; Termination of Contracts with Scrutinized Companies.

18.28.1 Contractor Certification. The Contractor hereby certifies pursuant to §287.135, Florida Statutes, that the Contractor (i) is not participating in a boycott of Israel, (ii) is not on the Scrutinized Companies with Activities in Sudan List created pursuant to §215.473, Florida Statutes, (iii) is not on the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List created pursuant to §215.473, Florida Statutes, and (iv) does not have business operations in Cuba or Syria.

18.28.2 Authority's Evaluation of the Contractor's Certifications. If the Authority determines, using credible information available to the public, that any of the matters certified by the Contractor herein are false, then the Authority shall provide the Contractor with a written notice of such determination. The Contractor shall have ninety (90) days following receipt of the notice to respond in writing and to demonstrate that the determination of false certification was made in error. If the Contractor does not make such demonstration within ninety (90) days after receipt of the notice, then the Authority shall bring a civil action against the Contractor. If a civil action is brought and the court determines that the Contractor submitted a false certification, then (a) the Contractor shall pay a civil penalty equal to the greater of two million dollars (\$2,000,000.00) or twice the amount of this Agreement, plus all reasonable attorney fees and costs of the Authority, including any costs for investigations that led to the finding of false certification, and (b) the Contractor shall be ineligible to bid on any contract or proposal with an agency or local governmental entity for three (3) years after the date that the Authority determined that the Contractor submitted a false certification.

18.28.3 Authority's Rights of Termination. The Authority may terminate this Agreement if: (i) the Authority determines that any of the matters certified by the Contractor herein are false, and the Contractor fails to demonstrate that the determination of false certification was made in error pursuant to Section 18.28.2 above, (ii) the Contractor has been placed on the Scrutinized Companies that Boycott Israel List created pursuant to §215.4725, Florida Statutes, or is engaged in a boycott of Israel, (iii) the Contractor has been placed on the Scrutinized Companies with Activities in Sudan List or the Scrutinized Companies with

Activities in the Iran Petroleum Energy Sector List, or (iv) the Contractor has been engaged in business operations in Cuba or Syria.

18.28.4 Boycott Israel. For purposes of the foregoing provisions, (a) "Boycott Israel" or "boycott of Israel" has the meaning as defined in §215.4725, Florida Statutes, and (b) "business operations" has the meaning as defined in §287.135, Florida Statutes.

[Remainder of this Page intentionally left blank. Continued on following pages.]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first above written.

FOR THE AUTHORITY

Signed, sealed, and delivered
in our presence:

Witness Sign: Lori A. Hunt

Print: Lori A. Hunt

Witness Sign: Brett Renton

Print: Brett Renton

Sanford Airport Authority, a body corporate
and politic created by Chapter 71-924, Laws of
Florida, Acts of 1971 and acting under that
certain Airport Lease Agreement dated
February 9, 2009

By: Frank S. Ioppolo, Jr., Chairman

Attest: Diane H. Crews
Diane H. Crews, President and CEO

FOR THE CONTRACTOR

Signed, sealed, and delivered
in my presence:

Witness Sign: Jacqueline Lauterbach

Print: JACQUELINE LAUTERBACH

Jane Sawyer
JANE SAWYER

Orlando Sanford International, Inc., a
Florida corporation

By: Larry Gouldthorpe, President

**SCHEDULES TO
AGREEMENT FOR THE OPERATION AND MANAGEMENT OF
THE ORLANDO-SANFORD INTERNATIONAL AIRPORT TERMINALS
AND PARKING STRUCTURE**

Schedule 1.30	Existing Terminals
Schedule 1.58	Operating Documents
Schedule 1.59	Original Operating Documents
Schedule 1.77	Terminal Parking Lots
Schedule 1.78	Terminal Ramp Plan
Schedule 2.2	List of Current Items for Maintenance or Repair by the Contractor
Schedule 2.3.6(b)(i)	Landscape Maintenance Map (for existing site conditions)
Schedule 2.3.6(b)(ii)	Revised Landscape Maintenance Map (after 2017 Terminal Expansion)
Schedule 2.7	Office and Administrative Space of the Contractor after the Contractor Build-Out
Schedule 4.4	Sample Illustration of a Forecaster Report
Schedule 5.3	Form of Guaranty by TBI US Operations, Inc.
Schedule 5.4	Form of Line of Credit Agreement
Schedule 6.12	Atkins North America, Inc. SIDA Pavement Inspection Report, dated July 7, 2017
Schedule 7.2	Litigation: Actions, Suits, Claims, Investigations or Proceedings
Schedule 7.4	Compliance with Law: Outstanding Complaints, Orders, Citations, Notices or Orders of Violation or Non-Compliance
Schedule 7.5	Terminal Agreements
Schedule 7.8	Liens, Encumbrances, Covenants, Restrictions, Mortgages, or Easements
Schedule 7.11	Taxes: Examinations or Claims
Schedule 9.2	Sketch of Preliminary Overview of the Terminal Expansion

SETTLEMENT AGREEMENT AND MUTUAL GENERAL RELEASE

THIS SETTLEMENT AGREEMENT AND MUTUAL GENERAL RELEASE (this "Settlement Agreement") is entered into as of November 7, 2017 (the "Effective Date") by the SANFORD AIRPORT AUTHORITY, a body corporate and politic created by Chapter 71-924, Laws of Florida, Acts of 1971 (the "Authority"), ORLANDO SANFORD INTERNATIONAL, INC. a Florida corporation ("OSI"), and ORLANDO SANFORD DOMESTIC, INC., a Delaware corporation ("OSD"). The Authority, OSI, and OSD are together referred to herein as the "Parties", and individually, as a "Party."

RECITALS:

- A. The Authority is responsible for the operation and management of the Orlando-Sanford International Airport (the "Airport"), located in the City of Sanford, Seminole County, Florida.
- B. OSI and its corporate affiliate OSD have managed and operated certain aspects of the Airport pursuant to certain leases and agreements, as amended from time to time, and as depicted on Schedule A (collectively the "Original Operating Documents") attached hereto and made a part hereof.
- C. On or about January 26, 2017, the Authority issued a performance audit report to OSI and OSD wherein various claims were asserted against OSI and OSD for monies claimed as owed to the Authority from OSI or OSD, respectively, under the terms of the Original Operating Documents for the calendar years 2011 through 2015 (the "Audit Claims").
- D. OSI and OSD disputed the validity of some or all of the Audit Claims, and on or about February 16, 2017 OSI paid the Authority the amount of \$1,896,139.87 marked "Paid in Protest" relating to the Audit Claims against OSI and OSD (the "OSI Cash Payment").
- E. The Authority, OSI and OSD have agreed to amicably resolve the dispute relating to the Audit Claims, and have agreed to allow the Authority to retain the OSI Cash Payment, subject to OSI removing and retracting the "Paid in Protest" condition, as full settlement for any and all claims of the Authority against the Releasees (defined in Section 2 below) from the date of the beginning of the world through December 31, 2016.
- F. Concurrent with this Settlement Agreement, the Authority and OSI are also executing: (i) that certain Agreement for the Operation and Management of the Orlando-Sanford International Airport Terminals and Parking Structure (the "New O&M Agreement") with an effective date of January 1, 2017 (the "New O&M Agreement Effective Date"), and (ii) that certain Omnibus Termination Agreement that will terminate the "Original Operating Documents" (as the term is defined in the New O&M Agreement).
- G. As of the Effective Date, each Party is unaware of any existing claim or claims against the other Parties that are not resolved by this Settlement Agreement or the New O&M Agreement.

NOW, THEREFORE, in consideration of the recitals (which are hereby incorporated, the Parties acknowledging the veracity of the recitals and such recitals shall be deemed a part of this Settlement Agreement), and in consideration of the Parties' mutual promises and the benefits accruing to the Parties, the receipt and sufficiency of which are acknowledged, the Parties agree as follows:

1. **Payment of Settlement Amount.**

- A. Subject to the condition set forth in Section 1.B. below, the Authority agrees to and hereby accepts the OSI Cash Payment in full and final settlement of any and all claims and causes of action of any nature (whether known or unknown) that the Authority may have against any or all of the OSI/OSD Releasees (defined in Section 2.A. below) from the date of the beginning of the world through December 31, 2016, including, without limitation, the Authority's full and final settlement of all claims arising out of or relating in any way to the Original Operating Documents and the Audit Claims.
- B. OSI hereby agrees and acknowledges that the condition of "*Paid in Protest*" is removed and retracted from the OSI Cash Payment as if such condition did not exist as of the date the OSI Cash Payment was made to the Authority.

2. **Waiver and Release.**

- A. By the Authority. For and in consideration of the OSI Cash Payment, the Parties' promises contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Authority hereby releases, acquits and discharges OSI and OSD, and their respective current and former parent companies, subsidiaries, corporate affiliates, shareholders, directors, officers, managers, employees, agents, attorneys, and auditors, including, without limitation, KPMG (collectively the "OSI/OSD Releasees") from any and all claims, obligations, causes of action, liabilities, suits, debts, dues, sums of money, accounts, reckonings, bond, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, executions, demands, and indemnities whatsoever, in law or in equity, whether known or unknown, foreseen or unforeseen, which the Authority ever had, now has or may hereafter have against the OSI/OSD Releasees from the date of the beginning of the world through December 31, 2016, including, without limitation, any claims arising out of or relating in any way to the Original Operating Documents (collectively the "Covered Authority Claims") (less and except those specific covenants, agreements, and obligations of OSI/OSD Releasees that continue to remain in force and effect after the New O&M Agreement Effective Date, which are specifically and expressly excluded by this reference from the Covered Authority Claims described above). By way of clarification, but not limitation, notwithstanding anything to the contrary in this Agreement, OSI shall continue to be responsible for all covenants and conditions under the New O&M Agreement that arise out of the, relate to, and/or survive the termination of Original Operating Documents pursuant to the aforementioned Omnibus Termination Agreement, as

well as those that are included and enumerated as maintenance obligations or other performance obligations set forth in the New O&M Agreement. The Authority makes this full and general release knowingly, willingly and with full understanding of its legal effect. The Authority also understands and agrees that this full and general release constitutes and may be asserted by the OSI/OSD Releasees as a complete defense and bar to any Covered Authority Claims which have been or may be asserted by the Authority or any person or entity asserting any Covered Authority Claims on behalf of the Authority or as a successor in interest to the Authority.

- B. By OSI and OSD. For and in consideration of the Authority accepting the OSI Cash Payment, the Authority's willingness to enter into the New O&M Agreement in accordance with the terms thereof, the Parties' promises contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, OSI and OSD hereby release, acquit and discharge the Authority, and its directors, officers, elected officials, employees, agents, managers, attorneys, auditors, successors, and assigns (collectively the "Authority Releasees") from any and all claims, obligations, causes of action, liabilities, suits, debts, dues, sums of money, accounts, reckonings, bond, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, executions, demands, and indemnities whatsoever, in law or in equity, whether known or unknown, foreseen or unforeseen, which OSI and/or OSD ever had, now have or may hereafter have against the Authority Releasees from the date of the beginning of the world through December 31, 2016, including, without limitation, any claims arising out of or relating in any way to the Original Operating Documents (collectively the "Covered OSI and/or OSD Claims"). OSI and OSD jointly and severally make this full and general release knowingly, willingly and with full understanding of its legal effect. OSI and OSD each individually and collectively also understand and agree that this full and general release constitutes and may be asserted by the Authority Releasees as a complete defense and bar to any Covered OSI and/or OSD Claims which have been or may be asserted by OSI and/or OSD or any person or entity asserting any Covered OSI and/or OSD Claims on behalf of OSI and/or OSD or as a successor in interest to OSI and/or OSD.

3. Effect of Agreement.

- A. This Settlement Agreement shall inure to the benefit of and be binding upon the Parties, the OSI/OSD Releasees, the Authority Releasees, and their respective successors, assigns, and heirs.
- B. This Settlement Agreement may be pleaded as a full and complete defense to, and may be used as the basis for an injunction against any action, suit or other proceeding which may be instituted, prosecuted, or attempted in breach of this Settlement Agreement.

- C. Subject to the provisions set forth in Section 2 above, this Settlement Agreement further constitutes a full and complete accord and satisfaction of the Covered Authority Claims and Covered OSI and/or OSD Claims.

4. **Indemnification.**

- A. By OSI and OSD. OSI and/or OSD shall jointly and severally defend, protect, indemnify, and hold harmless the Authority Releasees from all Covered OSI and/or OSD Claims and Damages of any nature whatsoever, including attorneys' fees, which arise from the negligent act(s) or omission(s) or willful or intentional misconduct of the Contractor, its employees or agents in connection with the performance of the previous lease(s) and/or agreement(s) as amended, relating to the operation and management of the Airport entered into by the Contractor and/or any of its affiliates (collectively, the "**Original Operating Documents**"), during the Term. Such Claims include, but are not in any way limited to, Claims relating to (a) personal injury (including bodily injury and mental injury) and/or damage to, loss of use of and/or loss of any personal or real property which is caused by or arises out of the negligent act(s) or omissions(s) or willful or intentional misconduct of the Contractor, its employees or agents; (b) any violation by OSI and/or OSD, their respective employees or agents of any applicable treaty, convention, statute, law, rule, code, regulation, ordinance, permit, approval, injunction, judgement, order, directive, consent; and/or (c) any violation by the Contractor, its employees or agents of any decree or other legally enforceable requirement of any governmental entity
- B. Solely by OSI. OSI shall indemnify, defend and hold harmless the Authority from and against any and all losses, damages, penalties, judgments, liabilities, costs, expenses and fees (including reasonable attorneys' fees) the Authority may incur in connection with any and all prior and/or future claims asserted by the Federal Aviation Administration, any airline or related party and/or parties, including any legal fees incurred by the Authority, regarding the past collection of international fuel flowage fees by the Contractor from air carriers for the period of time from the Bond Defeasance Date of August 22, 2006 through December 31, 2016.

5. **No Admission of Liability.**

Neither the Execution of this Settlement Agreement by OSI and OSD nor the prior tender by OSI of the OSI Cash Payment shall in any way constitute or be deemed to constitute an admission of liability or wrongdoing by the OSI/OSD Releasees, or in any way be construed as agreement or concurrence by the OSI/OSD Releasees with the validity or merit of any claim arising under or out of or in any way related to the Original Operating Documents or the Audit Claims.

6. **Entire Agreement; Modification.**

Except as expressly set forth herein, this Settlement Agreement, the Agreement for the Operation and Management of the Orlando-Sanford International Airport Terminals and Parking Structure,

and the Omnibus Termination Agreement (collectively the "Settlement Instruments") constitute and contain the entire understanding between the Parties with respect to the subject matter thereof, and supersede all prior and contemporaneous agreements and understandings, inducements, and conditions, expressed or implied, oral or written, including, without limitation, the Original Operating Documents. The express terms of the Settlement Instruments shall further control and supersede any course of dealing, course of performance, and industry custom and usage which are inconsistent with any of the terms of the Settlement Instruments. This Settlement Agreement may not be modified or amended other than by an agreement in writing signed by all of the Parties.

7. Governing Law.

This Settlement Agreement and all questions relating to its validity, interpretation, performance, and enforcement shall be governed by the laws and decisions of the courts of the State of Florida, notwithstanding any Florida or other conflict-of-law provision or court decision to the contrary. Venue for any claims arising out of or relating to this Settlement Agreement shall lie exclusively in the courts of Seminole County, Florida.

8. Counterparts.

This Settlement Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original as against any Party whose signature appears thereon, and all of which shall together constitute one and the same instrument. This Settlement Agreement shall become binding when one or more counterparts thereof, individually or taken together, shall bears the signatures of all Parties.

9. Attorneys' Fees.

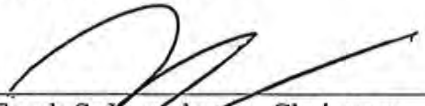
In the event it is necessary for an Party to this Settlement Agreement to bring suit to enforce any provision hereof or for damages on account of any breach of this Settlement Agreement or of any warranty, covenant, condition, requirement or obligation contained herein, the prevailing Party in any such litigation, including appeals, will be entitled to recover from the other Party, in addition to any damages or other relief granted as a result of such litigation, all costs and expenses of such litigation and reasonable attorneys' fees.

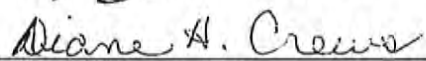
[Signature Page follows]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

"Authority"

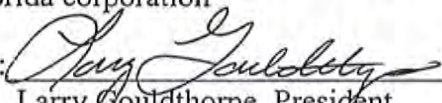
Sanford Airport Authority, a body corporate and politic created by Chapter 71-924, Laws of Florida, Acts of 1971

By: 
Frank S. Ioppolo, Jr., Chairman

Attest: 
Diane H. Crews, President & CEO

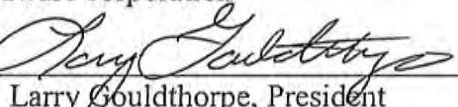
"OSI"

Orlando Sanford International, Inc., a Florida corporation

By: 
Larry Gouldthorpe, President

"OSD"

Orlando Sanford Domestic, Inc., a Delaware corporation

By: 
Larry Gouldthorpe, President

OMNIBUS TERMINATION AGREEMENT

THIS OMNIBUS TERMINATION AGREEMENT (this "Agreement") is effectively dated as of December 31, 2016 at 11:59 p.m. (the "Effective Date").

RECITALS:

WHEREAS, the Sanford Airport Authority ("SAA") and Orlando Sanford International, Inc. ("OSI") are parties to that certain Project Lease Number 94-42, dated December 15, 1995, including all amendments and separate ancillary agreements relating thereto (collectively, the "OSI Lease"); and

WHEREAS, the SAA and OSI are parties to that certain Operating Agreement Number 94-45, dated December 15, 1995, including all amendments relating thereto (collectively, the "OSI Operating Agreement"); and

WHEREAS, the SAA and Orlando Sanford Domestic, Inc. ("OSD") are parties to that certain Agreement for the Operation and Management of the Orlando Sanford Airport Domestic Terminal dated December 15, 1999, including all amendments and separate ancillary agreements relating thereto (collectively, the "OSD Management Agreement"). The OSI Lease, the OSI Operating Agreement, and the OSD Management Agreement are sometimes collectively referred as the "Prior Agreements"; and

WHEREAS, the SAA and OSD are party to that certain Agreement for the Construction and Management of the Domestic Terminal Parking Structure at Orlando Sanford Airport, dated November 1, 2005, including all amendments relating thereto (collectively, the "OSD Parking Agreement"); and

WHEREAS, in connection with the SAA and OSI contemporaneously executing (i) a Settlement Agreement and Mutual General Release, and (ii) an Agreement for the Operation and Management of the Orlando-Sanford International Airport Terminals and Parking Structure (the "New O&M Agreement") for the purpose of consolidating the foregoing agreements into a single operation and management agreement, the parties wish to terminate the Prior Agreements, on the terms and conditions set forth herein;

NOW THEREFORE, in consideration of the respective covenants and agreements of the parties herein contained, and for other good and valuable consideration (the receipt and sufficiency of which are acknowledged by each party), the parties agree as follows:

ARTICLE I INTERPRETATION

1.1 Sections and Headings

The division of this Agreement into articles and sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.2 Entire Agreement

This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether written or oral. There are no conditions, covenants, agreements, representations, warranties or other provisions, express or implied, collateral, statutory or otherwise, relating to the subject matter hereof except as provided herein.

1.3 Governing Law and Submission to Jurisdiction

This Agreement shall be interpreted and enforced in accordance with and the respective rights and obligations of the parties shall be governed by the laws of the State of Florida. Venue for any action or proceeding arising out of or relating to this Agreement shall lie exclusively in the courts of Seminole County, Florida.

1.4 Severability

If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, all other provisions of this Agreement shall remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party hereto.

ARTICLE II TERMINATION

2.1 Termination of the OSI Lease.

As of the Effective Date, OSI and SAA hereby (i) terminate the OSI Lease and agree that the OSI Lease shall be of no force or effect after the Effective Date hereof; (ii) irrevocably release and forever discharge each other from any and all actions, causes of actions, suits, debts, duties, accounts, bonds, covenants, contracts, representations, warranties, claims and demands whatsoever which SAA and OSI now have or hereafter

can, shall or may have against each other in respect of, or by reason of, or in any way arising out of, or in connection with the OSI Lease; and (iii) irrevocably release and forever discharge each other as parties to the OSI Lease from all of its covenants and obligations under the OSI Lease (collectively, the **"OSI Lease Releases"**). Notwithstanding any of the foregoing to the contrary, the OSI Lease Releases shall not apply to, and be specifically excluded from any terms that expressly survive the termination of the OSI Lease, or those terms that were mutually agreed by OSI and SAA and incorporated into the New O&M Agreement.

2.2 Termination of OSI Operating Agreement.

As of the Effective Date, OSI and SAA hereby (i) terminate the OSI Operating Agreement and agree that the OSI Operating Agreement shall be of no force or effect after the Effective Date hereof; (ii) irrevocably release and forever discharge each other from any and all actions, causes of actions, suits, debts, duties, accounts, bonds, covenants, contracts, representations, warranties, claims and demands whatsoever which SAA and OSI now have or hereafter can, shall or may have against each other in respect of, or by reason of, or in any way arising out of, or in connection with the OSI Operating Agreement; and (iii) irrevocably release and forever discharge each other as parties to the OSI Operating Agreement from all of its covenants and obligations under the OSI Operating Agreement (collectively, the **"OSI Operating Agreement Releases"**). Notwithstanding any of the foregoing to the contrary, the OSI Operating Agreement Releases shall not apply to, and be specifically excluded from any terms that expressly survive the termination of the OSI Operating Agreement, or those terms that were mutually agreed by OSI and SAA and incorporated into the New O&M Agreement.

2.3 Termination of OSD Management Agreement.

As of the Effective Date, OSI and SAA hereby (i) terminate the OSD Management Agreement and agree that the OSD Management Agreement shall be of no force or effect after the Effective Date hereof; (ii) irrevocably release and forever discharge each other from any and all actions, causes of actions, suits, debts, duties, accounts, bonds, covenants, contracts, representations, warranties, claims and demands whatsoever which SAA and OSI now have or hereafter can, shall or may have against each other in respect of, or by reason of, or in any way arising out of, or in connection with the OSD Management Agreement; and (iii) irrevocably release and forever discharge each other as parties to the OSD Management Agreement from all of its covenants and obligations under the OSD Management Agreement (collectively, the **"OSD Management Agreement Releases"**). Notwithstanding any of the foregoing to the contrary, the OSD Management Agreement Releases shall not apply to, and be specifically excluded from any terms that expressly survive the termination of the OSD Management Agreement, or those terms that were mutually agreed by OSI and SAA and incorporated into the New

O&M Agreement.

2.4 Termination of OSD Parking Agreement.

As of the Effective Date, OSI and SAA hereby (i) terminate the OSD Parking Agreement and agree that the OSD Parking Agreement shall be of no force or effect after the Effective Date hereof; (ii) irrevocably release and forever discharge each other from any and all actions, causes of actions, suits, debts, duties, accounts, bonds, covenants, contracts, representations, warranties, claims and demands whatsoever which SAA and OSI now have or hereafter can, shall or may have against each other in respect of, or by reason of, or in any way arising out of, or in connection with the OSD Parking Agreement; and (iii) irrevocably release and forever discharge each other as parties to the OSD Parking Agreement from all of its covenants and obligations under the OSD Parking Agreement (collectively, the "OSD Parking Agreement Releases"). Notwithstanding any of the foregoing to the contrary, the OSD Parking Agreement Releases shall not apply to, and be specifically excluded from any terms that expressly survive the termination of the OSD Parking Agreement, or those terms that were mutually agreed by OSI and SAA and incorporated into the New O&M Agreement.

ARTICLE III MISCELLANEOUS

3.1 Amendments and Waivers.

No amendment or waiver of any provision of this Agreement shall be binding on any party unless consented to in writing by such party.

3.2 Successors and Assigns.

This Agreement shall inure to the benefit of and shall be binding on and enforceable by and against the parties and their respective successors or heirs, executors; administrators and other legal personal representatives, and permitted assigns.

3.3 Further Assurances.

Each of the parties hereto shall, from time to time hereafter and upon any reasonable request of the other, promptly do, execute, deliver or cause to be done, executed and delivered all further acts, documents and things as may be required or necessary for the purposes of giving effect to this Agreement.

3.4 Counterparts.

This Agreement and all documents contemplated by or delivered under or in

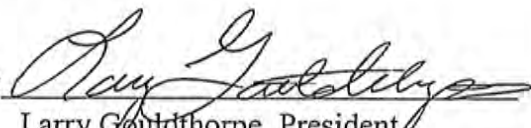
connection with this Agreement may be executed and delivered in any number of counterparts, with the same effect as if all parties had signed and delivered the same document, and all counterparts shall be construed together to be an original and will constitute one and the same agreement.

[Remainder of this page left blank. Signature page follows.]

IN WITNESS WHEREOF this Agreement has been executed by the parties on the date first above written.

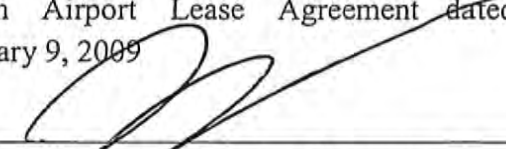
"OSI"

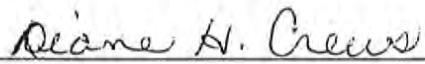
Orlando Sanford International, Inc., a
Florida corporation

By: 
Larry Gouldthorpe, President

"SAA"

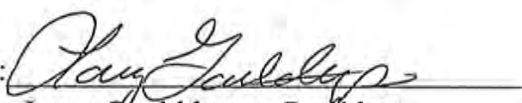
Sanford Airport Authority, a body corporate
and politic created by Chapter 71-924, Laws
of Florida, Acts of 1971, and acting under that
certain Airport Lease Agreement dated
February 9, 2009

By: 
Frank S. Ioppolo, Jr., Chairman

Attest: 
Diane H. Crews, President & CEO

"OSD"

Orlando Sanford Domestic, Inc., a
Delaware corporation

By: 
Larry Gouldthorpe, President

Alpha Flight Kitchen

Terminal B

Terminal A

Parking Garage

Welcome Center

RED CLEVELAND BLVD

RED CLEVELAND BLVD

SCHEDULE 1.30

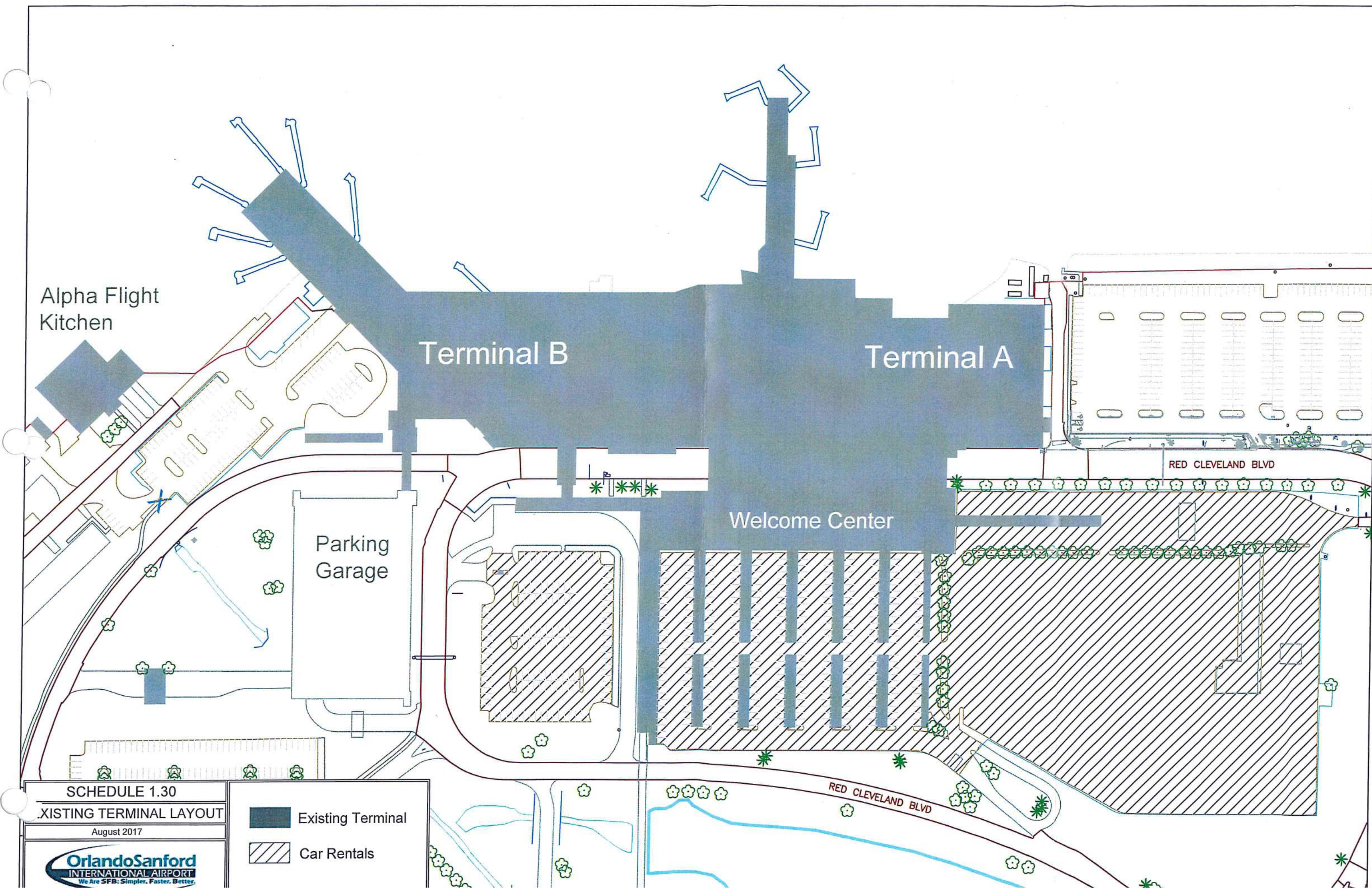
EXISTING TERMINAL LAYOUT

August 2017

OrlandoSanford
INTERNATIONAL AIRPORT
We Are SFB: Simpler. Faster. Better.

Existing Terminal

Car Rentals



Schedule 1.58

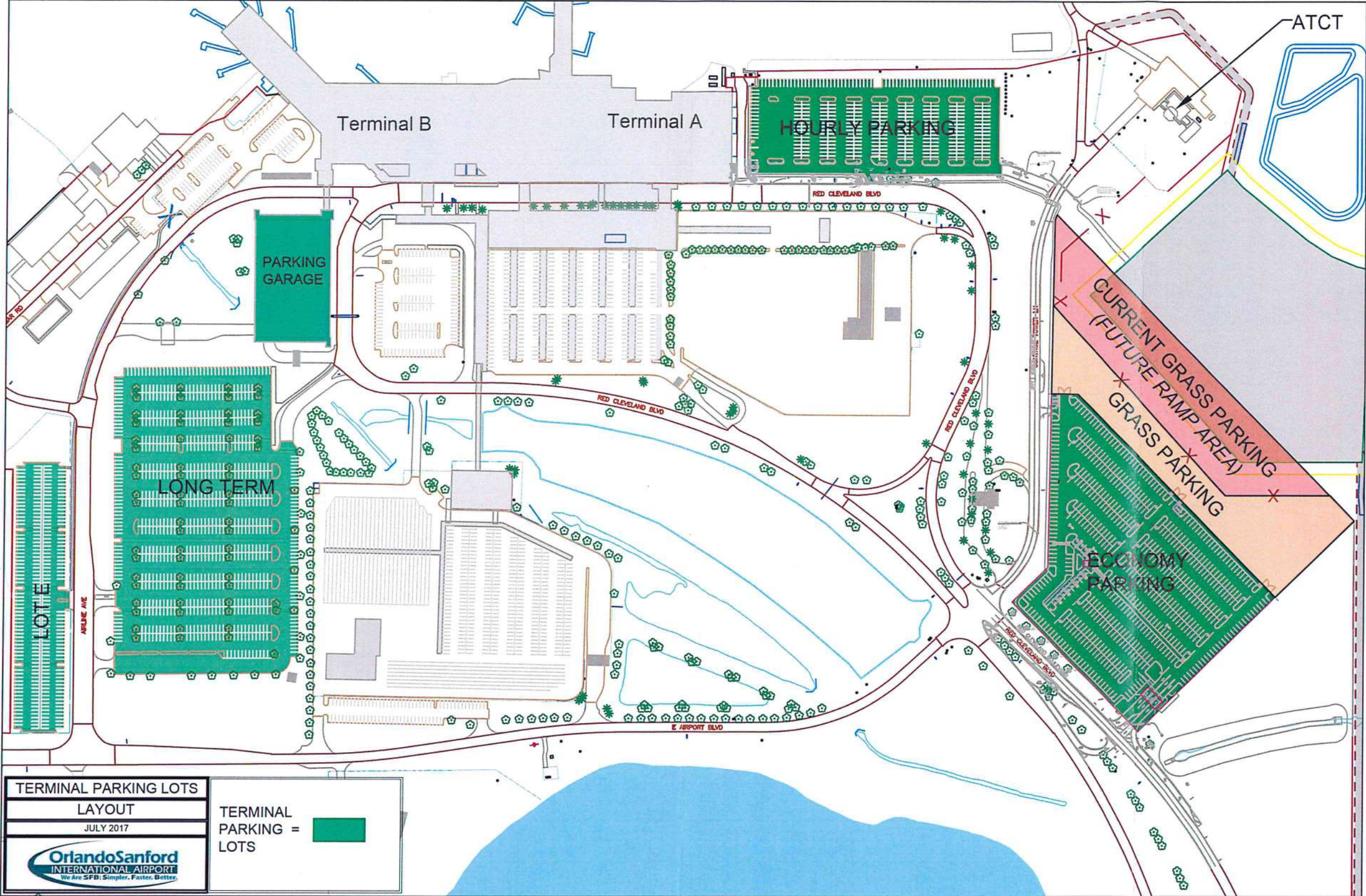
All written warranties valued at more than Ten Thousand Dollars (\$10,000.00) which are in effect as of January 1, 2017, and having a duration greater than ten (10) months, as well as guarantees, contracts, leases, easements and licenses that have been granted to the Authority or the Contractor, including all Original Operating Documents listed on Schedule 1.58 and Terminal Agreements listed on Schedule 7.5 that remain valid and effective after the Effective Date, including the following:

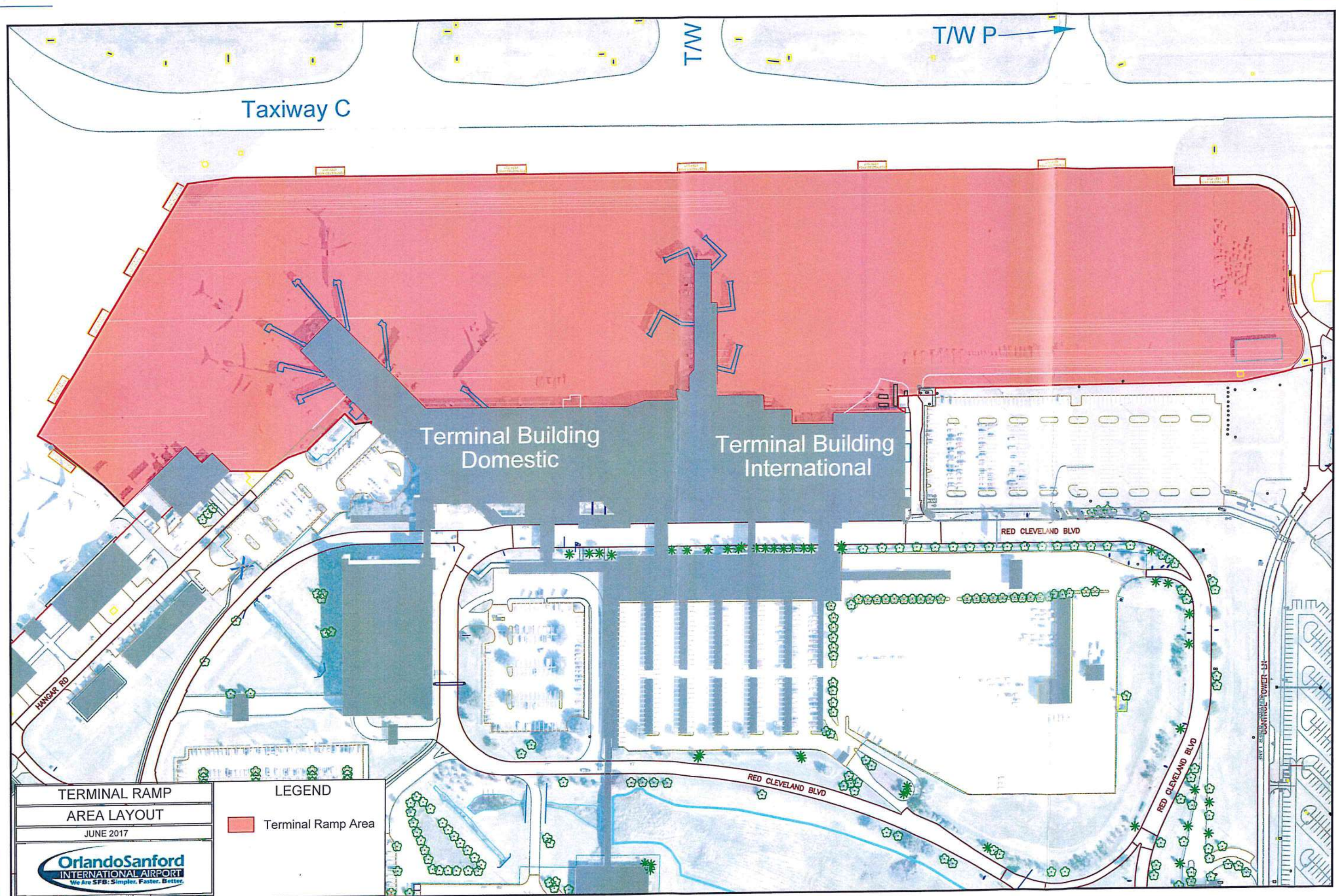
- Airport Lease Agreement with the City of Sanford [February 9, 2009]
- Passenger Boarding Bridge Warranty - ThyssenKrupp Airport Systems [as set forth on that certain letter dated June 15, 2016 - Bridges 7, 8, 9, and 12]
- Outbound Baggage Improvements - Extended Warranty-Guarantee for Fire Sprinkler Damage, The Collage Companies [Signed July 28, 2017]
- Agreement and Warranty from Amano McGann, Inc. for Value Lot Exit Lane Fixtures, dated July 3, 2017
- Agreement and Warranty from Amano McGann, Inc. for Employee Parking Lot Entrance Gate
- Extended Service Agreement and Warranty from Daktronics, Inc. dated September 19, 2016 for Over-The-Road Signs
- Industrial Lighting Products Limited Product Warranty for Parking Garage LEDs

Schedule 1.59 – Original Operating Documents

Prior leases and agreements for the domestic terminal, the international terminal, and the existing parking facilities, as amended from time to time, with the Contractor or its corporate affiliate, Orlando Sanford Domestic, Inc. listed as follows:

1. Project Lease No. 94-42
 - A. Addendum A
 - B. Addendum B
 - C. Addendum C
 - D. Addendum D
 - E. Addendum E
 - F. Addendum F
2. Operating Agreement No. 94-45 between the Sanford Airport Authority and Central Florida Terminals, Inc.
 - A. First Amendment
 - B. First Amendment [SIC]
 - C. Third Amendment
3. Separate Agreement Under Project Lease No. 94-42 for Federal Inspection Services Facility at Orlando Sanford Airport
 - A. First Amendment
4. Separate Agreement under Project Lease No. 94-42 for Central Florida Terminals, Inc.'s Fuel System at Orlando Sanford Airport
 - A. First Amended Separate Agreement Under Project Lease No. 94-42 for Central Florida Terminals Inc.'s Fuel System at Orlando Sanford Airport (Exhibit 1)
 - B. First Amendment [SIC]
5. Ground Lease No. 94-42 International Transit Lounge
 - A. First Amendment
6. License Agreement for Welcome Center Bridge
7. Agreement for the Operation and Management of the Orlando Sanford Airport Domestic Terminal
 - A. First Amendment
8. Line of Credit Agreement dated January 3, 2000
9. Memorandum of Understanding dated January 6, 2004
10. Agreement for the Construction and Management of the Domestic Terminal Parking Structure at Orlando Sanford Airport
 - A. First Amendment
11. Consents to Assignment of Mortgage Interest- from OSI and OSD to HSBC Bank USA, N.A.





TERMINAL RAMP

AREA LAYOUT

JUNE 2017



LEGEND

Terminal Ramp Area



Schedule 2.2

(10/6/17)

TERMINAL REPAIRS NEEDED AS OF OCTOBER 6, 2017

TERMINAL A

2nd Floor

- Smoking deck steel structure needs refurbished (AWW has proposal waiting on approval)
- Smoking deck patio needs attention many issues
 - Tables need to be replaced; they are falling apart
 - Metal siding needs to be replaced; rusting
 - Hand rail needs to be repainted
- Windows need re-sealed (AWW has signed proposal waiting on contractor)
- Bathrooms need thorough cleaning
- Broken tile and wall needs drywall repair – by Hudson kids store
- Transition strip needs to be glued down by Hudson kids
- Soffit on east end of Terminal A needs to be repainted (different colors)
- Bathroom signs need to be replaced with matching signage - women's and men's signage is different
- Remove old pay phone stations
- Bathroom counter is cracked and needs to be re caulked - men's restroom on west side
- Bathroom floor tile is cracked the whole length of the bathroom - men's restroom on west side
- Partitions peeling - men's restroom on west side
- Identify the white covers in all women's restrooms
- Remove items blocking the fire exit behind the SSP bar
- Chiller pipes need to be re-wrapped in mechanical room by gates 1-5
- Replace worn slings on Terminal chairs

1st Floor

- FIDS computers need to have appropriate outlets installed instead of running extension cords through the walls to power strips on ledges.
- Replace worn slings on Terminal chairs
- Multiple leaks in ceiling (fix leaks and replace ceiling tiles)
- Replace floor drain that is rusted in baggage makeup area

STERILE CORRIDOR

2nd Floor

- Carpet on ledges needs to be re-glued
- Re-seal windows (AWW has signed proposal waiting on contractor)

TERMINAL B

2nd floor

- Transition stripe by Hudson News needs to be replaced (it is taped down)
- Replace worn slings on Terminal chairs

1st floor

- All Air vents need to be cleaned (80% complete)
- Carpet needs to be re-glued. It is coming up at the main entrance to check-in area
- Clean behind car display (floor is very dirty)
- Rubber flooring needs to be polished/waxed
- Water damage on soffit by Global Entry
- FIDS computers need to have appropriate outlets installed instead of running extension cords through the walls to power strips on ledges. [This was uncovered during the Outbound Baggage Project that has just been completed. Does not meet code.]
- Replace worn slings on Terminal chairs
- Women's restroom bag claim area
 - stall partitions peeling
 - 1st stale missing tile

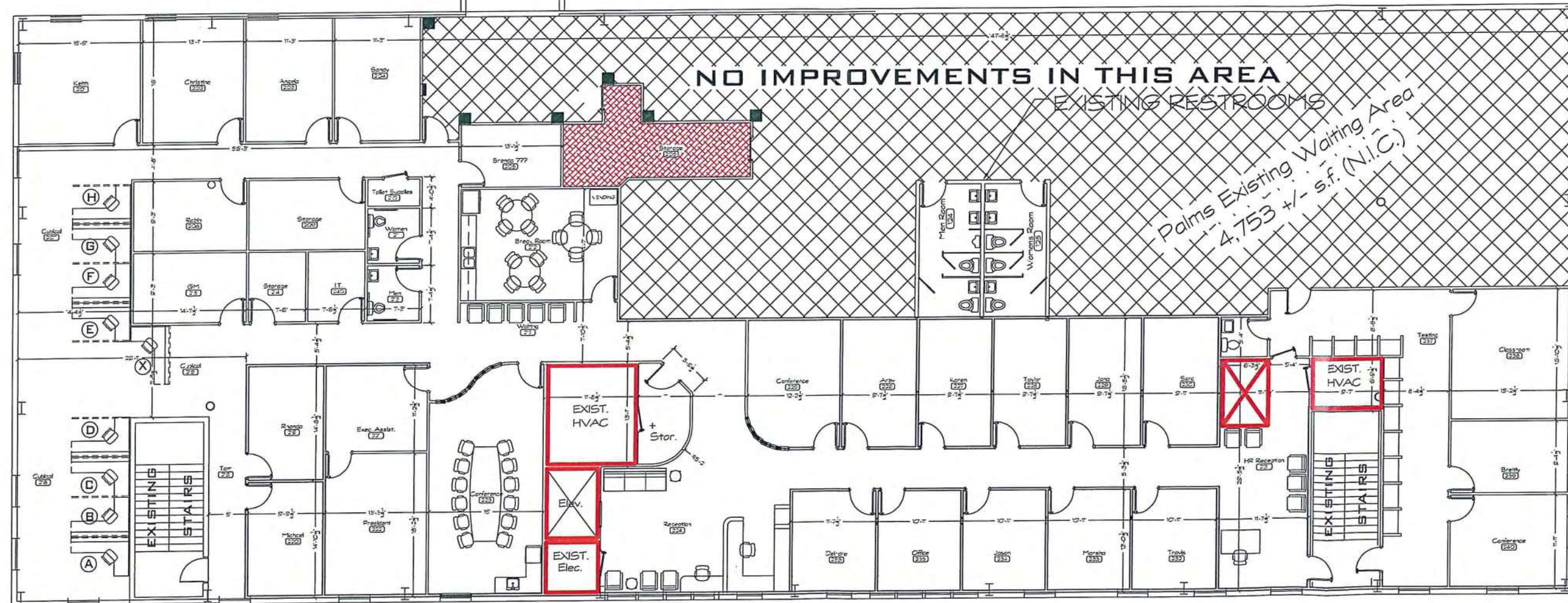
Parking Garage

- Lights on all floors need to be replaced/fixed to ensure adequate lighting at all times; AWW maintenance has begun replacement
- All concrete joints need to be inspected and repaired
- Repair paneling in elevators
- Check emergency lighting on all floors

SSP Terminal A

- American grill area needs cleaned
- Flooring base missing at roll down doors

TAG	DESCRIPTION & ACCESSORIES	MANUFACTURER	MODEL #	WASTE	VENT	OW	HW
WC-1	WHITE COLOR FLOOR MOUNT ELGAN III FLUSH TANK OPEN FRONTLESS COVER SEAT	KOHLER	K-4421	3"	2"	1/2"	—
LAV-1	WHITE WALL HUNG LAV. MOEN 84550SRN BATHROOM FAUCET OCR1920P CHROME STOP W/ PEX TUBES. TRJEBRO 102EZ INSULATION ZURN 21231 CARRIER	KOHLER	K2005	1-1/2"	1-1/2"	1/2"	1/2"
WH-1	40 GAL. ELECTRIC WATER HEATER (existing)	AO SMITH	EXISTING	—	—	3/4"	3/4"



EXACT DIMENSIONS TO
BE FIELD VERIFIED
DURING CONSTRUCTION.

**AIRPORTS WORLDWIDE (TBI)
SOUTH BRIDGE TERMINAL 'A'
ORLANDO SANFORD INTERNATIONAL AIRPORT**

Spolski
construction
CE-001172.9
1425 E. Airport Blvd. · Sanford, FL 32773
Phone: 407.322.8424 · Fax: 407.322.8436

DRAWN BY	Kevin J. Spolski
CHECKED	Kevin J. Spolski
DATE	10 June 2016
JOB NO.	

SCALE
N.T.S.
A-01

Floor Plan

Schedule 4.4 - Draft Forecaster Report

Traffic	FN	000's
International		301
Domestic		2,449
TOTAL		2,750
Revenue from airport operations		
Terminal Use, ground handling, and other traffic related revenues		\$ 11,996
Cargo income		118
Concession income		9,765
Parking services		6,357
Terminal rents		1,154
Other income		5
Total Terminal Revenues	1	29,395
Privilege / Concession fees	2	(2,146)
Total projected revenues		27,249
EXPENSES	3	
Projected operating expense		
Staffing costs		17
Repairs and maintenance		1,082
Utilities		1,151
Telephone and internet		33
IT costs		159
Cleaning		493
Ground Handling		7,249
Fuel Farm		459
Contract services - other		-
Property tax		133
Lease costs and fees - premises		713
Air traffic control		6
Diesel / fuel		191
Car parking costs		119
Supplies - Premium lounge		59
Boarding passes and bag tags		55
Other operating costs		110
Bad debt		-
Travel and entertainment		47
Related Party management service agreements (includes salaries and related)		3,162

Admin costs		54
Banking and credit card fees		162
Insurance		813
Professional services		2,244
Marketing, publicity and advertising		444
U&M fees		450
Total projected operating expenses		19,405
Projected Operating Profit		7,844
Add (less)		
Projected Capital Expenditures (Repairs or Replacement) of Fixed Assets or Terminal Ramps	4	(723)
Projected Income Taxes		(5)
Projected Cash Flows		\$ 7,116

Notes

Reserved.

- Should equal Contractor's projected amount owed to Authority of Authority's Share of Terminal Revenues as defined in the Agreement
- Expense descriptions are not an all-inclusive list.
- Should equal Contractors share of projected expenditures on items under section 2.5 (Repairs or Replacement of Fixed Assets) and section 2.5.4 (Useful Life Reimbursement)

[Schedule 5.3]

TBI US Operations, Inc.

**3222 Red Cleveland Boulevard
Sanford, Florida 32773
(407) 585-4558**

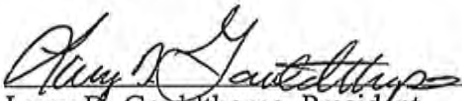
Sanford Airport Authority
1200 Red Cleveland Blvd.
Sanford, Florida 32773
Attn: Diane H. Crews, President & CEO

RE: Guaranty of Contractor's Obligations for Payment of the Guaranteed Minimum Annual Payment of Authority's Share of Terminal Revenues under Agreement for the Operation of the Orlando-Sanford International Airport Terminals and Parking Structure ("Agreement") between the Sanford Airport Authority ("Authority") and Orlando Sanford International, Inc., a Florida corporation (the "Contractor"), effectively dated January 1, 2017

Dear Ms. Crews:

Please accept this letter and the attached Limited Guaranty of TBI US Operations, Inc., a Delaware corporation ("TBI US Operations") as the guarantor of the obligations of the Contractor to remit to the Authority the Guaranteed Minimum Annual Payment (*as defined in Section 5 of the Agreement*) of the Authority's Share of Terminal Revenues (*as provided in Section 5 of the Agreement*) for each year of the Agreement until the earlier of: (i) the date of the satisfaction of the Contractor's intercompany debt with TBI US Operations, evidenced by that certain promissory note dated October 31, 2016, or (ii) December 31, 2027.

Very truly yours,


Larry D. Gouldthorpe, President

Enclosure: Limited Guaranty attached

LIMITED GUARANTY

NOTE: THIS IS A LIMITED GUARANTY WHICH IS ENFORCEABLE BY THE SANFORD AIRPORT AUTHORITY, AND ITS SUCCESSORS AND ASSIGNS. THIS IS ALSO AN ABSOLUTE AND UNCONDITIONAL LIMITED GUARANTY.

THIS LIMITED GUARANTY (this "**Guaranty**") is made as of January 1, 2017, by **TBI US Operations, Inc.**, a Delaware corporation (the "**Guarantor**") under that certain Agreement for the Operation of the Orlando-Sanford International Airport Terminals and Parking Structure, effectively dated as of January 1, 2017 (the "**Agreement**") between the **Sanford Airport Authority**, a body corporate and politic created by Chapter 71-924, Laws of Florida, Acts of 1971 and acting under that certain Airport Lease Agreement dated February 9, 2009 (the "**Authority**"), and **Orlando Sanford International, Inc.**, a Florida corporation (the "**Contractor**").

RECITALS:

A. The Authority and the Contractor have entered into the Agreement for the operation and maintenance of the terminal and parking facilities at the Orlando-Sanford International Airport, and for the purposes of this Guaranty, the provisions of the Agreement that specifically pertain to this Guaranty are incorporated herein by this reference.

B. The Authority has requested, and the Contractor the Guarantor, have agreed that the Guarantor will guaranty certain limited payment obligations of the Contractor to the Authority under the Agreement for a pre-determined and limited amount of time.

C. For the purposes of acknowledging sufficient and adequate consideration for the obligations of Guarantor under this Guaranty, the Parties acknowledge that the Contractor is wholly owned by TBI Orlando Sanford Airport, LLC, which entity is wholly owned by TBI Orlando Sanford Holding, LLC, which entity is wholly owned by Guarantor.

D. The Guarantor recognizing that it will derive a material benefit from Contractor entering into the Agreement, wishes to memorialize in writing the Guarantor's guaranty obligations under the Agreement, as set forth in this Guaranty.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Guarantor covenants and agrees as follows:

1. **Guaranty**. Guarantor hereby absolutely and unconditionally guarantees the prompt and full performance and observance by the Contractor of the Contractor's obligations to remit to the Authority the Guaranteed Minimum Annual Payment (*as defined in Section 5 of the Agreement*) of the Authority's Share of Terminal Revenues (*as provided in Section 5 of the Agreement*) for each year of the Agreement ("**Guarantor's Obligations**"), until the earlier of: (a) the date of the satisfaction of the Contractor's intercompany debt with Guarantor, evidenced by that certain promissory note, dated October 31, 2016 (the "**Guarantor's Note**"); or (b)

December 31, 2027 – at which time the Guarantor's Obligations shall terminate (the "Guaranty Termination Date"). This Guaranty is a continuing guaranty that shall remain effective to the extent that the Guarantor's Obligations remain in effect pursuant to the Agreement.

2. Other Rights, Remedies, Security and Obligations. Guarantor's liability under this Guaranty is direct, primary, absolute, irrevocable and unconditional, and may be enforced by the Authority without first resorting to any other right, remedy or security, including, without limitation, any right or remedy against the Contractor. Guarantor's liability under this Guaranty shall not be discharged or diminished by reason of any modification or amendment of the Agreement. Guarantor's liability under this Guaranty shall not be limited, impaired, released or modified as a result of any bankruptcy of the Contractor, or termination of the Agreement, or any discharge of the Contractor arising from such bankruptcy. Furthermore, unless this Guaranty has been terminated, the liability of Guarantor under this Guaranty shall in no way be affected, modified, or diminished by reason of any of the following, regardless of whether Guarantor receives notice of them, all of which notices Guarantor expressly waives: (a) any assignment, renewal, or extension of the Agreement, or (b) any modification, amendment or waiver of or change in any of the terms, covenants, and conditions of the Agreement by the Authority and the Contractor unless such modification, amendment or waiver relates to Guarantor's Obligations, or (c) any extension of time under the Agreement that may be granted by the Authority to the Contractor, or (d) any consent, release, indulgence, or other action, inaction, or omission under or in respect of the Agreement, or (e) any dealings, or transactions, or matters between the Authority and the Contractor that may cause the Agreement to terminate, including without limitation, to any adjustment, compromise, deferral, waiver, settlement, accord and satisfaction, or (f) any bankruptcy, insolvency, reorganization, liquidation, arrangement, assignment for the benefit of creditors, receivership, trusteeship, or similar proceeding affecting the Contractor, or (g) the rejection or disaffirmance of the Agreement in any proceedings, whether or not notice of the proceedings is given to Guarantor.

3. Nature of Liability. This Guaranty is not for the benefit of and shall not be construed as for the benefit of any creditors of the Contractor, or any person or entity other than the Authority.

4. Notices. In the event Contractor fails to timely perform Contractor's obligations to remit to the Authority the Guaranteed Minimum Annual Payment (*as defined in Section 5 of the Agreement*) of the Authority's Share of Terminal Revenues (*as provided in Section 5 of the Agreement*) for each year of the Agreement at any time prior to the Guaranty Termination Date, the Authority shall provide written notice of such failure to Guarantor in accordance with Section 9 below, prior to enforcing the Authority's rights under this Guaranty. The failure by the Authority to timely provide such written notice to Guarantor, shall in no way discharge or diminish the liability of Guarantor under this Guaranty. Except for the notices required under this Section 4, Guarantor waives, without limitation: (i) notice of modification or amendment of the Agreement unless such modification or amendment relates to Guarantor's Obligations, (ii) notice of acceptance of this Guaranty; (iii) notice of the incurring of additional or increased obligations under the Agreement, if any; (iv) notice of the application of any payment, transfer or recovery from security; and (v) presentment, demand, and protest of any instrument, and notice thereof; and all suretyship defenses.

5. Waiver of Subrogation; Subordination. Guarantor shall have no right of subrogation, reimbursement or indemnity whatsoever, nor any right of recourse to security for the Guarantor's Obligations in this Guaranty, except when and so long as all of the Guarantor's Obligations have been fully paid, performed and observed, and have not been reinstated by reason of the avoidance of any transfer, the return of any payment, or otherwise,

6. Legal Action.

(a) Any legal action to enforce this Guaranty may be maintained alone, without first proceeding against the Contractor, or may be consolidated, at the Authority's election, with any action or other proceeding against the Contractor, and the Guarantor expressly waives any right to require the Authority to proceed against the Contractor. In addition, Guarantor consents to the jurisdiction and venue of the courts of Seminole County, Florida or the Middle District of the United States District Court located in Orlando, Florida. Guarantor shall pay all costs and expenses (including all reasonable attorneys' fees, paralegals', and legal assistants' fees and disbursements, including disbursements which would not otherwise be taxable as costs in the proceeding, and expert witness fees) through and including all post-judgment and appellate levels that may be incurred by the Authority in any action enforcing the Authority's rights pursuant to this Guaranty in the event litigation is commenced with respect to this Guaranty, if the Authority is the prevailing party in such action.

(b) The execution of this Guaranty and performance of the Guarantor's Obligations by Guarantor, for purposes of personal or long-arm jurisdiction, constitutes doing business in the State of Florida under Section 48.193, Florida Statutes. In addition, Guarantor waives any objection that it may now or hereafter have to the laying of venue of any action or proceeding in those courts referenced above, and further waives the right to plead or claim that any action or proceeding brought in any of those courts has been brought in an inconvenient forum.

7. Payments by Guarantor. For purposes of this Guaranty, in the event of any uncured default by the Contractor under the Agreement relating to Contractor's obligations to remit to the Authority the Guaranteed Minimum Annual Payment of the Authority's Share of Terminal Revenues for each year of the Agreement, all amounts then due and payable by the Contractor to the Authority shall be forthwith due and payable by Guarantor, notwithstanding any stay, injunction, or other prohibition preventing a similar declaration as against the Contractor, and, in the event of any such declaration by the Authority, all of the Guarantor's Obligations shall continue to remain due and payable by Guarantor under this Guaranty. Any and all payments to be made by Guarantor under this Guaranty shall be payable at the Authority's office at Sanford Airport Authority, 1200 Red Cleveland Blvd., Sanford, Florida 32773.

8. Successors and Assigns. The benefit of this Guaranty shall run to the Authority and its successors and assigns. The burden of this Guaranty shall bind Guarantor and its successors and assigns. This Guaranty shall apply to the Obligations of the Contractor, and its successors and assigns, including without limitation, successors to the Contractor upon any merger, consolidation, liquidation or dissolution of the Contractor and, including, without

limitation, any transferee of all or substantially all of the assets of the Contractor or entity which carries on the business of the Contractor.

9. Notices. Any notice under this Guaranty shall be in writing and shall be hand delivered, sent by United States registered or certified mail, postage prepaid, return receipt requested, or by expedited overnight courier service, addressed to the appropriate party at its address set forth below, or at such other address as such parties have designated by notice to the other. Notices shall be effective upon receipt thereof by the party to whom it is addressed as follows:

To the Authority:

Attn: CEO and President
Sanford Airport Authority
1200 Red Cleveland Blvd.
Sanford, Florida 32773

with a copy to:

General Counsel
Shutts & Bowen LLP
300 South Orange Avenue, Suite 1000
Orlando, FL 32801
Fax: (407) 425-8316

To the Guarantor:

Attn: CEO and President
TBI US Operations, Inc.
3222 Red Cleveland Blvd.
Sanford, Florida 32773

with a copy to:

General Counsel
Orlando Sanford International, Inc.
3222 Red Cleveland Blvd.
Sanford, Florida 32773

10. Governing Law. This Guaranty, all acts and transactions hereunder, and the rights and duties of the parties hereto shall be governed by, and construed and enforced according to the laws of the State of Florida.

11. Integration; Amendment; and Waiver. This Guaranty sets forth the entire agreement between the parties and supersedes any prior to contemporaneous agreements, understandings or representations, oral or written, with respect to the subject matter hereof. No amendment or waiver of any provision of this Guaranty shall be effective unless evidence in a writing signed by Guarantor and the Authority.

COPY

12. Severability. If any provision of this Guaranty shall be held by any court to be illegal or unenforceable, all other provisions of this Guaranty shall remain in full force and effect.

13. Estoppel; Financial Information. From time to time, Guarantor, on not less than five (5) days' prior written notice, shall execute and deliver to the Authority an estoppel certificate in a form and content reasonably requested by the Authority and certified to the Authority and any designee verifying this Guaranty. In addition, if requested by the Authority, the Guarantor shall provide any financial information concerning the Guarantor and the Contractor that may be reasonably requested regarding the payment status of the Guarantor's Note.

EXECUTED under seal as of the date first written above.

Signed, sealed and delivered
in the presence of:

"Guarantor"

TBI US Operations, Inc., a Delaware
corporation

Sign: [Signature]

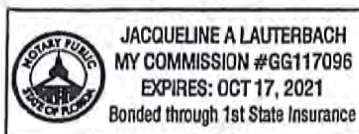
By: [Signature]
Larry D. Gouldthorpe, President

Print: JULIE SAWLER

STATE OF FLORIDA
COUNTY OF SEMINOLE

The foregoing instrument was acknowledged before me this 9th day of November 2017, by LARRY D. GOULDTHORPE, as President of TBI US Operations, Inc., a Delaware corporation, on behalf of such company. He is ☒ personally known to me, or ☐ has produced _____ as identification.

(Affix Notary Stamp or Seal)



[Signature]
NOTARY PUBLIC, State of Florida
Commission No. GG117096
My Commission Expires: 10/17/2021

LINE OF CREDIT AGREEMENT

THIS LINE OF CREDIT AGREEMENT (this "Agreement") is made this ____ day of _____, 2017 between the SANFORD AIRPORT AUTHORITY, a body corporate and politic created by Chapter 71-924, Laws of Florida, Acts of 1971, whose address is 1200 Red Cleveland Boulevard, Sanford, Florida 32773 (the "Authority"), and ORLANDO SANFORD INTERNATIONAL, INC. a Florida corporation, whose address is 3200 Red Cleveland Boulevard, Sanford, Florida 32773 ("Lender").

RECITALS:

A. The Authority and Lender have of even date herewith entered into that certain Agreement for the Operation and Management of the Orlando-Sanford International Airport Terminals and Parking Structure (the "O&M Agreement") with an effective date of January 1, 2017.

B. The Authority has requested, and the Lender has agreed to extend a line of credit to the Authority in an amount up to the sum of Four Hundred Fifty Thousand Dollars (\$450,000.00) during the Term of the O&M Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein, the Authority and Lender hereby agree as follows:

1. Recitals. The foregoing recitals are true and correct and incorporated herein by this reference.
2. Capitalized Terms. Capitalized terms used in this Agreement and not otherwise defined shall have the same meanings as provided in the O&M Agreement.
3. Loan; Availability; Payments; and Loan Documents
 - a. Line of Credit. Upon the terms and conditions set forth in this Agreement, during the Availability Period (*defined below*) Lender acknowledges and agrees to extend a line of credit and make advances to the Authority upon request by the Authority in an amount not to exceed FOUR HUNDRED FIFTY THOUSAND DOLLARS (\$450,000.00) (the "Line of Credit").
 - b. Agreement Date; Termination Date; Availability Period. This Agreement shall be effective as of the date hereof (the "Agreement Date"), and shall terminate upon the expiration or early termination of the O&M Agreement, whichever comes sooner (the "Termination Date"). The Line of Credit shall be available to the Authority from the Agreement Date until the Termination Date (the "Availability Period").
 - c. Amount Adjustment. The amount of the Line of Credit is subject to review and annual upward adjustment in the sole discretion of the Lender.

- d. Draws.
- i. Each draw on the Line of Credit (collectively the "Loan") shall be evidenced by a duly executed promissory note made by the Authority (each individually referred to as a "Note") substantially in the form attached hereto as Exhibit A.
 - ii. Upon each draw, the Authority shall deliver to Lender (i) a Note and (ii) any other documents reasonably requested by Lender and necessary to effectuate such draw as described herein.
 - iii. Prior to and as a condition to each draw and in consideration for such draw, the Authority shall irrevocably designate, and grant to Lender a continuing first priority security interest in and lien upon, and pledge such revenues or assets (the "Collateral") as are mutually satisfactory to the Authority and Lender and as are necessary to secure the Authority's repayment of the obligations set forth herein and in the Note. The Authority shall execute, deliver, and file all necessary documents to perfect, preserve and enforce such continuing first priority security interest. Simultaneous with each draw, the Authority shall deliver a pledge substantially in the form attached hereto as Exhibit B.
- e. Payments of Interest and Principal. The Line of Credit and each draw on the Line of Credit shall have the terms and shall bear interest at the rates for the corresponding periods set forth below:
- i. On or before January 1, April 1, July 1 and October 1 in each calendar year during the term of the Agreement, the Authority shall pay to Lender an amount of interest accruing to such date at the rate provided herein on the principal balance of the Loan. The interest rate shall be equal to the prime rate of interest, as such rate is published in the Wall Street Journal and as it may vary from time to time. Interest shall be calculated on the basis of a month of thirty (30) days and a year of three hundred sixty (360) days.
 - ii. On the Termination Date, the Loan shall mature and all principal together with any accrued but unpaid interest hereunder, shall be due and payable in full within three (3) business days of the Termination Date. Upon repayment in full of all principal and accrued unpaid interest, Lender shall file all necessary documents to release its first priority security interest in any Collateral granted to it pursuant to Section 2.d.iii. above.
- f. Payment in Dollars. All payments shall be made to Lender at its address hereinafter set forth, or at such other location as designated from time to time by Lender, in U.S. Dollars and in immediately available funds.

- g. Prepayment. The Authority shall have the right at any time to prepay the Loan, in whole or in part, without penalty or premium at any time. Any such prepayment shall be applied first to accrued interest and then to principal.

4. Default and Remedies.

- a. Events of Default. The occurrence of any of the following events shall constitute an Event of Default hereunder:

- i. the Authority shall fail to make any payment required under this Agreement or any Note when due, or, shall fail to perform any of its obligations in this Agreement or any Note; and such failure continues for a period of thirty (30) days after written notice thereof;
- ii. the Authority shall (i) make an assignment or establish a trust for the benefit of creditors, (ii) petition or apply for appointment of a liquidator, receiver or the like, (iii) commence or acquiesce to any proceeding under any bankruptcy, insolvency or similar law or (iv) admit in writing its inability to pay its debts as they mature;
- iii. proceedings shall have commenced against the Authority under any bankruptcy, insolvency or similar law, which proceedings are not dismissed within sixty (60) days, or, an order for relief shall be entered in any bankruptcy proceeding relating to the Authority or its properties;
- iv. the Authority shall terminate its existence; or
- v. there shall have occurred an Event of Default by the Authority as defined in Section 13.2 ("Authority Events of Default") of the O&M Agreement.

- b. Remedies. If an Event of Default occurs (i) the entire unpaid principal balance of the Loan and all accrued and unpaid interest thereon shall become immediately due and payable in full, and (ii) Lender's obligations as set forth in Section 3 herein shall terminate. Such acceleration of the maturity of amounts due shall not affect any other rights of the Lender under available law. If any Events of Default shall have occurred, the Lender may proceed immediately to protect and enforce its rights by suit or any other appropriate proceeding.

5. Notices. All communications and payments to be given hereunder shall be sufficiently given if sent by registered or certified mail, return receipt requested, postage prepaid, duly addressed:

- i. if to Lender:
Orlando Sanford International, Inc.
3200 Red Cleveland Boulevard
Sanford, Florida 32773
Attention: President

with a copy to:

General Counsel for Orlando Sanford International, Inc.
3200 Red Cleveland Boulevard
Sanford, Florida 32773
Attn.: General Counsel

- ii. if to the Authority:
Sanford Airport Authority
1200 Red Cleveland Boulevard
Sanford, Florida 32773
Attention: President and CEO

with a copy to:

Shutts & Bowen LLP
P.O. Box 4956
Orlando, Florida 32802
Attn.: Brett R. Renton, Esquire

and shall be deemed given when received by the party to which addressed. The Authority and Lender may change their respective addresses by such notice to the other.

6. Miscellaneous Provisions and Interpretation.

- a. Rights cumulative; No Waiver. All of Lender's rights and remedies hereunder shall be cumulative and in addition to its rights and remedies otherwise available under law. No delay or omission by Lender in the exercise of any right shall operate as a waiver.
- b. Consistency with Law. Nothing shall require the payment of any amount if such payment would be unlawful. In any such event, this Agreement or any Note, as the case may be, shall automatically be deemed amended so that interest charges and all other payments required shall be equal to but not greater than the maximum permitted by law.
- c. Assignment; Sovereign Rights. This Agreement shall be binding upon and inure to the benefit of Lender and the Authority and their respective legal representatives, successors and assigns. There shall be no assignment or delegation of the rights and obligations set forth hereunder, except with the consent of the other party. To the extent permitted by Florida law, the Authority waives any and all sovereign rights and immunities that may attach to it in connection with the interpretation and enforcement of this Agreement.
- d. Modification in Writing. No provision of this Agreement or any Note may be amended, terminated or waived except as provided herein or by a written instrument signed by the Authority and Lender.

- e. Choice of Law. This Agreement and any Note have been executed and delivered in Sanford, Florida, and shall be governed by, and construed and enforced in accordance with, the substantive laws of the State of Florida, with no reference to its choice of law provisions.
- f. Entire Agreement. This Agreement, any Note and any other instruments or documents executed in connection herewith constitute the entire agreement of the Authority and Lender concerning the subject matter hereof and supersede all prior commitment letters, agreements and understandings between them. If any portion of this Agreement shall be held invalid by any court of competent jurisdiction, the remaining portions shall continue in effect and shall not be affected thereby.
- g. Attorneys' Fees. In the event it is necessary for either party to this Agreement to bring suit to enforce any provision hereof or for damages on account of any breach of this Agreement or of any covenant, condition, requirement or obligation contained herein, the prevailing party in any such litigation, including appeals, will be entitled to recover from the other party, all costs and expenses of such litigation and reasonable attorneys' fees.

IN WITNESS WHEREOF, the Authority and the Lender have caused this Agreement to be duly executed by their respective authorized officers or representatives, as of the date first above written.

"Authority"

Sanford Airport Authority, a body corporate and politic created by Chapter 71-924, Laws of Florida, Acts of 1971

By: _____

Frank S. Ioppolo, Jr., Chairman

Attest: _____

Diane H. Crews
Diane H. Crews, President & CEO

"Lender"

Orlando Sanford International, Inc., a Florida corporation

By: _____

Larry Gouldthorpe, President

[EXHIBIT A TO LINE OF CREDIT AGREEMENT]

PROMISSORY NOTE

\$ _____

Date: _____, 20__

Sanford, Florida

SANFORD AIRPORT AUTHORITY, a body corporate and politic created by Chapter 71-924, Laws of Florida, Acts of 1971, whose address is 1200 Red Cleveland Boulevard, Sanford, Florida 32773 (the "**Authority**"), for value received, promises to pay to **ORLANDO SANFORD INTERNATIONAL, INC.** a Florida corporation, whose address is 3200 Red Cleveland Boulevard, Sanford, Florida 32773 ("**Lender**"), in lawful money of the United States, the principal sum of _____ DOLLARS (\$ _____), and to pay interest on the unpaid principal balance thereof at the rate set forth below, such principal and interest to be paid within the term set forth below in accordance with the Line of Credit Agreement dated of even date herewith between the Authority and Lender (the "**Line of Credit Agreement**"). Capitalized terms used, but not otherwise defined, herein shall have the respective meanings ascribed to such terms in the Line of Credit Agreement.

The Authority shall pay the interest at the rates for the corresponding periods as set forth below:

(a) On or before January 1, April 1, July 1 and October 1 in each calendar year during the term of the Agreement, the Authority shall pay to Lender an amount of interest accruing to such date at the rate provided herein on the principal balance of the Loan. The interest rate shall be equal to the prime rate of interest, as such rate is published in the Wall Street Journal and as it may vary from time to time. Interest shall be calculated on the basis of a month of thirty (30) days and a year of three hundred sixty (360) days.

(b) On the Termination Date, the Loan shall mature and all principal together with any accrued but unpaid interest hereunder, shall be due and payable in full within three (3) business days of the Termination Date. Upon repayment in full of all principal and accrued unpaid interest, Lender shall file all necessary documents to release its first priority security interest in any Collateral granted to it pursuant to 2.e.ii. of the Line of Credit Agreement.

This Note may be prepaid at any time in whole or in part, without premium or penalty at any time. Any such prepayment shall be applied to first to accrued interest and then to principal.

This Note shall be subject to all terms and conditions of the Line of Credit Agreement between the parties, which agreement is incorporated herein by reference and made a part hereof.

This Note shall be governed by and construed and enforced in accordance with the laws of the State of Florida.

NOW, THEREFORE, the Authority has caused this Note to be duly executed as an instrument under seal by its duly authorized officer on the day and year first above written.

Sanford Airport Authority, a body corporate and politic created by Chapter 71-924, Laws of Florida, Acts of 1971

By: _____
Chairman

Attest: _____
President & CEO

[EXHIBIT B TO LINE OF CREDIT AGREEMENT]

PLEDGE

WHEREAS, the Authority (*defined below*) desires to draw upon the line of credit as provided in the Line of Credit Agreement; and

WHEREAS, Lender (*defined below*) desires to lend \$ _____ to the Authority.

NOW THEREFORE, in consideration for the funds provided by Lender to the Authority on _____, 20____, in the amount of _____ DOLLARS (\$ _____), pursuant to that certain Line of Credit Agreement entered into by and between **SANFORD AIRPORT AUTHORITY**, a body corporate and politic created by Chapter 71-924, Laws of Florida, Acts of 1971, whose address is 1200 Red Cleveland Boulevard, Sanford, Florida 32773 (the "**Authority**"), and **ORLANDO SANFORD INTERNATIONAL, INC.** a Florida corporation, whose address is 3200 Red Cleveland Boulevard, Sanford, Florida 32773 ("**Lender**"), dated _____, 2017.;

The Authority hereby irrevocably grants Lender a continuing first priority security interest in, and lien upon _____
[*insert/describe the revenues or assets to be designated as collateral*].

The Authority shall execute, deliver, and take all other actions necessary to perfect, preserve, and enforce such continuing first priority security interest.

NOW, THEREFORE, the Authority has caused this Pledge to be duly executed as an instrument under seal by its duly authorized chairman and officer on the day and year first above written.

Sanford Airport Authority, a body corporate and politic created by Chapter 71-924, Laws of Florida, Acts of 1971

By: _____
Chairman

Attest: _____
President & CEO

Dated: _____

Schedule 6.12

ATKINS

SIDA Pavement Investigation Report

Orlando Sanford International Airport

7/17/2017
PRELIMINARY DRAFT



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Appendix B. FAA AC 150/5380-6C	9

1. Introduction

The Sanford Airport Authority (SAA) retained Atkins North America, Inc. (Atkins) to perform an airfield pavement investigation for the pavement within the Security Identification Display Area (SIDA) around Terminal A, Terminal B and the East Apron at Orlando Sanford International Airport (SFB).

The SIDA Apron includes approximately 27 acres of pavement – 16 acres of Portland Cement Concrete (PCC) and 11 acres of Hot-Mix Asphalt (HMA) surface. The SIDA apron is composed of three distinct PCC sections: East Apron, Terminal A (International) Apron, and Terminal B (Domestic) Apron.

1.1. Pavement Investigation

The pavement inspection was not a formal Pavement Condition Index (PCI), but rather a basic visual inspection to identify major issues and suggested maintenance repairs as identified in AC 150/5380-6C. As-built and record drawings available to Atkins at the time of the inspection were used to establish the concrete pavement joint map. This joint map was verified and supplemented during the field visit using known reference points. No formal survey was conducted to verify the joint patterns.

The inspection occurred over a period of three days: June 30, July 10, and July 11, 2017. This survey was a visual assessment of the pavement – no pavement cores were taken, and no structural testing was conducted.

1.2. Procedure

During the pavement distress survey, inspectors walked over the surface of the pavement and identified visible signs of distress. Each distress type was identified and then recorded. The primary objective of the survey was to record PCC distresses, but a cursory review of the asphalt surfaces within the SIDA were conducted to identify severe issues. The distresses observed at SFB during the investigation, and their typical causes, are provided in the tables below:

PCC Distress Types	Probable Causes of Distress
Corner & Joint Spalling	Excessive finishing during construction; incompressible matter in joint spaces
Popouts	Material issues
Longitudinal, transverse, and diagonal crack	Loss of slab support; Load repetition; curling stresses; shrinkage stresses
Patches / Utility Cut	Inadequate/Improper repair detail/material; age
Corner Breaks	Loss of slab support; Load repetition; curling stresses
Scaling / Map Cracking	Improper curing or finishing
Shrinkage	Setting and curing of the concrete
Shattered Slab / Intersecting crack	Overloading; inadequate foundation support
Joint Sealant Damage	Age; Environmental Conditions; defects

HMA Distress Types	Probable Causes of Distress
Swelling	Swelling Soil
Depressions	Heavier traffic than pavement was designed for; settlement of underlying pavement layers; poor construction
Reflective Joints	Vertical or horizontal movement in pavement beneath overlay; continuation of PCC joints beneath HMA overlay; cracks or joints in original pavement not properly repairs prior to overlay
Patching	Original material removed and replaced by filler material
Longitudinal / Transverse Cracks	Shrinkage or contraction of HMA surface; oxidation and age hardening of asphalt material; poorly constructed lane joints; not load associated
Ravelling / Weathering	Wearing away of the asphalt binder or dislodging of aggregate particles; age
Fuel Spillage	Continuous fuel / oil spillage will soften the asphalt

2. Analysis of Existing Pavement

The FAA classifies corrective actions into three classifications. They are defined as follows:

Pavement Maintenance

Maintenance includes preventive and any regular or recurring work necessary to preserve existing airport pavements in good condition. Typical preventive and regular or recurring pavement maintenance includes: routine cleaning, filling, and/or sealing of cracks; patching pavement; seal coating; grading pavement edges; maintaining pavement drainage systems; and restoring pavement markings. Timely maintenance and repair of pavements is essential in maintaining adequate load-carrying capacity, good ride quality necessary for the safe operation of aircraft, good friction characteristics under all weather conditions, and minimizing the potential for foreign object debris (FOD).

Pavement Repair

Repair involves correcting pavement distresses resulting from weathering and/or traffic. Airports should perform repairs at early stages of distress, even when the distresses are considered minor. A delay in repairing pavements may allow minor distresses to progress into major failures. While deterioration of pavements due to traffic and adverse weather conditions cannot be completely prevented, maintenance and repair programs can significantly reduce the rate of deterioration and minimize the damage. Repair methods depend on the type of distresses and type of pavement, but for concrete pavement it usually includes such things as: crack repair, replacement of joint sealant, general spall repair, and joint spall repair. Proper repair procedures are detailed in AC 150/5380-6C.

Pavement Replacement

If the distresses in a concrete slab are serious enough, repair methods may require replacement of the defective pavement. For concrete pavement, this could vary from full depth repair of corner breaks to a partial or full slab replacement. Depending on the cause of the distress, this could also include the removal and replacement of base course and sub base course under the slab. Proper replacement/repair procedures are detailed in AC 150/5380-6C.

2.1. East Apron

Overall the East Apron PCC pavement surface is in good condition. The distresses observed are of low severity and not of the nature requiring immediate repairs. The most frequent distress observed throughout this portion of the apron were minor joint and corner spalls. With the understanding that future joint sealant repair/replacement is schedule for the entire apron, these low severity spalls can be repaired at that time.

2.2. Terminal A (International) Apron

The Terminal A Apron has some of the oldest sections of PCC throughout the entire apron, and as a result, exhibited the highest frequency of pavement distresses. Some sections of the apron have significant distresses that require full-depth slab replacement. Most other distresses can be repaired using the standard methods outlined in FAA AC 150/5380-6C.

The most frequent distresses observed throughout the Terminal A apron included joint and corner spalls. There were also several slabs with longitudinal / transverse cracking, and even a couple shattered slabs that will require full-depth slab replacement. Most of the utility cuts and ground rod installations over the years have created in odd shaped slabs which have resulted in increased cracking, spalling, and inconsistent patching.

2.3. Terminal B (Domestic) Apron

The Terminal B Apron also has older sections of PCC, but generally is in better condition than Terminal A Apron. There are fewer slabs requiring full-depth replacement, and most distresses be repaired using the standard methods outlined in FAA AC 150/5380-6C.

The most frequent distresses observed throughout Terminal B apron included spalling, scaling, and shrinkage cracks. There were isolated areas where longitudinal / transverse cracking was observed, but generally less frequent than Terminal A apron.

2.4. Hot Mix Asphalt (HMA) Pavements

While most of the HMA pavement is exhibiting some level of ravelling and weathering due to age and environmental causes, a large portion of the HMA pavement section is also exhibiting reflective cracking. This is due to the asphalt being overlaid on concrete pavement. The underlying joints and/or cracks are reflecting up through the asphalt pavement. Several HMA sections directly adjacent to PCC sections are also showing depressions/shoving, indicating improper load transfer through the transition from asphalt to concrete pavement. The most severe instances of these distresses are identified on the pavement distress maps found in the appendices. Short term maintenance and repair options are shown below, with HMA repairs outlined in FAA AC 150/5380-6C. Long term recommendations include full depth reconstruction of the Asphalt apron areas.

3. Recommendations

Based on the results of the pavement inspection, and following proper repair procedures detailed in AC 150/5380-6C, we would recommend the following procedures for the distresses identified on the pavement distress map:

PCC Pavement

Legend Symbol	Distress Type	Severity	Procedure
1	Corner Spalling	Repair	Remove lose material; refill/patch with approved product; reseal joints
2	Joint Spall	Repair	Remove lose material; refill/patch with approved product; reseal joint
3	Popouts	Maintenance	Remove lose material to prevent FOD
4	Longitudinal, transverse, and diagonal crack	Repair	Clean and seal cracks
5	Patches	Maintenance	Remove and replace partial depth patches; reseal joints

6, 6H	Corner Breaks	Replace	Full depth patch of corner; possible repair of base/subbase material; reseal joints
7	Scaling	Maintenance	Remove loose material to prevent FOD
8	Utility Cut / Patch	Replace	Remove and replace full depth patch – may be more effective to replace entire slab; reseal joints
9	Shrinkage	Maintenance	Remove loose material to prevent FOD
10	Grounding Rod	Maintenance	Remove old sealant; reseal
11	Map Cracking	Maintenance	Remove loose material to prevent FOD
12	Settlement	Maintenance	Grind (bevel) edge of adjacent slab to avoid spalling
13	Shattered Slab / Intersecting crack / severe longitudinal cracking	Replace	Full depth slab replacement; possible repair of base/subbase material; reseal joints
-	Joint Sealant Damage	Replace	Remove old sealant; clean joints; reseal

HMA Pavement

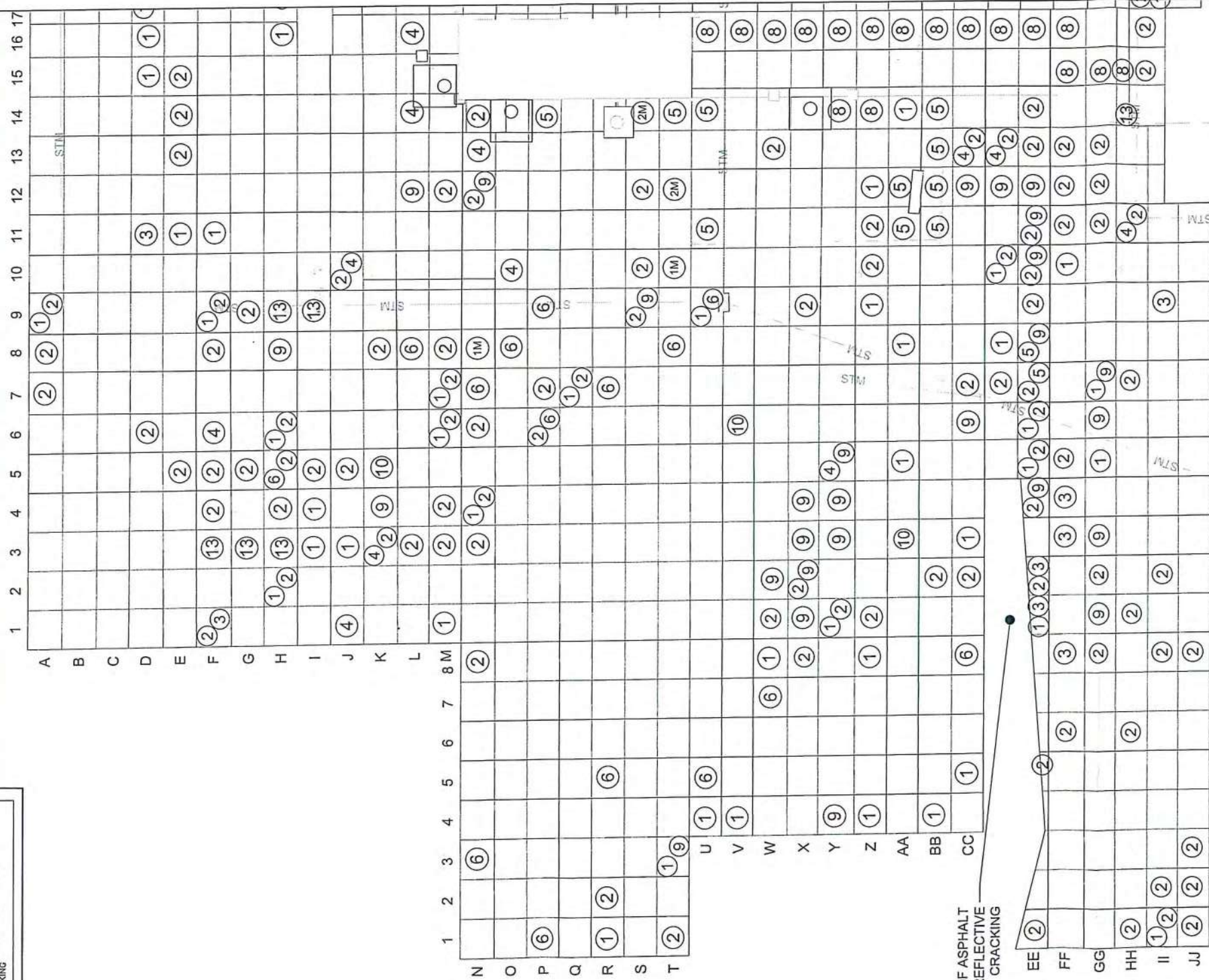
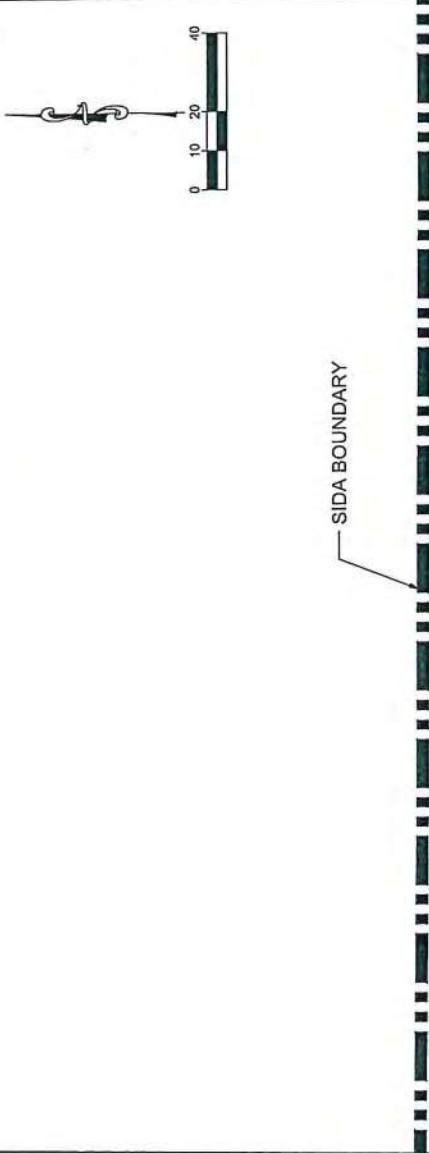
Distress Type	Severity	Procedure
Reflective Joint Cracking	Repair	Seal cracks
Depressions	Replacement	Full depth pavement section replacement/patch
Raveling/Weathering	Maintenance	Apply surface treatment
Swelling	Replacement	Full depth replacement / patch

Appendices

Appendix A. Pavement Distress Map

LEGEND

- ① CORNER SPALL
- ② JOINT SPALL
- ③ POPOUT
- ④ CRACKING
- ⑤ PATCH
- ⑥ CORNER BREAK
- ⑥H CORNER BREAK HIGH SEVERITY
- ⑦ SCALING
- ⑧ UTILITY CUT/PATCH
- ⑨ SHRINKAGE CRACKS
- ⑩ GROUNDING ROD
- ⑪ CRAZING
- ⑫ SETTLEMENT
- ⑬ SHATTERED SLAB / SEVERE LONGITUDINAL & TRANSVERSE CRACKING



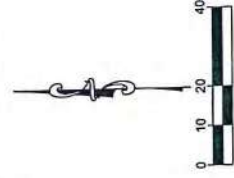
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TERMINAL A

SHEET TITLE

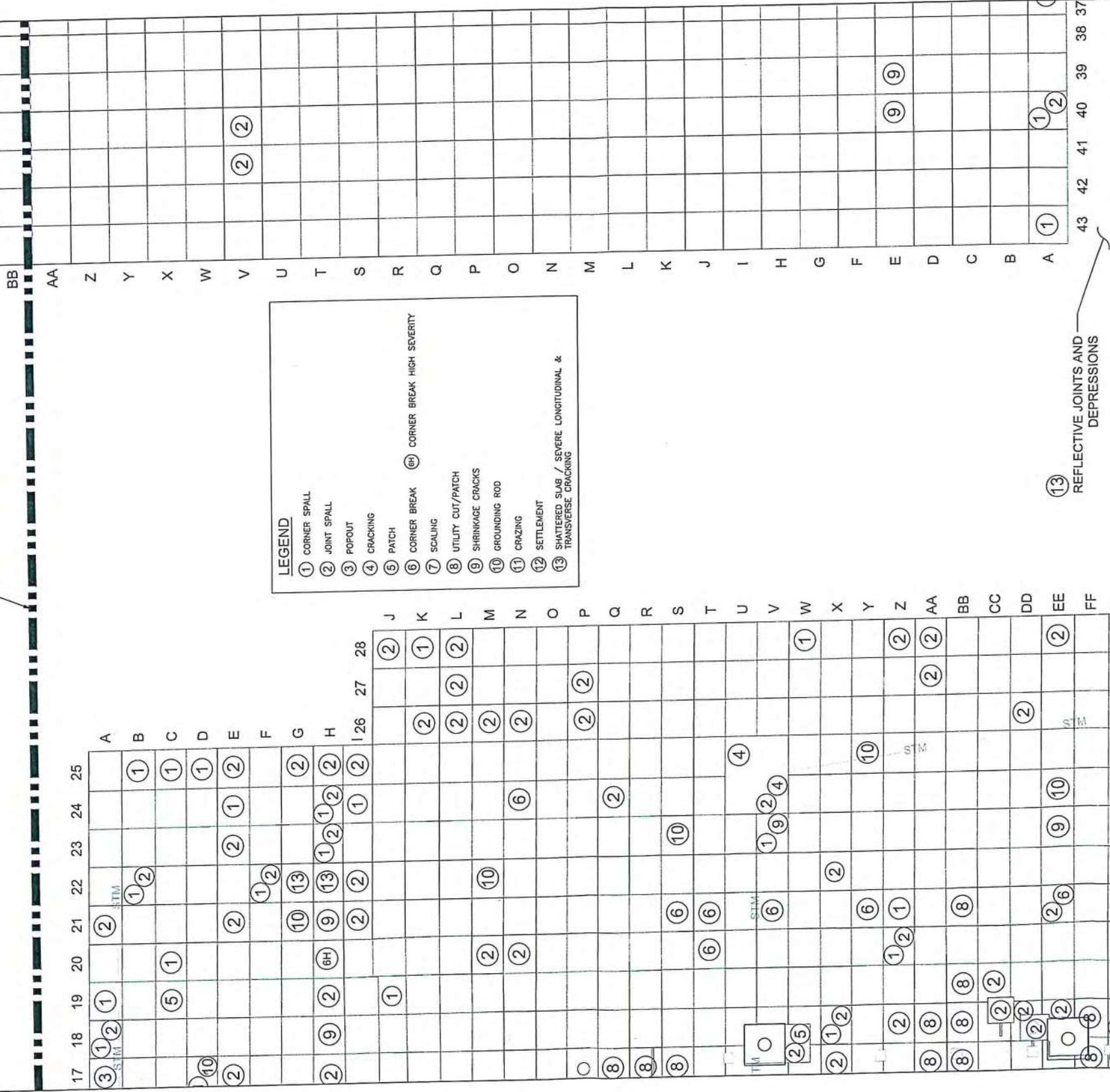
PAVEMENT DISTRESS MAP

SHEET NUMBER

C-2.03



SIDA BOUNDARY



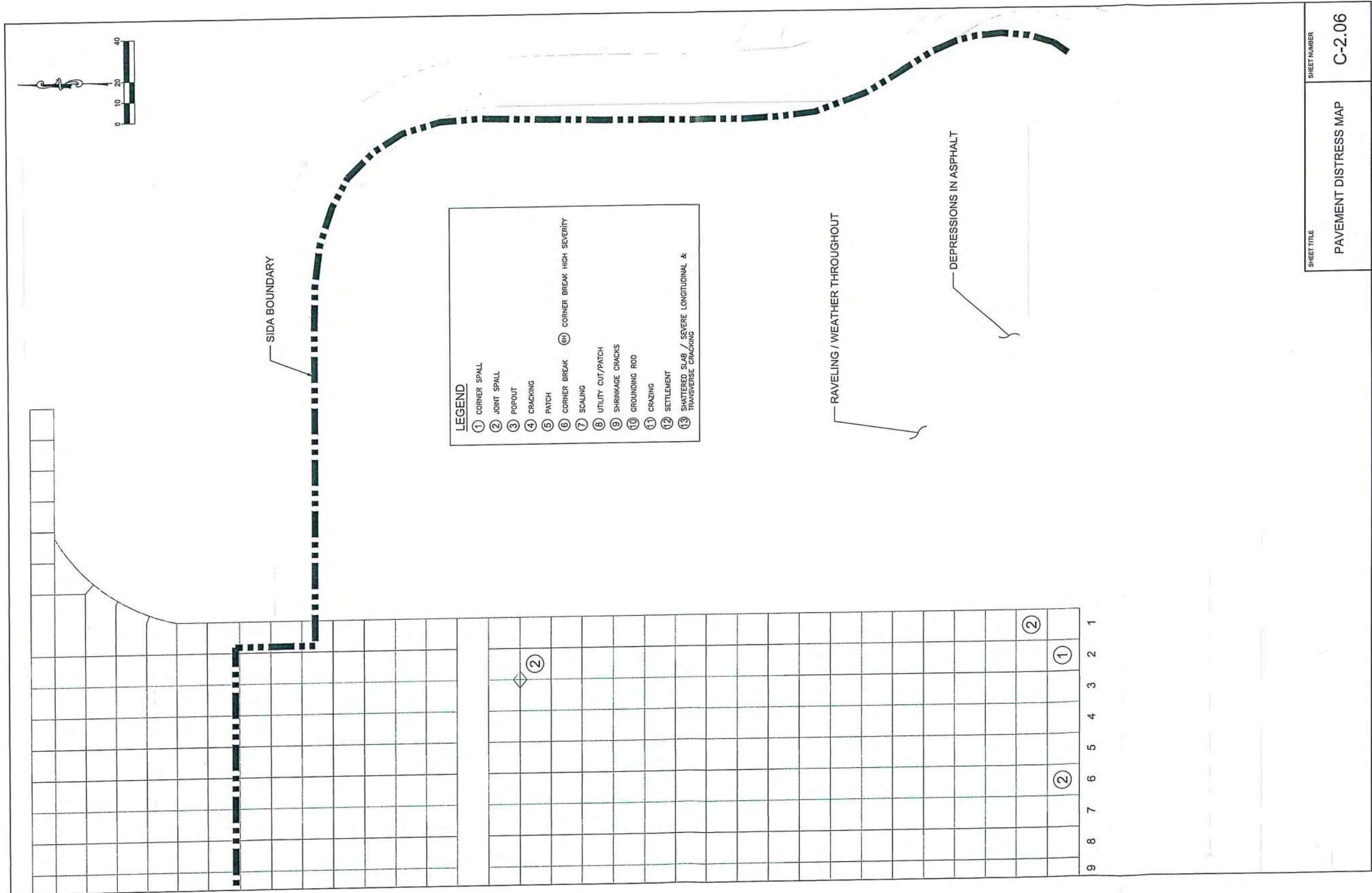
⑬ REFLECTIVE JOINTS AND DEPRESSIONS

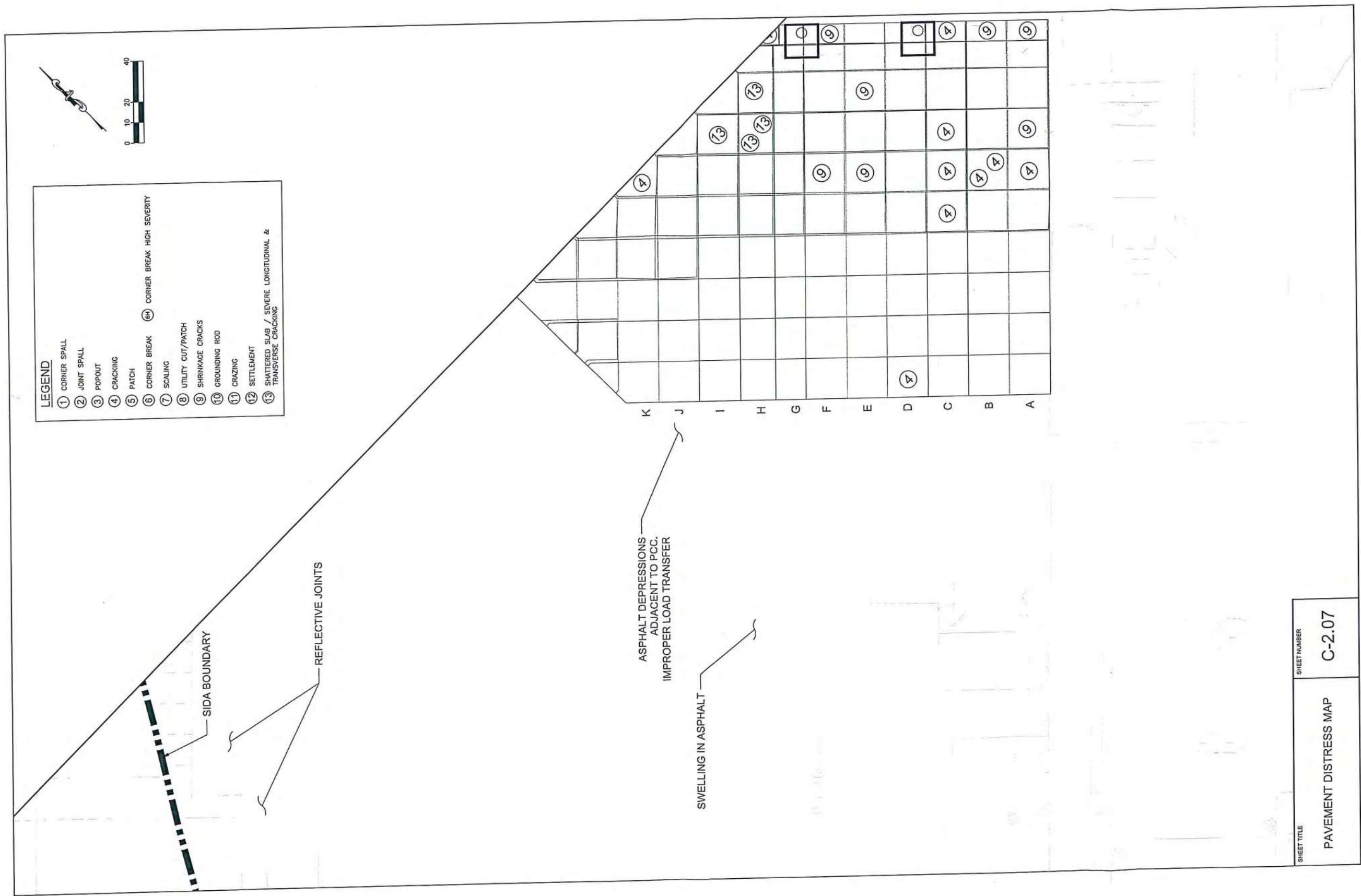
SMALL SECTION OF ASPHALT WITH REFLECTIVE CRACKING

UNKNOWN JOINT PATTERN IN THIS AREA; CORNER BREAKS AND SPALLING THROUGHOUT

INTERNATIONAL
TERMINAL A

SHEET TITLE	SHEET NUMBER
PAVEMENT DISTRESS MAP	C-2.04





Appendix B. FAA AC 150/5380-6C

Schedule 7.2

Litigation: Actions, Suits, Claims, Investigations or Proceedings

- Florida Department of Environmental Protection ("DEP"), referenced as "Incident Date: April 26, 1993 – DEP Facility #598520780, relating to petroleum product contamination discovered during removal of tank numbers 1B, 5A, and 5B at the Airport

Schedule 7.4

Compliance with Law: Outstanding Complaints, Orders, Citations, Notices or Orders of
Violation or Non-Compliance

- Florida Department of Environmental Protection ("DEP"), referenced as "Incident Date: April 26, 1993 – DEP Facility #598520780, relating to petroleum product contamination discovered during removal of tank numbers 1B, 5A, and 5B at the Airport

Schedule 7.5

Terminal Agreements

1. SGHA between Orlando Sanford International, Inc. and Allegiant Air LLC
2. SGHA between Orlando Sanford International, Inc. and ABC Aerolineas S.A. de C.V. d/b/a Interjet
3. MOU between Orlando Sanford International, Inc. and Allegiant Air LLC
4. SGHA between Surinaamse Luchtvaart Maatschappij N.V. d/b/a Surinam Airways LTD
5. SGHA between Thomson Airways Ltd.
6. Amended and Restated Retail Sales Concession Agreement for Duty and Tax Free Goods between Orlando Sanford International, Inc. and Alpha Airport Services, Inc.
 - a. Amendment to the Amended and Restated Retail Sales Concession Agreement for Duty and Tax Free Goods between Orlando Sanford International, Inc. and Alpha Airport Services, Inc.
7. Second Amended and Restated Inflight Services Concession Agreement between Orlando Sanford International, Inc. and Alpha Inflight US, LLC
8. Amended and Restated Retail Sales Concession Agreement for News and Gift and Specialty Retail between Orlando Sanford International, Inc. and Hudson Sanford Joint Venture (Hudson Group, Inc. and Keys Airport Business, Inc.)
 - a. First Addendum to the Amended and Restated Retail Sales Concession Agreement for News and Gift and Specialty Retail between Orlando Sanford International, Inc. and Hudson Sanford Joint Venture
9. Second Amended and Restated Food and Beverage Concession Agreement between Orlando Sanford International, Inc. and SSP America, Inc.
10. Second Amended and Restated Concession and Lease Agreement between Orlando Sanford International, Inc. and DTG Operations Inc. d/b/a Dollar Rent A Car
 - a. Supplement to Second Amended and Restated Concession and Lease Agreement between Orlando Sanford International, Inc. and DTG Operations Inc. d/b/a Dollar Rent A Car
 - b. First Amendment to Second Amended and Restated Concession and Lease Agreement between Orlando Sanford International, Inc. and DTG Operations Inc. d/b/a Dollar Rent A Car

- c. First Amendment to Supplement to Second Amended and Restated Concession and Lease Agreement between Orlando Sanford International, Inc. and DTG Operations Inc. d/b/a Dollar Rent A Car
 - d. Second Amendment to Second Amended and Restated Concession and Lease Agreement between Orlando Sanford International, Inc. and DTG Operations Inc. d/b/a Dollar Rent A Car
 - e. Third Amendment to Second Amended and Restated Concession and Lease Agreement between Orlando Sanford International, Inc. and DTG Operations Inc. d/b/a Dollar Rent A Car
 - f. Fourth Amendment to Second Amended and Restated Concession and Lease Agreement between Orlando Sanford International, Inc. and DTG Operations Inc. d/b/a Dollar Rent A Car
11. License and Concession Agreement to Manage Advertising Program at Orlando Sanford International Airport among Orlando Sanford International, Inc., Sanford Airport Authority and Clear Channel Outdoor, Inc d/b/a Clear Channel Airports
12. Participating Airport Use Agreement among Allegiant Air LLC, Orlando Sanford Domestic, Inc., Orlando Sanford International, Inc. and Sanford Airport Authority.
13. Non-Participating Airport Use Agreement among Sanford Airport Authority, Orlando Sanford Domestic, Inc., Orlando Sanford International, Inc. and ABC Aerolineas S.A. de C.V. d/b/a Interjet
14. Non-Participating Airport Use Agreement among Sanford Airport Authority, Orlando Sanford Domestic, Inc., Orlando Sanford International, Inc. and Surinaamse Luchtvaart Maatschappij N.V. d/b/a Surinam Airways LTD
15. Participating Airport Use Agreement among Sanford Airport Authority, Orlando Sanford Domestic, Inc., Orlando Sanford International, Inc. and Thomson Airways Ltd.
16. Food & Beverage Concession Agreement between Orlando Sanford Domestic, Inc. and Host International, Inc. (Starbucks)
17. Amended and Restated Concession Agreement among Orlando Sanford Domestic, Inc., Sanford Airport Authority, and Hudson Sanford Joint Venture (Hudson Group, Inc. and Keys Airport Business, Inc.)
18. Snack Bar Concession Agreement among Orlando Sanford Domestic, Inc., Sanford Airport Authority, and SSP America, Inc.
- a. First Addenda to the Snack Bar Concession Agreement among Orlando Sanford Domestic, Inc., Sanford Airport Authority, and SSP America, Inc.
 - b. Second Addenda to the Snack Bar Concession Agreement among Orlando Sanford Domestic, Inc., Sanford Airport Authority, and SSP America, Inc.

- c. Third Addenda to the Snack Bar Concession Agreement among Orlando Sanford Domestic, Inc., Sanford Airport Authority, and SSP America, Inc.
 - d. Fourth Addenda to the Snack Bar Concession Agreement among Orlando Sanford Domestic, Inc., Sanford Airport Authority, and SSP America, Inc.
 - e. Fifth Addenda to the Snack Bar Concession Agreement among Orlando Sanford Domestic, Inc., Sanford Airport Authority, and SSP America, Inc.
 - f. Sixth Addenda to the Snack Bar Concession Agreement among Orlando Sanford Domestic, Inc., Sanford Airport Authority, and SSP America, Inc.
- 19. Amended and Restated Concession Agreement among Orlando Sanford Domestic, Inc., Sanford Airport Authority, and Avis Budget Car Rental LLC
 - 20. Amended and Restated Concession Agreement among Orlando Sanford Domestic, Inc., Sanford Airport Authority, and DTG Operations Inc.
 - 21. Amended and Restated Concession Agreement among Orlando Sanford Domestic, Inc., Sanford Airport Authority, and Enterprise Leasing Company of Orlando, LLC d/b/a Enterprise Rent-a-Car
 - 22. Amended and Restated Concession Agreement among Orlando Sanford Domestic, Inc., Sanford Airport Authority, and The Hertz Corporation
 - 23. Concession Agreement among Orlando Sanford Domestic, Inc., Sanford Airport Authority, and Simply Wheelz LLC d/b/a Advantage Rent A Car
 - 24. Amended and Restated Concession Agreement among Orlando Sanford Domestic, Inc., Sanford Airport Authority, and Vanguard Car Rental USA, LLC
 - 25. License and Concession Agreement to Manage Advertising Program at Orlando Sanford International Airport among Orlando Sanford Domestic, Inc., Sanford Airport Authority, and Clear Channel Outdoor, Inc d/b/a Clear Channel Airports
 - 26. Domestic Terminal Lease Agreement (Number Orlando Sanford Domestic, Inc. 2005-1) among Sanford Airport Authority, Orlando Sanford Domestic, Inc., and Allegiant Air LLC
 - 27. Domestic Terminal Lease Agreement between ABC Aerolineas S.A. de C.V. d/b/a Interjet
 - 28. Sublease Agreement between Orlando Sanford International, Inc. and TUI DS USA, Inc.
 - 29. Vending Machine Concession Agreement among Sanford Airport Authority, Orlando Sanford Domestic, Inc. and The Products Group, Inc. d/b/a PGI Services
 - 30. Vending Machine Concession Agreement among Sanford Airport Authority, Orlando Sanford International, Inc. and The Products Group, Inc. d/b/a PGI Services

31. Sublease Agreement between Orlando Sanford International, Inc. and ABC Aerolineas, S.A. de C.V. d/b/a Interjet
32. Non-Concessionaire Off-Airport Rental Car Agreement among Sanford Airport Authority, Orlando Sanford Domestic, Inc., and Florida Van Rentals, Inc.
33. Massage Chair Concession Agreement between Orlando Sanford Domestic, Inc. and Smarte Carte, Inc.

Schedule 7.8

Liens, Encumbrances, Covenants, Restrictions, Mortgages, or Easements Encumbering the Terminal Facilities

- Pursuant to Florida Statutes, no liens or encumbrances can be perfected against the Airport premises as it is public property.
- With the exception of those matters set forth below, as of the Agreement Date, the Authority is unaware of any liens or encumbrances against the Terminal Facilities.¹
 - o It is understood that there are certain utility easements in favor of various utility companies to provide utilities to the Terminal Facilities, which include, without limitation, easements in favor of Florida Power and Light, the City of Sanford Utilities, Florida Public Utilities, and AT&T.
 - o The original Quit Claim Deed from the United States of America to the City of Sanford, a municipal corporation of the State of Florida, as Grantee therein, dated September 4, 1969 and filed in Official Records Deed Book 741, at Page 499 of the Public Records of Seminole County, Florida, contains certain reservations, restrictions, conditions and exceptions, all as set forth in the Deed. One such principal restriction provides that the Airport premises must be used for public airport purposes, and all those occupying the property conduct themselves in a non-discriminatory fashion.
 - o The enabling legislation for the Authority, dated June 30, 1971, contains certain covenants which require the Airport premises to be used for public airport purposes, and among other covenant requirements, how the Authority is required to operate.
 - o The Airport Lease Agreement with the City of Sanford, dated February 9, 2009, also requires the Airport premises to be used for public airport purposes.

¹ The foregoing representations of the Authority are based upon information and belief, and have been made without the benefit of an encumbrance title search of the Terminal Facilities.

Schedule 7.11

Taxes: Examinations or Claims

None Known

