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CLERK OF THE BOARD
OF COUNTY COMMISSIONERS
MIAMI-DADE COUNTY, FLORIDA

MEMORANDUM Agenda Item No. 8(A)(1)

TO: Honorable Chairman Joe A. Martinez and Members, Board of County Commissioners

DATE: March 6, 2012

FROM: R. A. Cuevas, Jr. County Attorney

SUBJECT: Resolution relating to Miami International Airport; approving Restated Airline Use Agreement and its exhibits

Resolution No. R-198-12

The accompanying resolution was prepared by the Aviation Department and placed on the agenda at the request of Prime Sponsor Commissioner Bruno A. Barreiro.

R. A. Cuevas, Jr.
County Attorney

RAC/up

Memorandum

MIAMI-DADE COUNTY

Date: March 6, 2012

To: Honorable Chairman Joe A. Martinez
and Members, Board of County Commissioners

From: Carlos A. Gimenez
County Mayor

Subject: Resolution Approving the Restated Airline Use Agreement Negotiated Between the Aviation Department and the Airlines at Miami International Airport through their Miami Airport Affairs Committee, and Authorizing the Mayor or Designee to Extend such Restated AUA to all Signatory and New Airlines Operating at the Airport and to Extend a Modified Restated AUA to American Airlines

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Recommendation

It is recommended that the Board of County Commissioners (Board) approve the attached Resolution that approves the Restated Airline Use Agreement ("Restated AUA") recently negotiated between the County's Aviation Department and the Airlines at Miami International Airport ("MIA") through their Miami Airport Affairs Committee (the "MAAC"), and authorizing the Mayor or Designee to offer such Restated AUA to all Signatory Airlines who have signed the prior Airline Use Agreement ("AUA") as well as to new airlines desiring to operate at the Airport. As to American Airlines, the Mayor or Designee will be authorized to offer a modified Restated AUA that includes American Airlines' prior agreements relating to the North Terminal Development Project.

Scope

The Restated AUA is for the Airlines' use of MIA which is located within Commissioner Rebeca Sosa's District Six; however, the impact of this item is countywide in nature as MIA is a regional asset.

Fiscal Impact/Funding Source

There are no fiscal impacts associated with this Resolution that approves the Restated AUA.

Track Record/Monitor

MDAD's Deputy Director of Business Retention and Development, Mr. Miguel Southwell, will oversee the replacement of the prior AUA with the Restated AUA.

Background

The AUA is the primary document that sets forth the obligations of an Airline desiring to operate at MIA. The current AUA was approved by the Board in Resolution No. R-331-01, and for the past decade more than 80 airlines have been a signatory to that Agreement in any given year.

The Airlines at MIA collectively deal with MDAD through a group called the "Miami Airport Affairs Committee" (the "MAAC"). In 2009, the MAAC approached MDAD and suggested that a new AUA should be drafted to (i) reflect changes in the aviation industry over the past decade and (ii) clarify the conditions under which an Airline can be found to be late in its payments to MDAD which triggers a number of undesirable consequences for the Airline. Over the past many months, the MAAC and MDAD have engaged in negotiations over the AUA's terms and have agreed upon the amended terms reflected in the attached Restated AUA.

A significant item under the AUA requires comment. Article 28(Q) of the current AUA prevents the amendment of the AUA without the consent of each one of the signatory airlines:

> None of the provisions, terms and conditions contained in this Agreement may be added to, modified, superseded or otherwise altered, except as may be specifically authorized herein or

by written instrument executed by the County and each Airline, including AIRLINE, that is a current signatory of this Agreement and is not in default hereunder.

At this time, MDAD has entered into the AUA with 92 airlines, each one of which needs to accept the terms of the new AUA in order for the Restated AUA to be fully effective. MDAD and the MAAC find that the attached Restated AUA is beneficial to both the Airlines and MDAD, and therefore will solicit the acceptances of all 92 signatory airlines. If all signatory airlines agree to the terms of the Restated AUA, then there will be no issues regarding the effectiveness of the changes. If some of the 92 signatory airlines fail to accept the changes, however, the prior AUA will continue to those non-consenting Airlines and MDAD will honor the terms of the Restated AUA to those Airlines accepting the Restated AUA. No litigation is anticipated as a result of this new Restated AUA, but in a worst-case situation, if a court should determine that the Restated AUA is not effective at all without the acceptance of all 92 airlines, then Article 3(A) of the new Restated AUA provides that the prior AUA will continue as if the Restated AUA had never been signed. Because of the beneficial nature of the amendments, however, MDAD and the MAAC are confident that this worst-case situation will not come about and that all MIA signatory airlines will sign the Restated AUA.

Some highlights of the Restated AUA include the following:

1. To take into account changed conditions in the airline industry:

(a) A tiered Airline/Airport Liability Insurance provision in Article 20(A) providing for a reduced insurance coverage for airlines that operate smaller passenger and cargo aircraft;

(b) A provision in Article 22(C) allowing MDAD to terminate the Restated AUA immediately upon determination that the Airline does not have the required insurance coverage; and

(c) A reduction of the security deposit from three months to two months in estimated aviation charges. This is accomplished by amending the "Aviation User Credit Policy" (the "AUCP) contained in Tab I of the exhibits to the Restated AUA.

2. As a clarification of the late payment concerns, the exhibits have been revised and expanded. The Restated AUA contains one amended exhibit and two new exhibits, but otherwise the exhibits remain the same. The exhibits are designated as "Tabs." The exhibit that has been amended is Tab I which, as mentioned above, reduces the security deposit from three months to two months of estimated aviation charges. The first new exhibit is Tab K, the new Security Deposit Policy, which provides favorable terms to the Airlines regarding the conditions under which airlines will be entitled to further reductions in their security deposits and relief from having to pay interest on delayed payments. The second new exhibit is Tab L, the "Common Use Terminal Equipment (CUTE) Pricing Policy," which sets forth the Aviation Department's program and pricing rules involving an Airline's use of the computer equipment provided by the Aviation Department rather than the Airline's own computer system.

3. To correct the restriction in the current AUA caused by the requirement of 100% approval of any further amendments, a provision in Article 28(Q) of the Restated AUA that allows further amendment of the Restated AUA upon the concurrence of only 75% by number and landed weight of MAAC members and upon the subsequent acceptance of the amendment by current and new airlines.

As an informational item, Tab B sets forth the County's Ground Handling Operations Policy as most recently approved in Resolution No. R-1440-97. Although Tab B is not being amended at this time, the Aviation Department will bring Tab B to the Board in the future in order for the Board to approve an amendment of the Policy that will likely result from the Aviation Department's consideration of a recent request from certain airlines. Under the 1997 Resolution, the County approved a policy that permits an

airline operating at MIA to provide ground handling services to (i) any Airline or Airlines that may be owned at least to the extent of 5% by the Airline providing the service, as well as to (ii) a single Airline partner that meets the eligibility requirements identified in the Resolution. The 1997 Resolution permits MDAD and the County to increase the number of partners an Airline may provide service for, based on an analysis of specific factors that bear on the efficiency of operations at the Airport and the impact such increase would have on existing General Aeronautical Service Permittees ("GASPs"), but such an increase has not been sought to date. Recently, certain Airlines have advised the Aviation Department of their desire to provide the ground handling services through a wholly-owned subsidiary of the Airline. The Aviation Department is currently taking this request under consideration and needs to consult with both the MAAC and the GASPs about the Airlines' request. When the Aviation Department has formulated a recommended Policy change as a result of these consultations, the matter will be brought to the Board for approval of the recommended Policy change.

As to American Airlines, in Resolution No. R-735-05, approved on June 21, 2005, this Board approved a series of agreements that resolved the issues arising out of American's construction efforts on the North Terminal Development Project. One of the agreements was a Claims Administration Agreement under which American agreed to pay the County $105,000,000 towards the resolution of various construction claims. The payments were to be made over a ten-year period. The balance owing at this time is $25,000,000, with a $10,000,000 payment being due in Summer of 2012, a $7,500,000 payment being due in Summer of 2013, and a $7,500,000 payment being due in Summer of 2014.

To secure the payment of the $105,000,000 settlement amount, American entered into a First Amendment to the AUA, under which American agreed to make additional payments under the terms of the AUA itself if the payments were not made under the Claims Administration Agreement. In order to provide the County with a continued assurance of payment, the Restated AUA needs to be amended further for American in order to incorporate the principles of the First Amendment of the prior AUA into the Restated AUA. This can be easily drafted into the Restated AUA and the County can then proffer it to American.

American Airlines, however, has filed for bankruptcy and is currently under the protection of the bankruptcy laws. American is therefore not in a position at this time to execute the Restated AUA with the First Amendment protection built into it. Accordingly, the attached Resolution approves a modified Restated AUA for American Airlines that incorporates the First Amendment principles of the prior AUA into American's Restated AUA, and authorizes the Mayor or Designee to proffer the modified Restated AUA to American when American advises that it is able to execute it. If American fails to execute the modified Restated AUA, then American will continue to be subject to the terms of the prior AUA, which include the assurance of payment provided by the First Amendment. Whether American is subject to the original AUA and its First Amendment or whether American is subject to the modified Restated AUA that incorporates the First Amendment's principles within the modified Restated AUA, the County has as much protection as it can have for recovery of the $25,000,000 balance owing under the Claims Administration Agreement.

It is therefore recommended that the Board adopt the attached Resolution that approves the Restated AUA.

Deputy Mayor

MEMORANDUM

(Revised)

TO: Honorable Chairman Joe A. Martinez
and Members, Board of County Commissioners

DATE: March 6, 2012

FROM: R. A. Cuevas, Jr.
County Attorney

SUBJECT: Agenda Item No. 8(A)(1)

Please note any items checked.

_____ **"3-Day Rule" for committees applicable if raised**

_____ **6 weeks required between first reading and public hearing**

_____ **4 weeks notification to municipal officials required prior to public hearing**

_____ **Decreases revenues or increases expenditures without balancing budget**

_____ **Budget required**

_____ **Statement of fiscal impact required**

_____ **Ordinance creating a new board requires detailed County Manager's report for public hearing**

_____ **No committee review**

_____ **Applicable legislation requires more than a majority vote (i.e., 2/3's ____, 3/5's ____, unanimous_____) to approve**

_____ **Current information regarding funding source, index code and available balance, and available capacity (if debt is contemplated) required**

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 8(A)(1)
3-6-12

RESOLUTION NO. R-198-12

RESOLUTION RELATING TO MIAMI INTERNATIONAL AIRPORT; APPROVING RESTATED AIRLINE USE AGREEMENT AND ITS EXHIBITS ("RESTATED AUA"); CONFIRMING CONTINUING VALIDITY OF THE PREVIOUS AIRLINE USE AGREEMENT UNTIL AIRLINES SIGN THE RESTATED AUA; AUTHORIZING COUNTY MAYOR OR COUNTY MAYOR'S DESIGNEE TO EXTEND THE TERMS OF THE RESTATED AUA TO ANY SIGNATORY AIRLINE THERETO EVEN THOUGH ALL AIRLINES HAVE NOT EXECUTED THE RESTATED AUA; AUTHORIZING THE MAYOR OR DESIGNEE TO EXECUTE SUCH RESTATED AUA FOLLOWING EXECUTION BY AN AIRLINE AND TO EXERCISE TERMINATION PROVISIONS THEREOF; APPROVING A MODIFIED RESTATED AUA FOR AMERICAN AIRLINES AND AUTHORIZING THE MAYOR OR DESIGNEE TO PROFFER SUCH MODIFIED RESTATED AUA TO AMERICAN AIRLINES FOR ITS EXECUTION; CONFIRMING THE VALIDITY OF AMERICAN AIRLINES' CURRENT AUA AND ITS FIRST AMENDMENT UNTIL SUCH TIME AS AMERICAN SIGNS THE MODIFIED RESTATED AUA

WHEREAS, this Board desires to accomplish the purposes outlined in the accompanying memorandum, a copy of which is incorporated herein by reference,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that this Board approves the attached Restated Airline Use Agreement ("Restated AUA") and its exhibits; confirms the validity of the previous Airline Use Agreement ("AUA") as to any signatory airline thereto until such airline signs the Restated AUA; authorizes the Mayor or designee to extend the terms of the Restated AUA to any airline signing the Restated AUA, even though not all signatory airlines to the previous AUA have signed the Restated AUA, this Board finding and determining that the terms of both the AUA and the Restated AUA are fair, reasonable, and not unjustly discriminatory; authorizes County Mayor or County Mayor's designee to execute the Restated AUA following execution by a signatory or new airline, and to exercise the termination provisions thereof; approves a modified Restated AUA for American Airlines that incorporates

the provisions of American Airlines' First Amendment of its current AUA into the terms of the modified Restated AUA; authorizes the Mayor or designee to proffer such modified Restated AUA to American Airlines for its execution; confirms the validity of American Airlines' current AUA and its First Amendment until such time as American Airlines signs the modified Restated AUA.

The foregoing resolution was offered by Commissioner **Lynda Bell**, who moved its adoption. The motion was seconded by Commissioner **Rebeca Sosa** and upon being put to a vote, the vote was as follows:

Joe A. Martinez, Chairman	**absent**		
Audrey M. Edmonson, Vice Chairwoman	**absent**		
Bruno A. Barreiro	**aye**	Lynda Bell	**aye**
Esteban L. Bovo, Jr.	**aye**	Jose "Pepe" Diaz	**absent**
Sally A. Heyman	**aye**	Barbara J. Jordan	**aye**
Jean Monestime	**aye**	Dennis C. Moss	**aye**
Rebeca Sosa	**aye**	Sen. Javier D. Souto	**aye**
Xavier L. Suarez	**aye**		

The Chairperson thereupon declared the resolution duly passed and adopted this 6th day of March, 2012. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By: **Christopher Agrippa**
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency. TPA

Thomas P. Abbott

MIAMI INTERNATIONAL AIRPORT

MIAMI-DADE COUNTY

RESTATED AIRLINE USE AGREEMENT

MIAMI INTERNATIONAL AIRPORT

THIS RESTATED AIRLINE USE AGREEMENT (the "Restated AUA" or sometimes the "Agreement"), is entered into as of this ___ day of _____, 2011, by and between **MIAMI-DADE COUNTY** ("County"), a political subdivision of the state of Florida, acting through its Aviation Department ("MDAD"), and _____, an air carrier authorized to do business in the State of Florida ("AIRLINE"),

WHEREAS, AIRLINE is an airline certificated by the U.S. Department of Transportation that operates at Miami International Airport ("MIA" or "Airport") and the parties desire to set forth the operating privileges and responsibilities of the AIRLINE at MIA, as well as certain terms applicable to any lease of Terminal Building space by the Airline; and

WHEREAS, in 2002, the County and certain air carriers operating at MIA agreed to the terms of an Airline Use Agreement whose term was a fixed fifteen (15) year term commencing as of May 1, 2002, and expiring not later than April 30, 2017; and

WHEREAS, the parties have agreed to the terms of this Restated AUA on the condition that the terms hereof will expire on April 30, 2017, regardless of the date an airline enters into this Agreement, except as to obligations incurred by an airline prior to such expiration date and except as to any earlier termination of this Agreement;

NOW THEREFORE, in consideration of the premises and of the mutual promises made in this Agreement, the parties agree as follows:

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Tab	L	Common Use Terminal Equipment (CUTE) Pricing Policy	Art. 5B

Article 1
Definitions

For the purpose of this agreement, the following definitions apply:

A. "Affiliated Airline" means an airline that is designated on Tab F of this Restated AUA, as an airline for which AIRLINE has assumed financial responsibility for all fees and charges incurred by the airline through use of any airport in the Airport System, and that is (i) the AIRLINE's parent company, (ii) a sister airline through common ownership, in whole or in part, with the parent of the AIRLINE, (iii) a wholly-owned or partially-owned subsidiary of the AIRLINE, or (iv) an equity partner, alliance partner, feeder carrier, code sharing partner, or connection marketing partner of the AIRLINE, as such terms are defined, amended or deleted from the term "affiliated airline" from time to time by the County.

B. "Air Transportation Business" means the carriage or transport by aircraft of persons or property as a common carrier for compensation or hire, or the carriage or transport of mail by aircraft in commerce, and activities directly related thereto.

C. "AIRLINE" means the Airline that has executed this Agreement.

D. "Airline," as distinguished from "AIRLINE," means an air carrier (including AIRLINE) that operates an Air Transportation Business at the Airport or at any other airport or airports in the Airport System.

E. "Airline Costs" means that portion of PAP Revenues received by the County from Airlines in payment of (1) rents, fees, and charges for use and occupancy of the Airport's Terminal Building, concourses, and facilities related to the processing of air passengers and to the accommodation of passenger aircraft for loading and unloading of passengers and their bags and (2) landing fees at airports in the Airport System. The term is intended to reflect those costs typically included in calculations of airline costs per enplaned passenger for airports.

F. "Airline Costs Per Enplaned Passenger" means the ratio created by dividing Airline Costs for a Fiscal Year by Enplaned Passengers for the corresponding Fiscal Year.

G. "Airport" means Miami International Airport located in Miami-Dade County together with any additions thereto, or improvements or enlargements thereof, hereafter made, whether contiguous or not.

H. "Airport Bonds" means general airport revenue bonds, general obligation bonds, commercial paper, and other forms of indebtedness incurred or assumed by the County in connection with the ownership or operation of the Port Authority Properties and payable from Revenues, from PFCs, or from the Improvement Fund.

I. "Airport Grants" means those moneys contributed to the County by the United States or any agency thereof, or by the State of Florida, or any political subdivision or agency thereof, to pay for all or a portion of the cost of a Capital Project.

J. "Airport System" means the Airport and other airports now or hereafter owned or operated by the County, including Miami International Airport, Opa-locka Executive Airport, the decommissioned Opa-locka West General Aviation Airport, Kendall-Tamiami Executive Airport, Homestead General Aviation Airport, and the Training and Transition Airport.

K. "Approved Capital Improvement Program" or "Approved CIP" means the programs for construction, acquisitions, and improvements to the Airport System as described in Tab A.

L. The term "Aviation Activities" means the AIRLINE's aviation activities described in Article 8A hereof that are to be used for reporting and invoicing purposes by both parties for those activities covered by the Aviation User Credit Program in Article 8. Aviation Activities are currently based on aircraft type and number of arrivals and departures that serve as the present basis for invoicing landing fees, aircraft parking fees, concourse use fees (for both domestic and international flights), inbound and outbound baggage fees, loading bridge fees, and other gate-related fees.

M. "Aviation Fees" refer to the fees and charges specifically established from time to time by the Board of County Commissioners or else established through methodologies that are approved by the Board of County Commissioners (such as those methodologies and policies found in the Tabs to this Agreement). Aviation Fees currently refer to landing fees, aircraft parking fees, concourse use fees (for both domestic and international flights), inbound and outbound baggage fees, loading bridge fees, other gate-related fees, and Terminal Building fees for facilities, equipment, and services. (Such fees and charges typically arise out of, but are not limited to, "Aviation Activities".)

N. "Capital Project" means projects by the County to improve, maintain, develop, or expand the Airport System including (1) the acquisition of real property, including land, easements, buildings, and other property; (2) the purchase of machinery, equipment, or rolling stock; (3) the engineering, design, and construction of new facilities; (4) the remediation of environmental contamination, including noise mitigation, or expenditures to prevent or protect against such contamination; or (5) major maintenance of existing facilities. To qualify as a Capital Project for the purposes of this Agreement, a project must have costs of at least $1,000,000 for items 1 through 5 in this Article 1M.

O. "Construction Costs" means the expenditures to demolish, acquire, install, construct, equip, retrofit, or relocate a Capital Project, or estimates of such expenditures including an allowance for contingencies.

P. "County" means Miami-Dade County, Florida, a political subdivision of the State of Florida.

Q. "Enplaned Passengers" means all originating passengers and connecting passengers boarded by Airlines at the Airport (or at any other airport owned or operated by the County), including passengers traveling on frequent flyer coupons.

R. "Fiscal Year" means the twelve-month period commencing on October 1 and ending September 30, or any other twelve-month period established by the County from time to time.

S. "MAAC" means the "Miami Airport Affairs Committee" as described in Article 6D.

T. "Majority-In-Interest" shall be defined in accordance with the provisions of Article 6D(5) of this Agreement.

U. "Non-Port Authority Properties," sometimes known as "N-PAP facilities," means any properties or facilities at any of the County's airports that are not classified, as Port Authority Properties under the Trust Agreement applicable to Port Authority Properties.

V. "Passenger Facility Charges" or "PFCs" means those charges authorized under Section 111 3(e) of the Federal Aviation Act of 1958, as amended by Section 9110 of the Omnibus Budget Reconciliation Act of 1990 (Pub. L. 101-508, 49 U.S.C. App. Section 1513), the Wendell H. Ford Aviation Investment and Reform Act for the 21st Century (AIR-21, Pub.L. 106-181), or any successor program authorized by federal law, and the rules and regulations promulgated thereunder (14 C.F.R. Part 158, hereafter the "PFC Regulations"), as such statutes and regulations may be amended from time to time.

W. "Port Authority Properties," sometimes known as "PAP facilities," means those properties and facilities defined in the Trust Agreement.

X. "Project Costs" means Construction Costs, together with related costs such as planning fees, architectural and engineering fees, program management fees, construction management fees, fees for environmental studies, testing fees, inspection fees, impact fees, and other such fees and costs.

Y. "Revenues" means all Revenues as such term is defined in the Trust Agreement.

Z. "Signatory Airline" means any Airline (including AIRLINE) that has executed an agreement with the County substantially similar to this Agreement.

AA. "Terminal Building" means the Terminal Building facility at the Airport whose components are described in Tab H of this Restated AUA.

BB. "Trust Agreement" means the Amended and Restated Trust Agreement applicable to the Airport System that is dated as of December 15, 2002 and replaces the former Trust Agreement dated as of October 1, 1954, as amended and

supplemented. Unless otherwise defined, capitalized terms from the Trust Agreement shall have the meaning ascribed to such terms in the Trust Agreement.

Article 2
Operating Rights and Privileges at MIA

A. Subject to the conditions contained herein, AIRLINE shall have the right to use the Airport for the conduct of AIRLINE'S Air Transportation Business at the Airport in common with other Airlines at MIA. This right shall include (a) the use of the Airport's airfield facilities, including but not limited to runways and taxiways, (b) the use of the common use facilities within the Terminal Building and the non-terminal facilities at the Airport consistent with security requirements established by County from time to time, (c) the use of landside facilities, including but not limited to all common use areas not included within the airside or terminal side of the Airport, and (d) the use of all appurtenances, facilities, improvements, equipment, and services that have been or may hereafter be provided for common use at or in connection with the Airport; provided however, that such use shall at all times be subject to and limited by (i) the rules and regulations applicable to the Airport established from time to time by the County or County's Aviation Department ("MDAD") applicable to all Airlines operating at the Airport, (ii) any and all fees and charges established by the County or MDAD from time to time applicable to such use, (iii) the terms of any lease, license, or permit applicable to the portion of the Airport being used by AIRLINE and signed by the AIRLINE, and (iv) any such lease, license, or permit proffered to the AIRLINE as a condition to AIRLINE's use of such portion of the Airport when the AIRLINE has chosen to occupy and make use of such portion of the Airport even though the AIRLINE has not signed the lease, license, or permit. Except for the conduct of its Air Transportation Business, AIRLINE may not conduct any business on the Airport without the prior written consent of MDAD.

B. Ground and cargo handling operations at MIA shall be conducted in the manner set forth in County's Ground Handling Operations Policy attached hereto as Tab B and County's Cargo Handling Operations Policy, as set forth in such policy to be attached hereto as Tab C, as such policies may be developed and amended from time to time after consultation with the MAAC. AIRLINE shall also comply with the County's Gate Assignment Policy in Tab D [need to see Tab D (and other tabs)] and the Ticket Counter Allocation & Use Policy in Tab E to the extent they apply to AIRLINE's operations, as such policies may be amended from time to time.

C. If County makes any other airport in the Airport System available for commercial use, the Aviation Department shall have the right to establish the terms and conditions applicable to the AIRLINE's use of such airport. Unless specifically stated otherwise in documents provided by the Aviation Department applicable to such airport, the terms of this Agreement shall apply to AIRLINE's operations at such airport. By

operating at such airport, AIRLINE agrees to comply with operational and financial requirements applicable to such airport, and agrees that the extent of its commitments set forth herein as to MIA shall continue for an equal period of time as to such other airport. Notwithstanding the foregoing, the County agrees to structure the financial requirements at any airport in the Airport System other than MIA that receives Part 139 certification so that the commercial airlines operating at such other Part 139 airport pay for as much of the costs associated with obtaining Part 139 certification and maintaining the airport in compliance with Part 139 requirements as is reasonable under the circumstances, consistent with requirements and policies of the FAA and the Trust Agreement.

D. Under rules established from time to time by MDAD, AIRLINE may designate on Tab F hereto Affiliated Airlines for whom AIRLINE shall be responsible to the following extent:

(1). Any Affiliated Airline designated on Tab F shall be entitled to the rights, responsibilities and obligations of AIRLINE hereunder except as specifically provided otherwise in this Article 2D and except as may be provided in policy statements of the County, such as, but not limited to, the Ground Handling Operations Policy and Cargo Handling Policy. Such rights, responsibilities and obligations shall be effective only upon MDAD's receipt of Tab F identifying the Affiliated Airline and signed or endorsed by a corporate officer of AIRLINE having the authority, as determined by MDAD under its rules, to provide such signature or endorsement. AIRLINE shall be responsible for all obligations of such Affiliated Airline pertaining to rates and charges under this Agreement until AIRLINE has removed the Affiliated Airline from Tab F. Such removal shall not be effective until County receives AIRLINE's revised Tab F.

(2). Any Affiliated Airline designated on Tab F must separately and independently comply with all of County's aircraft operations requirements, including, but not limited to, requirements pertaining to operating certificates and types and levels of insurance. In addition, AIRLINE must separately and independently report periodically to the County AIRLINE's and its Tab F Affiliated Airline's Aviation Activities as required from time to time by the County.

(3). AIRLINE shall be responsible for payment of all fees and charges incurred by Tab F Affiliated Airlines for their use of the Airport System. If County permits a Tab F Affiliated Airline to pay such fees and charges in whole or in part separately to the County, AIRLINE shall remain liable for any unpaid fees and charges incurred by such airline until the airline is removed from Tab F.

(4). Each Affiliated Airline on Tab F shall remain separately and independently responsible to the County for fees and charges incurred by the Affiliated Airline for the use of the Airport System.

E. AIRLINE's use of the Airport or any portion thereof is conditioned upon AIRLINE's compliance with all applicable federal, state, and local laws, regulations,

policies, and directives applicable to such use. AIRLINE shall be entitled to the use of the AIRPORT for aeronautical purposes under the terms of this Restated AUA even if AIRLINE has not separately entered into any specific lease, license, or permit agreement applicable to a particular facility of the Airport, provided that Airline does not have the right to use such facilities that require a separate lease, license or permit.

F. AIRLINE agrees to file such reasonable information with MDAD as MDAD requires from time to time for all airlines operating at MIA, including information required by MDAD for such items as total passengers carried by flight (including non-revenue passengers and the designation of non-revenue passengers to the extent the AIRLINE records such information in its records), cargo and cargo tonnage information, and information required by federal or state agencies or departments.

G. MDAD, following consultation with the MAAC, shall have the right to amend any Policy attached hereto or otherwise applicable to AIRLINE's operations at the Airport, including the right to amend any document or form attached to any such Policy. Provided, however, that any such amendment shall not apply to the extent the amendment materially affects a written contract between AIRLINE and a third party that is based on the subject matter of the amendment, in which case the amendment shall be held in abeyance as to that contract until the first date on which the written contract may be terminated by either party thereto; provided further, however, that any such amendment shall go into effect immediately if the Policy, document, or form being amended that is made part of such written contract specifically references on its face that it is subject to amendment by the County or MDAD.

Article 3
Term of Agreement

A. This Restated AUA shall be effective as of the date the AIRLINE and the County execute it. The parties' rights and obligations hereunder shall commence and continue from such execution date, but if this Restated AUA should be held invalid for any reason, then the terms of the prior AUA shall be deemed to have continued in effect from such execution date until April 30, 2017, or earlier if an earlier termination applies.

B. This Restated AUA shall continue for so long as AIRLINE operates at the Airport, but in no event shall this Restated AUA be effective after April 30, 2017, except as to any obligations of the Airline that are incurred on or prior to such date.

C. This Agreement may be terminated in accordance with its provisions; provided, however, AIRLINE covenants and agrees that AIRLINE's obligations to pay landing fees and other charges at the levels required under this Restated AUA, including but not limited to the fees and charges set forth in Article 5 hereof, shall continue for so long as AIRLINE operates at the Airport or any other airport in the

Airport System, notwithstanding termination or expiration of this Agreement. Specifically, AIRLINE agrees that, notwithstanding termination or expiration of this Agreement, for so long as AIRLINE operates at the Airport or any airport in the Airport System and Airport Bonds are outstanding under the Trust agreement or any successor trust document, AIRLINE shall pay landing fees pursuant to Article 5A, including amounts sufficient to meet the rate covenant of the Trust Agreement or any such successor trust document as provided in Article 9F of this Restated AUA, or shall pay landing fees applicable only to an airport other than the Airport if the County, consistent with the provisions of Article 2C above, has established a separate rates and charges methodology for such airport. County agrees that all Airlines operating at the Airport or any other airport within the Airport System shall be subject to the same requirement contained in this Article 3A.

D. AIRLINE may use all facilities at the Airport in accordance with the length of term of any lease, license, permit, or other document applicable to such facilities.

E. AIRLINE's obligations incurred prior to AIRLINE's discontinuance of its operations and obligations that are continuing in nature as provided herein shall survive the discontinuance of AIRLINE's operations at the Airport.

Article 4
Application of Other Agreements

A. From time to time, County and AIRLINE shall enter into separate agreements applicable to the exclusive or nonexclusive use by AIRLINE of designated Airport facilities. Such Agreements may include but are not limited to (1) lease agreements for use of Terminal Building space, (2) lease agreements for facilities other than Terminal Building facilities, and (3) agreements that permit AIRLINE to use Airport facilities in a specific manner.

B. AIRLINE acknowledges and agrees that any lease agreement whose term is month-to-month shall not constitute an asset of AIRLINE'S estate for bankruptcy purposes. AIRLINE consents to County's termination of a month-to-month lease in the manner set forth in any such lease agreement without the necessity of obtaining bankruptcy court approval of such termination.

Article 5
Rates and Charges

A. Landing Fees.

AIRLINE hereby acknowledges that the County, acting through its Board of County Commissioners, has established or will establish or direct the establishment, from time to time, of (1) landing fees and charges, including those covered by this

Agreement, and (2) the policies and procedures relating to the payment of same. AIRLINE acknowledges and consents to the landing fees at the Airport being based on an "Airports System" residual methodology as set forth in Tab G.

B. Terminal Building Rents and User Fees.

The AIRLINE further acknowledges that Terminal Building rents and user fees, including "Concourse Use Charges" and certain other fees and charges applicable to the use of Terminal Building facilities, equipment and services, are currently based on a cost based, equalized rate setting methodology, as set forth in Tab H and Tab L.

C. Payment of Fees and Charges.

The AIRLINE agrees to pay all landing fees, terminal building rents and user fees, and the fees and charges for all other facilities at the Airport established by the County's rate-setting methodologies or in accordance with law, and applicable to AIRLINE's use of the Airport. County reserves the right to modify such methodologies from time to time, as well as all other applicable fees and charges established by the County or MDAD, in order to comply with its requirements under the Trust Agreement or under federal law, or as a result of a Board-approved modification resulting from consultation with the Airlines at MIA and consented to by the Trustee.

Article 6
Approval of Airport Capital Projects

A. Capital Expenditures: General

(1). MDAD may incur costs to plan and program Capital Projects as it deems appropriate without MII Review as set forth in Article 6B. In addition, the County may incur costs, whether capital or operating, for items that do not constitute a Capital Project. MDAD shall define Capital Projects, as it, in its sole judgment, deems appropriate to facilitate development and financing plans, and shall not divide, phase, or consolidate projects for the purpose of circumventing the provisions of this Article 6.

(2). Subject to the provisions of this Article 6, MDAD may incur costs to plan, design and construct Capital Projects.

(3). Subject to the provisions of this Article 6, MDAD may pay the Project Costs associated with any Capital Project using funds lawfully available for such purposes as it deems appropriate, and may issue Airport Bonds in amounts sufficient to finance any Capital Project and other improvements.

(4). By September 1 of each year, MDAD shall submit to AIRLINE a report on the Capital Projects that MDAD plans to commence designing or constructing during the next succeeding Fiscal Year. The report shall contain the following information:

(a) A description of each Capital Project together with a statement of the need for each.

(b) A schedule of estimated Construction Costs, other Project Costs, and proposed funding sources for each Capital Project.

(c) A notice requesting MII approval of the Capital Projects, if any, that are subject to MII review under Article 6C.

(d) A report on construction work in progress (called the "CWIP" Report). MDAD will keep books and records of Construction Costs, other Project Costs, and funding sources, in accordance with the County's system of accounts and accounting practices, which will form the basis for the CWIP Report. Upon reasonable prior notice, AIRLINE or its representative shall have the right to examine such books and records.

(e) A 5-year plan of Capital Projects that covers the Fiscal Year for which the report is provided plus the four (4) next succeeding Fiscal Years. The plan shall include for each of the Capital Projects in the succeeding Fiscal Years a description, statement of need, estimated Construction Costs, other Project Costs, and proposed funding sources.

(f) A projection for such 5-year period plus five (5) additional Fiscal Years of Airline Costs Per Enplaned Passenger including, as appropriate, analyses and supporting assumptions. The provision of reports containing projections that extend beyond the term of this Agreement shall not in any way be construed to imply an extension of such agreement beyond its stated term.

(g) The projection of Airline Costs Per Enplaned Passenger will rely on the forecast of Enplaned Passengers developed by the Traffic Engineers for the then most recent official statement for Airport Bonds. In developing the projection of Enplaned Passengers, the Traffic Engineers' forecast may be adjusted up or down, as appropriate, to reflect intervening events and different expectations regarding future events affecting Enplaned Passengers at airports in the Airport System.

(h) The projection of Airline Costs Per Enplaned Passenger provided for in Article 6A(4)(f) will be discounted to 1998 dollars using the Consumer Price Index-Miami/Ft. Lauderdale (or successor index) for the historical years in which such index is available and the rate(s) of underlying inflation (used in the projection) for future years.

(5). MDAD may from time to time amend or supplement such report during a Fiscal Year by providing supplementary notice to the AIRLINE. The supplementary notice shall contain the information described in subparagraphs (4)(a), (4)(b), and (4)(c) of this Article 6A.

B. **Capital Expenditures: Capital Projects not subject to MII Review**

Without submitting a Capital Project for review by a Majority-In-Interest of the MAAC Airlines as described in Article 6C below, MDAD may incur costs to plan, program, design, and construct any Capital Project which is described by one or more of the following specific provisions:

(1). Capital Projects that will be classified as Non-Port Authority Properties, provided such Capital Projects will not cause an increase in Airline Costs Per Enplaned Passenger;

(2). Capital Projects whose individual estimated Construction Costs, less such costs funded from Airport Grants, PFCs, proceeds of PFC stand-alone bonds or PFC-backed bonds, donated capital, Improvement Fund monies in the Aviation Capital Account, Reserve Maintenance Fund monies, or any combination thereof, do not exceed $15,000,000;

(3). Capital Projects whose Construction Costs will be financed with the proceeds of special facility revenue bonds without recourse to or reimbursement from or against Airport System funds;

(4). Capital Projects whose Construction Costs will be financed by tenant or third-party sources, provided such costs will not be reimbursed by the County from Airport System funds;

(5). Capital Projects in connection with the reclassification to Port Authority Properties pursuant to Section 1308 of the Trust Agreement;

(6). Capital Projects certified by the Consulting Engineers to be required under the Trust Agreement;

(7). Capital Projects deemed necessary in the judgment of the County to comply with a rule, regulation, order, or requirement of any federal, state, or other governmental agency;

(8). Capital Projects deemed necessary in the judgment of the County to settle lawful claims, satisfy judgments, or comply with judicial orders against the County by reason of its ownership, operation, maintenance, or use of the Port Authority Properties or parts thereof;

(9). Capital Projects deemed necessary in the judgment of the County to permit continued operation of the Port Authority Properties during and immediately following an emergency;

(10). Capital Projects to repair or replace casualty damage or destruction to improvements and equipment, provided that costs are funded or offset to the maximum

extent possible from (a) insurance proceeds available to MDAD from policies carried by MDAD or the County that are collected for such losses and (b) funds collected for such losses from subrogation efforts;

(11). Capital Projects previously approved by a Majority-In-Interest of MAAC Airlines; provided, however, that the increment in Construction Costs over the previously approved amount of any such Capital Project shall be subject to MII review in accordance with Article 6C below if the scope of such Capital Project changes materially and revised estimates of Construction Costs for such Capital Project exceed approved Construction Costs by more than twenty-five percent (25%); or

(12). The programs comprising the Approved CIP. MDAD may proceed with, and may modify the scope of, such programs provided that the increment in Project Costs of any such program over the previously approved amount are subject to MII review pursuant to Article 6C below if the revised estimates of Project Costs for any such program exceed approved Project Costs as shown in Tab A by more than twenty-five percent (25%).

(13). Prior to proceeding with any Capital Project not subject to MII review, MDAD will provide written notice to the MAAC of MDAD's intention to proceed with such Capital Project .

C. **Capital Expenditures: Capital Projects Subject to MII Review**

MDAD may not incur costs to design and construct Capital Projects, except those identified in Article 6B above, without the prior review of a Majority-In-Interest of MAAC Airlines. Review shall consist of Disapproval Review, Approval Review, or Capital Projects Moratorium as set forth in subarticles (1), (2), and (3) below.

(1). Disapproval Review:

If MDAD's annual projection of Airline Costs Per Enplaned passenger does not exceed $30 (expressed in 1998 dollars) in five (5) or more years of the 10-year projection period, then the following disapproval review procedure shall apply.

(a) Each Capital Project, which is subject to Article 6C(1), shall be deemed to be approved by a Majority-In-Interest of the MAAC Airlines unless MDAD receives, within forty-five (45) days of mailing the report or supplementary notice specified in Article 6A(4) or Article 6A(5), respectively, written responses signifying that a Majority-In-Interest of MAAC Airlines disapprove such Capital Project. Late responses and non-responses will be deemed to signify approval of such Capital Project.

(b) If a Capital Project is disapproved under Article 6C(1)(a) then, after not less than 180 days of mailing the report or supplementary notice specified in Article 6A(4) or Article 6A(5), respectively, the County may resubmit a disapproved Capital Project to the MAAC. Each such resubmitted Capital Project shall be deemed to be

approved unless MDAD receives, within forty-five (45) days of mailing, written responses signifying that a Majority-In-Interest of MAAC Airlines disapprove such resubmitted Capital Project. Late responses and non-responses will be deemed to signify approval of such Capital Project.

(c) After not less than 180 days following the date the County resubmits a disapproved Capital Project to the MAAC pursuant to Article 6C(1)(b) above, the County may proceed with any such Capital Project that was disapproved by the Majority-In-Interest of the MAAC Airlines on re-submission.

(2). Approval Review:

If MDAD's annual projection of Airline Costs Per Enplaned Passenger exceeds $30 (expressed in 1998 dollars) but does not exceed $35 (expressed in 1998 dollars) in six (6) or more years of the 10-year projection period, then the following approval review procedure shall apply.

(a). Each Capital Project that is subject to this Article 6C(2) shall be submitted for approval review by first submitting the report required in Article 6A. No such Capital Project shall be deemed to be approved by a Majority-In-Interest of the MAAC Airlines unless MDAD receives, within forty-five (45) days of mailing the report or supplementary notice specified in Articles 6A(4) or Article 6A(5), respectively, written responses signifying that a Majority-In-Interest of the MAAC Airlines approve such Capital Project. Late responses and non-responses will be deemed to signify approval of such Capital Project.

(b). If a Capital Project is not approved under Article 6C(2)(a), then, after not less than 180 days of mailing the report or supplementary notice specified in Article 6A(4) or Article 6A(5), respectively, the County may resubmit such Capital Project to the MAAC. No resubmitted Capital Project shall be deemed to be approved by a Majority-In-Interest of the MAAC Airlines unless MDAD receives, within forty-five (45) days of mailing written responses signifying that a Majority-In-Interest of the MAAC Airlines approve such resubmitted Capital Project. Late responses and non-responses will be deemed to signify approval of such Capital Project.

(c). MDAD may present any resubmitted Capital Project that has not been approved by a Majority-in-Interest of the MAAC Airlines under Article 6C(2)(b) to the Board of County Commissioners for consideration. Following presentation by MDAD and any presentation made on behalf of any of the MAAC, the Board of County Commissioners may allow such Capital Project to proceed, notwithstanding the failure of approval of a Majority-In-Interest of the MAAC Airlines. Upon the effective date of the approval by a simple majority of a quorum of the Board of County Commissioners, MDAD may proceed with the Capital Project as if approved by a Majority-In-Interest of the MAAC Airlines.

(3). Capital Projects Moratorium:

If MDAD's annual projection of Airline Costs Per Enplaned Passenger exceeds $35 (expressed in 1998 dollars) in six (6) or more years of the 10-year projection period, then MDAD may not incur costs during the next succeeding Fiscal Year to design and construct Capital Projects except those identified in Article 6(B).

During any such Fiscal Year, MDAD may present Capital Projects to the MAAC for consideration consistent with the provisions set forth in Article 6C(2)(a) and Article 6C(2)(b). With approval of a Majority-In-Interest of the MAAC Airlines, MDAD may proceed, despite the moratorium, with design and construction of such approved Capital Projects.

D. **The Miami Airport Affairs Committee (MAAC); Majority in Interest of Airlines**

(1). The MAAC shall serve as the liaison between all MIA airlines at MIA and the County. AIRLINE agrees that any MII decision by the MAAC required by this Agreement shall be binding on the AIRLINE.

(2). The MAAC shall consist of at least eleven (11) Signatory Airlines. As close to the beginning of the Fiscal Year as is possible, MDAD shall publish the landed weights of all airlines using MIA during the prior fiscal year. For the Fiscal Year succeeding such prior Fiscal Year, the not less than eleven Signatory Airlines eligible to serve on the MAAC during such fiscal year shall be taken from the highest twenty five (25) airlines by landed weight at MIA, except as otherwise provided herein; provided, however, that notwithstanding the foregoing:

(a) The MAAC membership shall include American, Air Canada, Continental, Delta, United and US Airways for so long as any such airline operates at MIA or any other airport within the Airport System and is in good standing as set forth in Article 6D(4) below; provided, however, that if any such airline is merged into another airline, then the airline into which it is merged shall have the right to MAAC membership if it is or becomes a Signatory Airline; and provided further that, notwithstanding any merger, such named airlines shall have continued voting rights in their own name for so long as they continue to fly in their own name;

(b) Unless already represented on the MAAC membership, the MAAC membership shall include not less than one European passenger airline, one Caribbean/Latin American passenger airline, one cargo airline, and one regional airline, even though such airlines are not on the list of the top twenty five Signatory Airlines by landed weight;

(c) Any Signatory Airline among the top ten (10) airlines on MDAD's landed weight list for the prior year is entitled to membership on the MAAC for the succeeding fiscal year if such Signatory Airline so requests; and

(d) Any otherwise eligible airline may request the MAAC to permit such airline to be a MAAC member. The MAAC shall give due consideration to such request and shall approve or disapprove the request in writing. Disapproval of the request must be accompanied with a statement from the MAAC setting forth the grounds for such disapproval. In no event shall the MAAC be required to have more than twenty-one (21) members.

(3). The members of the MAAC shall establish their own rules as to frequency and times of meetings, selection of MAAC members other than those specified by name in Article 6D(2)(a) above, and other internal matters necessary to their conduct of business coming before them. Even though AIRLINE may not be a member of the MAAC, AIRLINE shall be entitled to (a) communicate its position on issues to the MAAC through its designated staff representative or through the Chairman of the MAAC and (b) attend MAAC meetings as a non-voting Signatory Airline. If the MAAC establishes standard meeting days for its meetings, AIRLINE agrees that the MAAC need not send individual notices of any such meetings to AIRLINE and that any action taken by the MAAC, as provided pursuant to this agreement, at such a meeting is binding on the AIRLINE.

(4). No member of MAAC shall be in good standing if (a) the County has given written notice of an event of monetary default to such member not less than ten (10) business days prior to the mailing of the report or supplementary notice specified in Article 6A(4) or Article 6A(5), and (b) the event of default has not been cured prior to the date of such mailing.

(5). For the purpose of making decisions under this Agreement in the name of the Signatory Airlines, a Majority-in-Interest of the MAAC Airlines shall be defined as those Signatory Airlines (a) that are members in good standing of the MAAC, (b) having not less than fifty-one percent (51%) in number of the then existing MAAC members and (c) which collectively with their non-signatory Affiliated Airlines represent more than twenty-five percent (25%) of the total landed weight for which landing fees were paid during the previous fiscal year by all MAAC Airlines and their non-signatory Affiliated Airlines. Any such decision or vote by such Majority-In-Interest of the MAAC Airlines shall constitute a binding vote of the MAAC hereunder and shall be binding upon all Signatory Airlines.

Article 7
Payment of Airport Fees; Additional Fee for Non-signatory Airlines

A. For the payment of rents under any lease agreements, AIRLINE shall pay County such rents in the manner and at the times specified in such agreements. For the use of the Airport's facilities not under a lease agreement, AIRLINE shall pay the Aviation Department in cash, by certified or cashier's check, by wire transfer, or other

means approved by MDAD, the fees and charges in the amounts and at the times established by the County from time to time applicable to such use; provided, however, AIRLINE shall be entitled to participate in the Airport's Aviation User Credit Program set forth in Article 8 below for the deferred payment of landing and aviation user fees, provided that AIRLINE complies with the requirements of such program as set forth in Article 8. AIRLINE acknowledges that if AIRLINE does not participate in the Aviation User Credit Program, the Aviation Department's policy requires an additional administrative payment of fifty percent (50%) of the scheduled landing and aviation user fees to offset the significant costs to the Airport of collecting such fees in cash or by check at each time such fees are incurred.

B. AIRLINE acknowledges that County shall offer this Agreement to all Airlines at MIA. If County permits a non-signatory airline to participate in the Aviation User Credit Program prior to receiving from such non-signatory airline a signed Agreement, County shall require each non-signatory airline at MIA to pay an additional five percent (5%) of all landing fees due from such non-signatory airline. An Affiliated Airline designated by AIRLINE on Tab F shall not be required to pay the additional five percent for so long as the Affiliated Airline remains on Tab F and otherwise complies with the requirements of Article 2D.

Article 8
Aviation User Credit Program

A. Fees Subject to Program. If AIRLINE complies with the terms of this Article 8, AIRLINE shall have the right to participate in the Aviation User Credit Program ("AUCP") established by MDAD from time to time that permits AIRLINE to defer payment of certain Airport fees and charges identified from time to time as being eligible for such credit terms. Such fees and charges presently include landing fees, aircraft parking fees, and fees and charges resulting from the use of concourse facilities, aircraft loading bridges, baggage claim facilities, and other uses of the landing area, taxiways, ramps and Airport Terminal facilities, equipment and services (herein the "Aviation Activities"). If AIRLINE declines to accept the benefits of the Airport's AUCP for such Aviation Activities, or if AIRLINE loses its entitlement to participate in the AUCP, AIRLINE agrees to pay all fees applicable thereto in cash at the times and at the places designated by MDAD from time to time, such payment to include the fifty percent (50%) increase in such fees to offset the Airport's cost of cash collection of such fees as set forth in Article 7(A).

B. Aircraft Subject to Airline Liability. In addition to County's right to impose all such fees described in Article 8A upon the registered owner of the aircraft or upon the operator of an aircraft under Article 8F(1) below, AIRLINE shall be liable for payment of all such fees described in Article 8A for the use of MIA by any aircraft bearing AIRLINE's markings on its fuselage or tail or which is operated by AIRLINE; provided, however, AIRLINE shall not be liable for the fees as to such aircraft if AIRLINE has submitted documentation to the Aviation Department that identifies the party

responsible for payment of such fees applicable to that aircraft and the responsibility of such party for the fees is confirmed to and accepted by the Aviation Department either in writing or in the manner set forth in the Credit Policy. Until the Aviation Department has provided confirmation of its willingness to accept the responsibility of such other party for payment of the fees, AIRLINE shall remain responsible for the fees applicable to AIRLINE's aircraft bearing its markings or operated by AIRLINE.

C. Advance Aviation Fee Deposit Account. Upon execution of this Agreement by AIRLINE, and before commencing operations hereunder, AIRLINE shall establish an "Advance Aviation Fee Deposit Account" by depositing with MDAD an amount equal to at least two months estimated aviation fees as determined by MDAD in accordance with the Aviation User Credit Policy ("Credit Policy") established by MDAD from time to time, which shall be held by the County without interest to AIRLINE. (A copy of the current Credit Policy is attached hereto as Tab I.) The Advance Aviation Fee Deposit Account amount is subject to adjustment as provided by the Credit Policy. At any time AIRLINE is delinquent in payments due hereunder or under any other agreement with the County, MDAD shall have the right to apply the amount in the Advance Aviation Fee Deposit Account to any outstanding amounts due the County, which may include but not be limited to, aviation user fees and rent payments due on facilities, without prior notice to AIRLINE of such application. After such application by MDAD, MDAD shall advise AIRLINE in writing as to the actions taken by MDAD.

D. Waiver of Security Deposits. As provided for in the attached Tab K, AIRLINE'S security deposit requirements under this Article 8 are subject to reduction or waiver if AIRLINE has made timely payments in compliance with the Security Deposit policy.

E. Irrevocable Letter of Credit: If the Advance Aviation Fee Deposit Account requirement, as defined in the Credit Policy, is $15,000 or more, the AIRLINE may provide the County with an Irrevocable Letter of Credit, drawn upon a U.S. Bank or a foreign bank confirmed by a U.S. Bank, in U.S. funds, in the amount of such Advance Aviation Fee Deposit Account requirement, renewable annually, conditioned upon the full and faithful performance of the covenants of Article 8 of this Agreement. The Irrevocable Letter of Credit shall be in substantially the form attached hereto and made a part hereof as Tab J.

F. Other Required Information:

(1). Upon the request of MDAD, AIRLINE shall designate those aircraft for which it accepts complete financial responsibility for all aviation fees and charges incurred by submitting a list of such to MDAD which shall reflect the type, registration number, serial number, the aircraft owner, and such other information as MDAD may request from time to time. Such a list does not change AIRLINE's responsibility under Article 8B for aircraft bearing its markings. Until MDAD receives a change in such list from AIRLINE, AIRLINE shall remain liable for any aircraft identified on the most recently submitted list. Complete financial responsibility shall include all fees and

charges incurred by designated aircraft even if said fees and charges were incurred for an operation not flown on behalf of the AIRLINE. In addition to responsibility for aircraft bearing AIRLINE's markings as set forth in Article 8B, MDAD reserves the right to impose responsibility on AIRLINE for any aircraft operated by the AIRLINE, which are not included in the authorized aircraft list. Any aircraft for which AIRLINE has financial responsibility under Article 8, which does not appear on AIRLINE's most recent authorized aircraft list, will be subject to cash payment terms. In addition, the AIRLINE, if a regularly scheduled air carrier, shall provide the Department with its anticipated flight schedules and, at least seven days prior to any changes in schedule, notice of such changes.

(2). MDAD shall have the right to audit the books and records of AIRLINE upon reasonable prior notice and during regular business hours to determine AIRLINE's compliance with its requirements hereunder. Such audit shall be conducted in Miami and AIRLINE shall make its books and records available in Miami to the auditor selected by MDAD for this purpose; provided, however, AIRLINE may request the audit to be performed at a location other than at Miami so long as AIRLINE pays for all reasonable travel expenses incurred by County for such an audit.

(3). MDAD shall have the right to establish reporting and payment requirements for any Airline that requests MDAD to bill and accept payment of aviation fees from an affiliated airline of the Airline.

G. Acceptance by MDAD . If AIRLINE has complied with the foregoing provisions, MDAD shall notify AIRLINE in writing of AIRLINE's acceptance into the AUCP. Upon the effective date of such acceptance, AIRLINE shall comply with the other requirements of this Article 8 as well as all requirements of the Credit Policy.

H. Payment of Fees and Charges. If AIRLINE has been accepted in the AUCP, AIRLINE shall pay MDAD the Aviation Activities fees accumulated during each month by no later than the 10th business day of the following month. All fees are payable in U.S. funds, and the term "business day" shall refer to calendar days, except for Saturdays, Sundays, and specifically designated official County holidays, as currently set forth in Article 28N .

I. Aviation Activity Report: AIRLINE shall submit to MDAD every month during the term of this Agreement a written Aviation Activity Report ("Report") covering those Aviation Activities for the preceding month ("Reporting Period") that Airline is required by MDAD to self-report and pay under Tab I. The Report shall be submitted no later than ten business days after the end of the Reporting Period during which the Aviation Activities occurred. AIRLINE shall submit the Report on the form specified by MDAD, which form may be modified by MDAD from time to time. The Report must be accompanied by payment to MDAD of the required fees and charges under Article 8A for the Reporting Period. In the event that no Aviation Activities occurred during the Reporting Period, AIRLINE shall submit the Report indicating there were no Aviation

Activities, in the same manner as specified herein for months in which Aviation Activities did occur.

J. Failure to Report and/or Pay: If AIRLINE fails to submit the Report by the 10th business day of each month, together with the required payment of fees and charges, a charge in the amount equal to the late reporting fees established by MDAD from time to time shall accrue until all Reports due from AIRLINE, together with the required payment fees and charges, have been received by MDAD. Further, (i) failure to submit the Report together with the incurred payment when due or (ii) failure to pay MDAD any Passenger Facility Charges when due shall constitute a default under Article 22 hereof and may result in revocation of AIRLINE's privilege to participate in the AUCP. In the event of such revocation pursuant to this Article 8, AIRLINE shall remain responsible for all fees and charges accumulated through the date of such revocation, to include the late reporting charge, as well as all fees and charges incurred thereafter to be paid in cash at the time required for such payment.

K. Late Payment Charge: In addition to any late reporting charge pursuant to Article 8J, in the event AIRLINE fails to pay the fees and charges as required to be paid under the provisions of this Agreement, interest at the rates established from time to time by the Board of County Commissioners (currently set at 1½% per month, compounded monthly) shall accrue against the delinquent payment(s) from the date due until the same is paid. Implementation of this provision shall not preclude the County from terminating this Agreement for default in the payment of fees or charges, or from enforcing any other provisions contained herein or authorized by law.

L. Dishonored Check or Draft: In the event AIRLINE delivers a check or draft to MDAD in payment of any obligation arising under the terms of this Agreement, and such check is later dishonored, AIRLINE shall incur and pay a service fee as set forth in the Credit Policy, as determined from time to time by the County, currently set at twenty-five dollars if the face value of the dishonored check or draft is $50.00 or less, thirty dollars if the face value of the dishonored check or draft is more than $50.00 and less than $300.00, or forty dollars if the face value of the dishonored check or draft is $300.00 or more, or Five Percent of the face value of such dishonored check or draft, whichever is greater. Further, in such event, MDAD may require that future payments required pursuant to this Agreement be made by cashier's check or other means acceptable to MDAD.

M. Payment of Fees: AIRLINE shall pay all fees and charges required by this Agreement as follows:

In Person - To: Miami-Dade Aviation Department
Finance Division
Suite 300
Building 5A
4200 N.W. 36th Street
Miami International Airport

during normal business hours, 8:30 A.M. to 5:00 P.M., (Monday through Friday)

By Mail - To:	Miami-Dade Aviation Department Finance Division P.O. Box 526624 Miami, Florida 33152-6624
By Express Mail to:	Miami-Dade Aviation Department Finance Division Suite 300, Building 5A 4200 N.W. 36th Street Miami, Florida 33122
By Wire Transfer:	In accordance with Wire Transfer Instructions Provided by MDAD from time to time through MDAD's Finance Division.

Payments will be credited as of the date of receipt at the address indicated above. Credit for such payments may be delayed up to five business days for payments received at locations other than those set forth above. When any of AIRLINE's accounts have a credit balance, such balance shall first be applied to any undisputed outstanding charges in any of AIRLINE's accounts, then to future charges as they are incurred, unless the Security Deposit Policy in Tab K specifically provides otherwise .

N. Credit Policy at other Airports: The Aviation Department may establish a separate Credit Policy at any other airport in the Airport System and shall offer airlines operating at such airport the right to participate in that airport's credit program. Any such credit program shall not be unjustly discriminatory. The Aviation Department shall have the right to establish the terms and conditions under which airlines shall be entitled to participate in such other credit program.

Article 9
Financing Terms and Agreements

A. AIRLINE agrees that the County may issue commercial paper from time to time, and that any commercial paper shall be and be deemed to be "notes" as defined and described by the Trust Agreement. AIRLINE agrees that County may pay the debt service on such commercial paper from the Improvement Fund under the Trust Agreement and that County may adjust landing fees to provide additional funds in the Improvement Fund in the amounts required to pay the debt service on such commercial paper as the same becomes due. AIRLINE agrees that, to the extent not prohibited by the Trust Agreement, County may enter into hedge agreements, including interest rate swap agreements, with financial institutions acting as counterparty, whereby any hedge payments or termination payments owed by County to such counterparty may be

payable from moneys on deposit in such Improvement Fund and that County may adjust landing fees to provide additional funds in the Improvement Fund in the amounts required to make such hedge payments or termination payments.

B. County covenants that it will include in the Annual Budget only those costs in its system of accounts which are attributable to the Port Authority Properties and that it will not incur expenses for operation, maintenance, and administration of the Port Authority Properties in excess of the expenses required to prudently manage such Properties. County covenants that to the extent feasible, non-discriminatory rates, fees and charges at each of the airports operated by County will be established in order to recover all costs properly allocable to each of said airports.

C. In order to make informed suggestions, if any, for additions, deletions or modifications to line items in any proposed PAP Annual Budget, the MAAC representing the Airlines at MIA shall have the right, at its expense, to review and/or audit the accounts of the Aviation Department.

D. (1) Any amount representing deposits made after the effective date of this Agreement remaining in the Improvement Fund at the end of any fiscal year after the application or allocation authorized by Tab G shall be deposited in the Revenue Fund in the subsequent fiscal year and taken into consideration in determining the amount of the landing charge for such subsequent fiscal year, unless otherwise agreed by the Majority-in-Interest of the MAAC Airlines ("MIIs").

(2) MDAD may use its various discretionary Improvement Fund sub-accounts to finance capital projects that have MII approval. If any amounts are taken from the Aviation Department's discretionary funds within the Improvement Fund to finance MII-approved projects, then such amounts shall draw interest at a fixed rate equal to MDAD's borrowing rate at the time of withdrawal of such amounts or, if no current borrowing rate applies, then at the prevailing tax-free borrowing rate for Florida counties and municipalities at the time of such withdrawal, as may reasonably be agreed upon by MDAD and the MAAC, with such interest rate to apply throughout the amortization period. Any such amounts so used by MDAD, including interest, shall be repaid to the fund from which the amounts were withdrawn on an agreed-upon amortization schedule. Only after the current year's repayment is made in accordance with the amortization schedule shall the deposits remaining in the Improvement Fund at the end of the current fiscal year be transferred to the next year's Revenue Fund.

E. County shall be entitled to select concessionaires at the Airport in the manner provided by law, including, but not limited to, the provisions of the County's "Retail Master Plan Ordinance" (Ordinance No. 95-138), as may be amended from time to time.

F. As may be reflected in Tab G, AIRLINE agrees for the life of the outstanding bonds heretofore issued by the County under the Trust Agreement and the bonds of each series issued by the County from time to time hereafter to such adjustments from time to time in the landing fees payable in each fiscal year by AIRLINE for the use of

Port Authority Properties, in common with other airlines using such Port Authority Properties, as shall be necessary so that the amount of the total Net Revenues to be received by the County in each fiscal year after deducting the required deposits to the credit of the Reserve Maintenance Fund in such fiscal year will not be less than 120% of the maximum Principal and Interest Requirements for such fiscal year (or not less than whatever other applicable percentage amount may be established in the Trust Agreement or any successor trust indenture entered into by the County) on account of all bonds to be outstanding under the provisions of the Trust Agreement, and as may be necessary to meet the requirements and obligations of Tab G.

Article 10
[Reserved]

Article 11
County's Right to Replace Trust Agreement

County shall have the right to redeem all or any portion of the bonds now or hereafter issued under the Trust Agreement, in accordance with the terms of such bonds, and the right to defease such bonds in their entirety. County may thereupon effect the termination of the Trust Agreement and replace it with another trust indenture applicable to Airport facilities. County shall also have the right to enter into a separate trust agreement and issue subordinate bonds thereunder. AIRLINE agrees that the obligations under this Agreement shall apply to any new trust indenture entered into by the County. If the Trust Agreement is superseded by any other trust indenture, the terms of this Use Agreement shall apply to the corresponding terms of such trust indenture; provided, however, the terms of any such successor trust indenture shall not substantially diminish the rights of the AIRLINE hereunder.

Article 12
[Reserved]

Article 13
Successor Authority; Successor Service Provider

(A). AIRLINE agrees that if an airport authority shall be created to succeed to the County and to MDAD in the administration and operation of the Airport System, the provisions of this Agreement shall continue to be binding on the AIRLINE and such airport authority, and such airport authority shall be deemed to have succeeded to the rights and duties of the County and to MDAD under this Agreement to the extent that

the Board of County Commissioners shall transfer such rights and duties to such airport authority.

(B). AIRLINE agrees that if an airline consortium is created and approved by the County under which the consortium will provide airport services to the airlines operating at MIA, AIRLINE will pay the consortium directly for the cost of the services in the manner and at the times determined by the consortium. AIRLINE agrees that failure to pay for the reasonable and not unjustly discriminatory costs imposed by the consortium shall constitute a default hereunder that will entitle MDAD to whatever remedies are provided herein for a breach, specifically including but not limited to, the remedy provided in Article 22B(1).

Article 14
Passenger Facility Charges

To the extent AIRLINE is required to collect Passenger Facility Charges ("PFCs") for the use of MIA, AIRLINE shall comply with all requirements of collection and distribution as provided by federal law. Specifically, AIRLINE acknowledges that all PFCs collected for the use of MIA neither belong to nor are owned by AIRLINE, and, unless the status of PFCs in the possession of AIRLINE are characterized in a separate manner under FAA regulations (in which case such characterization shall prevail), that such PFCs are held in trust by AIRLINE for the exclusive use and benefit of MDAD. AIRLINE shall not make any claim in any document or proceeding that, for PFCs collected by AIRLINE for the use of MIA, the AIRLINE has any legal or equitable interest in such PFCs, except to the extent AIRLINE is specifically granted by federal statute or regulation the right of reimbursement from such PFC funds for the AIRLINE's costs of collection.

Article 15
Rules and Regulations

AIRLINE shall comply with all Ordinances of the County, including the Rules and Regulations of the Department, Chapter 25, Code of Miami-Dade County, Florida, as the same may be amended from time to time, Operational Directives issued thereunder, all additional laws, statutes, ordinances, regulations, rules and requirements of the Federal, State and County Governments, any and all plans and programs developed in compliance therewith, and any County Administrative Orders and Resolutions of the Board of County Commissioners applicable to the operation of the Airport, which may be applicable to its operations or activities under this Agreement, including specifically, without limiting the generality hereof, MDAD Operational Directives, policy statements or requirements covering aircraft parking, overnight aircraft parking, employee parking, and aircraft waste disposal, Federal air and safety laws and regulations, and Federal, State and County environmental, hazardous waste and materials and natural resources laws, regulations and permits; provided, however, AIRLINE shall be entitled to

challenge the validity or application of any such law, statute, ordinance, regulation, rule or requirement in good faith in a court of competent jurisdiction under Article 26, subject to the venue requirements of Article 26A.

Article 16
Violation of Rules and Regulations

AIRLINE agrees to pay on behalf of the County any penalty, assessment or fine issued against the County, or to defend in the name of the County any claim, assessment or civil action, which may be presented or initiated by any agency or officer of the Federal, State or County governments, based in whole or substantial part upon a claim or allegation that the AIRLINE, its agents, employees or invitees, have violated any law, ordinance, regulation or rule or directive described in Article 15 above or any plan or program developed in compliance therewith. This provision as to AIRLINE's liability hereunder shall survive the expiration or early termination of this Agreement.

Article 17
Aircraft Noise Abatement Regulations Compliance

AIRLINE hereby specifically acknowledges its awareness that the noise generated by aircraft, while on the ground and in flight, may cause annoyance to residential areas in proximity to the Airport and/or under or near flight corridors serving the Airport and that the County, as proprietor of the Airport, may, therefore, from time to time adopt certain lawful policies, procedures and/or regulations, not inconsistent with the Airport Noise and Capacity Act of 1990 or any other applicable federal law, unless otherwise approved by the Federal Aviation Administration ("FAA"), and not inconsistent with aircraft safety, intended to abate the effects of aircraft noise. Said policies, procedures and/or regulations may deal with, but are not necessarily limited to, nighttime engine run-ups, preferential runway usage, aircraft arrival and departure patterns, use of displaced runway thresholds, and the like.

Article 18
Indemnification and Hold Harmless

AIRLINE shall protect, defend, and hold the County and its officers, agents and employees completely harmless from and against any and all liabilities, losses, suits, claims, judgments, fines or demands arising by reason of injury or death of any person or damage to any property, including all reasonable costs for investigation and defense thereof (including but not limited to reasonable attorney fees, court costs, and expert fees, through all levels of trial and appellate proceedings), of any nature whatsoever arising out of, relating to or resulting from this Agreement or the acts or omissions within

the Airport System of officers, agents, employees, contractors, subcontractors, licensees, assignees, successors or invitees of the AIRLINE regardless of where the injury, death, or damage may occur, except to the extent such injury, death or damage is caused (i) solely by an Act of God, or (ii) by the negligence or willful misconduct of the County, its officers, employees or agents. The County shall give AIRLINE reasonable notice of any such claims or actions. AIRLINE shall also use counsel reasonably acceptable to the County in carrying out its obligations hereunder. The provisions of this Article shall survive the expiration or early termination of this Agreement.

Article 19
Operating Certificates

AIRLINE shall provide the Aviation Department with copies of all current operating certificates and other documents relating to AIRLINE's authority to continue its operations at MIA as the Aviation Department may reasonably request. Unless advised otherwise by MDAD, such certificates and documents shall be sent to:

Miami-Dade Aviation Dept.
Airside Operations
PO Box 025504
Miami, Florida 33102-5504

Article 20
Insurance

A. Insurance Required: In addition to such insurance as may be required by law, the AIRLINE shall maintain, without lapse or material change, for so long as it operates at the Airport, the following insurance:

(1). Airline/Airport Liability Insurance on a comprehensive basis, including Contractual Liability, to cover the AIRLINE's operations hereunder. For AIRLINES at MIA using passenger aircraft of 31 seats or more, the liability insurance shall be in an amount not less than $150,000,000 (one hundred fifty million dollars), and for AIRLINES at MIA using only passenger aircraft of 30 seats or less, the liability insurance shall be in an amount not less than $50,000,000 (fifty million dollars). For AIRLINES at MIA using cargo aircraft in excess of 20,000 pounds, the liability insurance shall be in an amount not less than $150,000,000 (one hundred fifty million dollars), and for AIRLINES at MIA using only cargo aircraft of 20,000 pounds or less, the liability insurance shall be in an amount not less than $50,000,000 (fifty million dollars). All coverages shall be combined single limit per occurrence for bodily injury, including passenger liability, as appropriate, and property damage.

(2). Automobile Liability Insurance covering all owned, non-owned and hired vehicles used in connection with this Agreement in an amount (a) not less than $5,000,000 combined single limit per occurrence for bodily injury and property damage covering all vehicles used by the Airline on the Airside Operations Area of the Airport ("AOA"), and (b) not less than $300,000 combined single limit per occurrence for bodily injury and property damage covering all vehicles used by the Airline on the Airport but outside of the AOA.

(3). The Aviation Department may increase such limits from time to time, provided that such limits are applicable to similarly situated airlines.

(4). All insurance policies required pursuant to the terms of this Agreement shall be issued by Insurers approved as surplus lines carriers or admitted to do business in the State of Florida. Such insurers must be rated no less than "A-" as to management, and no less than "VII" as to strength in accordance with the latest edition of "Best's Insurance Guide", published by A.M. Best Company, Inc., or, if not Best rated, subject to the reasonable approval of MDAD Risk Management.

B. Insurance Certificates Required: Prior to the commencement of operations hereunder and annually thereafter, the AIRLINE shall furnish or cause to be furnished certificates of insurance to MDAD which certificates shall clearly indicate that:

(1). The AIRLINE has obtained insurance in the types, amounts and classifications as required for strict compliance with this Article;

(2). The policy cancellation notification provisions specify at least 30 days advance written notice of cancellation or material change to the County; and

(3). The County is named as an additional insured with respect to the AIRLINE's Airline/Airport liability policies, covering the AIRLINE's operations and activities within the Airport system and the AIRLINE's contractual indemnification obligations pursuant to policy terms and conditions.

C. The County reserves the right to require the AIRLINE to provide such reasonably amended insurance coverage as it deems necessary or desirable, upon issuance of notice in writing to the AIRLINE, which notice shall automatically amend this Agreement effective 30 days after such notice.

D. Unless otherwise advised by MDAD, the AIRLINE shall furnish the required certificate(s) of insurance to MDAD at the following address:

Miami-Dade Aviation Department
Risk Management Division
Post Office Box 025504
Miami, Florida 33102-5504

E. Compliance: Compliance with the requirements of this Article 20 (Insurance) shall not relieve the AIRLINE of its liability under any other portion of this Agreement or any other agreement between the County and the AIRLINE.

F. Right to Examine: MDAD reserves the right, upon reasonable notice, to examine the original or true copies of policies of insurance (including but not limited to binders, amendments, exclusions, riders and applications) to determine the extent of coverage. The AIRLINE shall, upon receipt of notice from MDAD, promptly provide to MDAD certified copies of such portion(s) of the policies of insurance and related documents as MDAD shall deem necessary. The AIRLINE shall be entitled to redact or otherwise prevent the disclosure of information that the AIRLINE deems to be proprietary or confidential in such portions of the policies provided to MDAD.

G. Personal Property: Any personal property of the AIRLINE or of others placed on any portion of the Airport System shall be at the sole risk of the AIRLINE or the owners thereof, and the County shall not be liable for any loss or damage, except to the extent such loss or damage was caused by the negligence of the County, as limited by Section 768.28, Florida Statutes, as it may be changed from time to time.

Article 21
Security and Special Provisions

A. Security and Protection of Property: AIRLINE acknowledges and accepts full responsibility for compliance with all applicable rules and regulations of the FAA, the Transportation Security Administration ("TSA"), and the Department of Homeland Security ("DHS"), as such federal agencies and administrations and their requirements may be changed from time to time, relating to AIRLINE's use of the airport. AIRLINE fully understands and acknowledges that any security measures deemed necessary by the AIRLINE for the protection of any leased premises, or equipment and property and access to the AOA through the premises shall be the sole responsibility of the AIRLINE and shall involve no cost to the County. All such security measures by the AIRLINE shall be in accordance with49 CFR Parts 15 and 1520, as such provisions may be amended from time to time, and the Airport Security Plan. AIRLINE shall provide MDAD with a copy of its security plan applicable to MIA or the County airport at which it operates upon request of MDAD.

B. Security Identification Display Areas Access - Identification Badges: The AIRLINE shall be responsible for requesting MDAD to issue identification ("ID") badges to all employees who AIRLINE requests be authorized access to Security Identification Display Areas ("SIDA") on the Airport, designated in the Airport's security program and shall be further responsible for the immediate reporting of all lost or stolen ID badges and the immediate return of the ID badges of all personnel transferred from Airport assignment or terminated from the employ of the AIRLINE or upon cessation of AIRLINE's operations at MIA. Each employee must complete the SIDA training

program conducted by MDAD, and comply with all other applicable FAA, TSA, DHS, or MDAD requirements as specified by MDAD at the time of application for the ID badge, before an ID badge is issued. The AIRLINE shall pay, or cause to be paid, to MDAD such nondiscriminatory charges, as may be established from time to time, for new, or lost or stolen ID badges and those not returned to MDAD in accordance with this Article. Prior to the issuance of any ID badge for SIDA access, MDAD shall have the right to require the AIRLINE to conduct background investigations, to fingerprint employee applicants, and to furnish such other data on such employees as may be required. AIRLINE acknowledges that MDAD has the right to deny issuance of ID badges to any AIRLINE employee pursuant to 49 CFR Parts 1540, 1542, 1544, specifically including but not limited to Parts 1540.103, 1542.209, and 1544.229, and 19 CFR Part 122and the Airport Security Improvement Act of 2000 (Public Law 106-528), or any other applicable provision relating to airport security, as such regulatory or statutory provisions are amended or recodified; provided, however, any such employee denied an ID badge on such ground shall have the right to a hearing before the Aviation Director or his or her authorized designee within a reasonable time, and that prior to such hearing, the employee denied access to the AOA shall be advised by MDAD in writing as to the reasons for such denial.

C. AOA Driver Training : Before the AIRLINE shall permit any employee to operate a motor vehicle of any kind or type on the Air Operations Area of the Airport, ("AOA") the AIRLINE shall require such employee to attend and successfully complete the AOA Driver Training Course conducted from time to time by MDAD. The privilege of a person to operate a motor vehicle on the AOA may be withdrawn by MDAD because of violation of AOA driving rules. Notwithstanding the above, the AIRLINE shall be responsible for ensuring that all such vehicle operators possess current, valid, appropriate Florida driver's licenses, and that employees carry with them any AOA Driver's or Movement Driver's Permits while operating a motor vehicle on the AOA and surrender them upon the request of an authorized MDAD employee.

D. Alcohol and Drug Testing: The AIRLINE acknowledges that the County, as a public agency sponsor under the provisions of the Airport and Airway Improvement Act of 1982, as amended (the "Act"), has the obligation to establish a drug free workplace and to establish policies and programs to ensure airport safety and security. The AIRLINE acknowledges that MDAD, on behalf of the County, has the right to require Airlines of the Airport (including Permittees and Licensees) to establish reasonable programs to further the achievement of the objectives described herein. Accordingly, the AIRLINE shall establish programs (1) for pre-employment alcohol and drug screening for all candidates for employment at the Airport who will as a part of their duties (a) be present on the AOA; (b) operate a motor vehicle of any type on the AOA; or (c) operate any equipment, motorized or not, on the AOA and (2) for the same or similar screening based upon a reasonable suspicion that an employee, while on duty on the AOA, may be under the influence of alcohol or drugs. Notwithstanding the above, the AIRLINE specifically acknowledges that the County, acting through MDAD, has the right and obligation to deny access to the AOA and to withdraw AOA driving

privileges from any person who it has a reasonable suspicion to believe is under the influence of alcohol or drugs.

E. Drug-Free Workplace Certification: Notwithstanding the provisions of Article 21D (Alcohol and Drug Testing) above and in addition thereto, the AIRLINE, in its execution of this Agreement, hereby certifies and agrees, that it is providing a drug-free workplace for its employees, as required by County in Section 2-8.1.2 of the Miami-Dade County Code (the "Code"), as such Code provision may be amended from time to time. Based on the provisions of said Code, the County shall have the right, upon 30 days written notice to the Airline, to terminate this Agreement in the event AIRLINE fails to provide, as of each anniversary of the effective date of this Agreement, the annual re-certification affidavit as required by the Code; provided however, that such termination shall not be effective if AIRLINE submits the required recertification affidavit within the notice period.

Further, this Agreement shall be terminated upon not less than fifteen calendar days written notice to AIRLINE, and without liability to the County, if MDAD or the County Manager determines any of the following:

(1). That AIRLINE has made a false certification in its execution of the recertification affidavit submitted with its application or in its annual re-certification as required by the Code;

(2). That AIRLINE has violated its original or renewal certification by failing to carry out any of the specific requirements of the Code, other than the annual re-certification; or

(3). That such a number of employees of the AIRLINE have been convicted of violations occurring in its workplace(s), as to indicate that the AIRLINE has failed to make a good faith effort to provide a drug-free workplace as required by the Code.

F. Other Training: The AIRLINE shall ensure that all employees so required participate in such safety, security and other training and instructional programs, as MDAD or appropriate Federal agencies may from time to time require.

G. Motor Vehicle and Equipment Identification: Every motor vehicle and each piece of equipment of the AIRLINE operating on the AOA must have an official motor vehicle identification permit issued by MDAD , pursuant to Section 25-9.7 of Chapter 25, Code of Miami-Dade County. In addition, the AIRLINE's name and/or corporate logo or other acceptable company identification must be conspicuously displayed on every motor vehicle and each piece of equipment brought onto the AOA.

H. Vehicle and Equipment Parking: The AIRLINE understands and agrees that vehicles and equipment shall not be parked/stored on the AOA in areas not designated or authorized by MDAD nor in any manner contrary to any posted regulatory signs, traffic control devices or pavement markings.

I. Federal Agencies Right to Consent: The AIRLINE understands and agrees that all persons entering and working in or around arriving international aircraft and facilities used by the various Federal Inspection Services agencies may be subject to the consent and approval of such agencies. Persons not approved or consented to by the Federal Inspection Services agencies shall not be employed by the AIRLINE in areas under the jurisdiction or control of such agencies.

J. AOA - Right to Search:

(1).The AIRLINE agrees that its vehicles, cargo, goods and other personal properties are subject to being searched when attempting to enter or leave and while on the AOA.

(2). It is further agreed that MDAD has the right to prohibit an individual, agent or employee of the AIRLINE from entering the AOA based upon facts which would lead a person of reasonable prudence to believe that such individual might be inclined to engage in theft, cargo tampering, aircraft sabotage or other unlawful activities, including repeated failure to comply with the SIDA/access control policies, rules and regulations of MDAD, DHS, TSA, or the FAA. Any person denied access to the AOA or whose prior authorization has been revoked or suspended on such grounds shall be entitled to a hearing before the Aviation Director or his authorized designee within a reasonable time. Prior to such hearing, the person denied access to the AOA shall be advised, in writing, of the reasons for such denial.

(3). The AIRLINE acknowledges and understands that these provisions are for the protection of all users of the AOA and are intended to reduce the incidence of thefts, cargo tampering, aircraft sabotage and other unlawful activities at the Airport and to maximize compliance with the access control policies and procedures of MDAD, DHS, TSA, and the FAA.

K. Additional Security Requirements. Notwithstanding the specific provisions of this Article 21, County shall have the right to add to, amend or delete any portion hereof in order to meet reasonable security requirements of MDAD, DHS, TSA, or the FAA.

L. Compliance by AIRLINE's Contractors; AIRLINE's Responsibility for Security Failures. AIRLINE agrees that it will include in all contracts and subcontracts with its MIA contractors, subcontractors, service providers and suppliers an obligation by such parties to comply with all security requirements applicable to their operations at the Airport. AIRLINE agrees that in addition to all remedies, penalties and sanctions that may be imposed by MDAD, DHS, TSA, or the FAA upon AIRLINE's contractors, subcontractors, service providers, suppliers and their individual employees for a violation of applicable security provisions, AIRLINE shall be responsible to the County for all such violations and shall indemnify and hold County harmless for all costs, fines and penalties arising therefrom, such costs to include reasonable attorneys' fees.

Article 22
Default

A. Except as to defaults under the AUCP, AIRLINE's failure to comply with the provisions of this Agreement following notice where required and failure of AIRLINE to make required cures within any stated cure period, shall constitute a material default and shall entitle MDAD to all legal remedies provided by law, including any remedies specifically set forth herein.

B. AIRLINE's failure to comply with the following requirements of the AUCP shall entitle MDAD to revoke AIRLINE's right to continued participation in the AUCP effective as of the date set forth in written notice of such intent to revoke, unless the failure is cured within the notice period:

(1). Failure to Pay and/or Report: Failure of the AIRLINE to make timely payment of the fees and charges required under the AUCP, as the term "timely" is defined in Tab K, and/or failure to provide the "Aviation Activity Report" required herein, within the grace periods allowed, shall constitute a default and MDAD may, at its sole option, revoke AIRLINE's right to continued participation in the AUCP and thereafter require AIRLINE to make all payments in cash at the times required for such payment, after receipt by the AIRLINE of five days written notice from MDAD, unless the default(s) are cured within the notice period.

(2). Failure to Keep Advance Aviation Fee Deposit Account Current:

(a). If the Advance Aviation Fee Deposit Account requirement is increased by MDAD pursuant the adjustment provisions in the Credit Policy of Tab I, or if MDAD draws upon the Account as permitted by the Policy, or if AIRLINE fails to replenish a waived security deposit account when required to do so under Article 8D, the failure of the AIRLINE to provide the additional deposit amount or to replenish the account to its required level, in either case in cash or by Letter of Credit, upon demand by MDAD, shall constitute a default and MDAD may, at its sole discretion, revoke AIRLINE's right to participate in the AUCP after five days written notice of demand for same to the AIRLINE from MDAD, unless the default is cured within the notice period.

(b). If AIRLINE is authorized to provide an Irrevocable Letter of Credit as provided herein and AIRLINE fails to renew said Irrevocable Letter of Credit at least sixty days prior to its expiration, AIRLINE's entitlement to further participation in the AUCP shall be revoked as of the date set forth in MDAD's notice of such revocation, and MDAD may, at its sole option, withdraw the funds under the Irrevocable Letter of Credit then in effect.

C. Insurance Default: Failure to provide insurance in accordance with Article 20 shall constitute a default and MDAD may, at its sole option, terminate this Agreement immediately.

Article 23
Equal Employment Opportunity and Affirmative Action

A. Employment Discrimination: In accordance with Title 14 Code of Federal Regulation (CFR) Part 152 (Affirmative Action Employment Program), the Airline shall not discriminate against any employee or applicant for employment because of age, sex, race, color, religion, marital status, place of birth or national origin, ancestry, limited English proficiency (except to the extent directed or authorized by law), or in accordance with the Americans with Disabilities Act, discriminate against any other wise qualified employees or applicants for employment with disabilities who can perform the essential functions of the job with or without reasonable accommodation. The Airline shall take affirmative actions to ensure that applicants are employed and that employees are treated during their employment without regard to age, sex, race, color, religion, marital status, place of birth or national origin, ancestry, limited English proficiency (except to the extent directed or authorized by law) or disability. Such actions include, but not limited to, the following: Employment, upgrading, transfer or demotion, recruitment, recruitment advertizing, layoff or termination, rates of pay or other forms of compensation, selection for training including apprenticeship.

B. Nondiscriminatory Access to Premises and Services: The Airline, for itself, its personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant that: (1) no person on the grounds of race, color, sex, age, disability, national origin or ancestry shall be excluded from participation in, denied the benefits of or be otherwise subjected to discrimination in the use of the premises; and (2) that the Airline shall use the premises in compliance with all other requirements imposed by or pursuant to the enforceable regulations of the Department of Transportation as amended from time to time.

C. Disability Nondiscrimination Affidavit: By entering into this Agreement with the County and signing the Disability Nondiscrimination Affidavit (Note: The title of such affidavit may change from time to time), the Airline attests that it is not in violation of the applicable provision of the Americans with Disabilities Act of 1990 (and related Acts) and Miami-Dade County resolution No. R-385-95. If the Airline or any owner, subsidiary or other firm affiliated with or related to the Airline is found by responsible enforcement officer of the Courts or the County to be in violation of the Act or Resolution, such violation shall render the Agreement terminable in accordance with Article 22A (Other Defaults) hereof. This Agreement shall be subject to termination if the Airline submits a false affidavit pursuant to this Resolution or if the Airline violates the Act or the Resolution during the term of this Agreement.

D. Breach of Nondiscrimination Covenants: In the event it has been determined that the Airline has breached any enforceable nondiscrimination covenants contained in Article 23A (Employment Discrimination) and Article 23B

(Nondiscriminatory Access to Premises and Services) above, pursuant to the complaint procedures contained in the applicable Federal Regulations, and the Airline fails to comply with the sanctions and/or remedies which have been prescribed, the County shall have the right to terminate this Agreement pursuant to Article 22A (Other Defaults) hereof.

Article 24
No Assignment

The AIRLINE shall not assign, transfer, pledge or otherwise encumber this Agreement; provided, however, this Agreement may be assigned to any successor Airline resulting from a merger with or acquisition of AIRLINE.

Article 25
Employees

A. Control of Employees: The AIRLINE shall properly control the actions of its employees at all times its employees are working on or at the Airport, ensuring that they present a neat appearance and discharge their duties in a courteous and efficient manner and that they maintain a high standard of customer service to the public. AIRLINE agrees to properly instruct its employees on all security requirements applicable to their actions at the Airport and on the remedies, penalties and sanctions that may result from a failure to comply with such security requirements and with any other training MDAD deems reasonably necessary. AIRLINE acknowledges that any employee of AIRLINE who has (i) failed to comply with applicable security requirements, or (ii) has committed an act of trespass on the Airport, shall be individually subject to remedies, penalties and sanctions provided in security provisions then applicable to their actions and that such remedies may include, but not be limited to, arrest and incarceration following conviction at trial, administrative meetings and hearings, fines, compulsory remedial training, and temporary or permanent loss of access privileges at the Airport

B. Use of Public Facilities: The AIRLINE acknowledges and agrees that MDAD has provided certain facilities, such as Terminal seating areas, holdrooms, rest rooms and other conveniences for the use of the traveling public and has also provided special facilities solely for the use of the employees of Airport tenants and commercial users. The AIRLINE shall not permit its employees to use the public areas provided by MDAD for use by the traveling public, except those employees normally required to be in contact with the traveling public, those providing passenger services and those doing so as part of regular assigned duties.

C. Removal of Employees for Violations: In the event MDAD reasonably believes that the AIRLINE is in default of the covenants in Articles 25A and 25B for failure to properly control its employees or by permitting its employees to improperly use facilities provided by MDAD for the use and convenience of the traveling public, MDAD shall have the right to require the AIRLINE to conduct an investigation into any claimed violation of the covenants; if such investigation substantiates a violation, AIRLINE agrees to administer appropriate discipline up to and including discharge of the offending employee. AIRLINE acknowledges that notwithstanding any such disciplinary action taken by AIRLINE, MDAD shall have the right to revoke or suspend the ID badge of any such employee in the manner set forth in Article 21B.

Article 26
Civil Actions

A. Governing Law; Venue: This Agreement shall be governed and construed in accordance with the laws of the State of Florida. The venue of any action on this Agreement shall be laid in Miami-Dade County, Florida, and any action to determine the rights or obligations of the parties hereto shall be brought in the courts of the State of Florida or in the U.S. District Court for the Southern District of Florida, or in any other venue where required by federal statute or regulation.

B. Notice of Commencement of Civil Action: In the event that the County or the AIRLINE commence a civil action where such action is based in whole or in part on an alleged breach of this Agreement, and if AIRLINE has complied with its obligation to appoint a Registered Office/Agent under Article 26C, County shall effect any initial service of process upon AIRLINE through such Registered Office/Agent in compliance with applicable rules of civil procedure pertaining to the court in which the action is brought and AIRLINE shall effect any initial service of process upon County in the manner provided by state or federal law applicable to the court in which the action is brought. If AIRLINE has failed to comply with such obligation, then the County and the Airline agree to waive the foregoing procedure for initial service of process and agree to submit themselves to the jurisdiction of the court in which the action has been filed whenever service has been made in the following manner:

(1). Upon the County: by Certified Mail, Return Receipt Requested, sent to (a) the party indicated in Article 28 on behalf of the County and (b) with a copy to the County Attorney, Aviation Division, P.O. Box 025504, Miami, Florida 33102-5504.

(2). Upon the AIRLINE: by personal service or by Certified Mail, Return Receipt Requested, upon the party indicated in Article 28 on behalf of the AIRLINE, with a copy to whatever attorney the AIRLINE has designated in writing, if any.

In the event that the County and/or the AIRLINE raise an objection to service of initial pleadings as provided for herein, and the trial court overrules such objection, the

objecting party shall pay liquidated damages (attorney's fees) in the amount of $250.00 to plaintiff in such action, prior to answering the complaint.

C. Registered Office/Agent; Jurisdiction: Notwithstanding the provisions of subsection (b) above, and in addition thereto, the AIRLINE, if a corporation, shall designate a registered office and a registered agent, as required by Section 48.091, Florida Statutes, such designations to be filed with the Florida Department of State in accordance with Section 607.034, Florida Statutes. If the AIRLINE is not organized as a corporation, then AIRLINE and its personal representative hereby submit themselves to the jurisdiction of the Courts of this State for any cause of action based in whole or in part on an alleged breach of this Agreement.

Article 27
Trust Agreement

A. Incorporation of Trust Agreement by Reference: Notwithstanding any of the terms, provisions and conditions of this agreement, it is understood and agreed by the parties hereto that the provisions of the Trust Agreement and specifically the terms of Section 501 thereof, shall prevail and govern in the event of any conflict or inconsistency with or ambiguity relating to the terms and conditions of this Agreement, including the fees or charges required herein, and their modification or adjustment. Copies of the Trust Agreement are available for inspection in the offices of MDAD during normal working hours.

B. Adjustment of Terms and Conditions: If, at any time during the term of this Agreement, a court of competent jurisdiction shall determine that any of the terms and conditions of this Agreement, including the fees and charges required to be paid hereunder to the County by the AIRLINE or by other Airlines under other Agreements of the County for the use of facilities used for similar purposes, are unjustly discriminatory, the County shall have the right to modify such terms and conditions and to increase or otherwise adjust the fees and charges required to be paid under this Agreement in such a manner as the County shall determine is necessary and reasonable so that the fees and charges payable by the AIRLINE and others shall not thereafter be unjustly discriminatory to any AIRLINE of like facilities and shall not result in any violation of the Trust Agreement or in any deficiency in revenues necessary to comply with the covenants of the Trust Agreement. In the event the County has modified the terms and conditions of this Agreement, including any adjustment of the fees and charges required to be paid to the County pursuant to this provision, this Agreement shall be amended to incorporate such modification of the terms and conditions including the adjustment of fees and charges upon the issuance of written notice from MDAD to the AIRLINE. Notwithstanding the foregoing, however, in the event of a substantial upward adjustment in the rental charges pursuant to the foregoing, AIRLINE shall have the right to terminate this Agreement upon giving the County sixty (60) days' written notice within one year of the effective date of such upward adjustment.

C. To the extent required by federal law, if an action before the U.S. Department of Transportation results in an order compelling modification of a term of this Agreement, the parties shall make appropriate modifications to this Agreement so as to be in compliance with such order.

Article 28
Miscellaneous Provisions

A. Headings: All headings preceding the text of any articles, paragraphs or sections of this Agreement shall be solely for convenience of reference and shall not constitute a part of this Agreement nor affect its meaning, construction or effect.

B. Authorized Use Only: The AIRLINE shall not use or permit the use of the Airport for any illegal or unauthorized purpose or for any purpose which would increase the premium rates paid by MDAD on, or invalidate, any insurance policies of MDAD or any policies of insurance written on behalf of the AIRLINE under this Agreement.

C. Binding Effect: The terms, conditions and covenants of this Agreement shall inure to the benefit of and be binding upon the parties hereto and their permitted successors and assigns. This provision shall not constitute a waiver of any conditions prohibiting assignment.

D. Subordination to Federal Requirements:

(1). This Agreement shall be subordinate to the provisions of any existing or future agreements between the County and the United States of America relative to the operation and maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the expenditure of Federal funds for the development of the Airport. All provisions of this Agreement shall be subordinate to the right of the United States of America to lease or otherwise assume control over the Airport, or any part thereof, during time of war or national emergency for military or naval use and any provisions of this Agreement inconsistent with the provisions of such lease to, or assumption of control by, the United States of America shall be suspended.

(2). This Agreement shall be amended by the parties from time to time in order to comply with Federal laws or regulations as they may be enacted, issued or amended from time to time. The parties agree that nothing in this Agreement shall compel a party to comply with a provision that is then in violation of or conflict with Federal laws or regulations as they may be enacted, issued or amended from time to time.

E. Notices: All notices required or permitted to be given under the terms and provisions of this Agreement by either party to the other shall be in writing and shall be

hand delivered or sent by overnight mail delivery, registered mail, or certified mail with return receipt requested, to the parties as follows:

As to the County or Aviation Department:

Aviation Director
Miami-Dade Aviation Department
Post Office Box 025504
Miami, Florida 33102-5504

With a copy to:

Office of the County Attorney
Miami-Dade Aviation Department
P.O. Box 025504
Miami, Florida 33102-5504

and

Finance Credit Manager
Miami-Dade Aviation Department
P.O. Box 526624
Miami, Florida, 33152-6624

As to the AIRLINE:

With a copy to:

Airline's General Counsel
(if requested)

or to such other address as may hereafter be provided by the parties in writing.

Notices by overnight mail delivery, registered mail, or certified mail shall be deemed received on the delivery date indicated by the overnight delivery provider or the U.S. Postal Service on the return receipt or the envelope. If any such notices are returned to MDAD as being undeliverable to the party whose name and address are provided above or as amended in writing by the AIRLINE, or if AIRLINE has failed to identify any AIRLINE representative above, then in either of such circumstances hand delivered notices shall be deemed received by the Airline when presented to the local management representative of the Airline, including, but not limited to, Airline's Station Manager at MIA.

F. Rights Reserved: Rights not specifically granted the AIRLINE by this Agreement are reserved to the County.

G. Rights of County at Airport: The County shall have the absolute right, without limitation, to make any repairs, alterations and additions to any structures and facilities at the Airport. The County shall, in the exercise of such right, be free from any and all liability to the AIRLINE for business damages occasioned during the making of such repairs, alterations and additions, except those occasioned by the sole active negligence of the County, its employees, or agents.

H. Rights to be Exercised by Department: Wherever in this Agreement rights are reserved to the County, such rights may be exercised by MDAD . Any reference herein to County shall be deemed to include a reference to MDAD. Wherever a right is given to the "County" or to "MDAD," either County or MDAD may exercise such right given to the other.

I. No Waiver: There shall be no waiver of the right of either party to demand strict performance of any of the provisions, terms and covenants of this Agreement nor shall there be any waiver of any breach, default or non-performance hereof by either party, unless such waiver is explicitly made in writing by the other party. Any previous waiver, or course of dealing shall not affect the right of either party to demand strict performance of the provisions, terms and covenants of this Agreement with respect to any subsequent event or occurrence of any subsequent breach, default or non-performance hereof by the other party.

J. Right to Regulate: Except to the extent prohibited by Federal law, nothing in this Agreement shall be construed to waive or limit the governmental authority of the County, as a political subdivision of the State of Florida, to regulate the AIRLINE or its operations. Notwithstanding any provision of this Agreement, nothing herein shall bind or obligate the County, the County's Zoning Appeals Board, the County's Building and Zoning Department or the County's Planning Department (as they may be renamed from time to time), or any department, board or agency of the County, to agree to any specific request of the AIRLINE that relates in any way to the regulatory or quasi-judicial power of the County; and the County shall be released and held harmless by AIRLINE from any liability, responsibility, claims, consequential damages or other damages, or losses resulting from the denial or withholding of such requests; provided, however, that this provision shall not preclude any appeal from County action wherein the sole remedy sought is reversal of the County's action.

K. No Possessory Interest: No clause, phrase, sentence, paragraph or article of this Agreement shall vest any possessory or leasehold interest in any real property or the personal property of the County in the AIRLINE nor shall such be construed as creating any landlord and tenant or partnership or joint venture relationship between the County and the AIRLINE, other than as set forth in any lease agreement entered into between the parties.

L. Severability: In the event any covenant, condition, or provision herein is held to be invalid, illegal, or unenforceable by any court of competent jurisdiction, such covenant, condition, or provision shall be deemed amended to conform to applicable laws so as to be valid or enforceable, or, if it cannot be so amended without materially altering the intention of the parties, it shall be stricken. If stricken, all other covenants, conditions and provisions of this Agreement shall remain in full force and effect provided that the striking of any covenant, condition or provision does not materially prejudice either the County or AIRLINE in its respective rights and obligations contained in the valid covenants, conditions or provisions of this Agreement.

M. Quiet Enjoyment of Others: The AIRLINE shall control the actions of its employees, agents, invitees and those doing business with it, so as to not annoy, disturb or be offensive to others and to provide the service hereunder so as to not unreasonably create a nuisance or thing which may disturb the quiet enjoyment of any other Airlines of the Airport.

N. Definition of Day(s): The term "day(s)", as used herein, shall refer to calendar days; provided, however, the term "business day(s)" shall mean all days except Saturdays and Sundays and specifically designated official County holidays. County reserves the right to amend designated holidays and to add or remove holidays, and shall give AIRLINE notice of any such action. At the present time, the holidays consist of: (1) New Year's Day; (2) Martin Luther King's Birthday; (3) President's Day; (4) Memorial Day; (5) Independence Day; (6) Labor Day; (7) Columbus Day; (8) Veteran's Day; (9) Thanksgiving Day; (10) Day after Thanksgiving Day; and (11) Christmas Day.

O. No Representation: The County makes no representation, warranty, guarantee, or averment of any nature whatsoever concerning the physical condition of the Airport, and it is agreed that the County will not be responsible for any loss, damage or costs which may be incurred by AIRLINE by reason of any such physical condition.

P. Right of Flight: There is hereby reserved to the County, its successors and assigns, for the use and benefit of the County and the public, a right of flight for the passage of aircraft in the air space above the surface of the premises herein leased, together with the right to cause in said air space such noise as may be inherent in the operation of aircraft, now known or hereafter used for navigation of or flight in the air, using said air space or landing at, taking off from for operating on Miami International Airport.

Q. Entirety of Agreement: The parties hereto agree that this Agreement sets forth the entire agreement between the parties, and there are no promises or understandings other than those stated herein. The terms of this Restated AUA may be added to, modified, superseded, or otherwise altered (herein, "modified") if MDAD and not less than 75% by number of the then-constituted and not-in-default MAAC Members who collectively account for not less than 75% of the landed weight at the Airport as of the effective date of the modification, agree to such modification, following which the modified Restated AUA shall be submitted to all new airlines and all airlines then having an executed Restated AUA with the County. Upon execution of the modified Restated AUA by an airline, the terms thereof shall be applicable to the airline. The terms and

benefits of the modified Restated AUA shall not be applicable to an airline until such time as the airline executes the modified Restated AUA.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their appropriate officials as of the date first above written.

MIAMI-DADE COUNTY, FLORIDA

By: _____
County Mayor or Designee

BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA

By: _____
Aviation Director

ATTEST: Harvey Ruvin, Clerk

By: _____
Deputy Clerk

(SEAL)

AIRLINE:

By: _____
President or Other Authorized Representative of Airline

_____
Print Name

ATTEST:
The undersigned is the Secretary of the Airline or entity, or is the officer thereof, who is responsible for certifying documents and actions of the company/entity. I hereby certify that the person signing this above document is the president or Other Authorized Representative and who, by the laws of the

country or state in which the company or entity is established, and by the authority provided by the company/entity's internal regulations, is authorized by such laws and regulations to execute this document on behalf of the Airline.

_____
Airline Secretary

_____
Print Name

(Corporate or Company Seal or Stamp)

IN ADDITION TO THE AIRLINE SECRETARY'S SIGNATURE ABOVE, THE AIRLINE MUST PROVIDE EITHER THE "SIGNATURE OF NOTARY", OR THE "GENERAL COUNSEL'S CERTIFICATE" PROVIDED BELOW:

SIGNATURE OF NOTARY

_____
Full name of entity (Company Name)

By: _____
President or Authorized Representative Title Date

_____
Print Name of Representative

CITY OF: _____

COUNTY OF: _____

STATE OR PROVINCE: _____

COUNTRY OF: _____

SUBSCRIBED AND SWORN TO (or affirmed) before me this _____ day of

_____, 20_____ by _____ ,
(Authorized Representative)

of _____, who is personally

known to me or has produced _____ as
(Type of Identification)

and who did / did not take an oath.

_____ _____
(Signature of Notary) (Notary Commission Number)

_____ _____
(Signature of Notary) (Notary Commission Number)

Notary Public – State OR Country of _____ Notary Stamp or Seal:
(State/Country)

General Counsel's Certificate of Signing Authorization

The undersigned is currently serving as the General Counsel or legal counsel to _____, an air carrier company desiring to operate at Miami International Airport under the authority of the Airport's Airline Use Agreement ("AUA") and is familiar with the laws and internal regulations of the air carrier regarding the authorization of company representatives to sign legal documents on the company's behalf. The undersigned certifies that the person who signed the attached AUA on behalf of the company is either the President or other officer of the company who is currently authorized by both the laws of the country or state under which the company is established and the internal regulations of the company to sign the AUA on behalf of the company and to bind the company to the terms of the AUA.

_____
General Counsel or legal counsel

_____
Printed Name

CITY OF: _____

COUNTY OF: _____

STATE OR PROVINCE: _____

COUNTRY OF: _____

SUBSCRIBED AND SWORN TO (or affirmed) before me this _____ day of

_____, 20_____ by _____ ,
(Authorized Representative)

of _____, who is personally

known to me or has produced _____ as
(Type of Identification)

and who did / did not take an oath.

_____ _____
(Signature of Notary) **(Notary Commission Number)**

_____ _____
(Signature of Notary) **(Notary Commission Number)**

Notary Public – State OR Country of _____ **Notary Stamp or Seal:**
(State/Country)

Miami-Dade Aviation Department
Approved Capital Program
(dollars in millions)

Approved PAP CIP		July, 1999
North Runway	$	275
Other Airside		119
North Terminal Development		1,305
South Terminal		627
also includes Concourses H and J		
DEFGH Terminal		588
also includes Terminal Wide Refurbishment and FG and GH Wraps		
Other Terminal and Concourses		808
Terminal Area Roadways and Parking		350
MIC/MIA Connector		400
Support		647
General Aviation Airports		58
Total Approved PAP CIP	$	5,177
Total Approved Non-PAP CIP	$	274
Total Approved Capital Program	$	5,452

AIRLINE USE AGREEMENT

TAB B

GROUND HANDLING OPERATIONS POLICY

(Article 2B)

MEMORANDUM

Amended
Agenda Item No. 6(D)(16)

TO: Hon. Chairperson and Members
Board of County Commissioners

DATE: December 2, 1997

FROM: Robert A. Ginsburg
County Attorney

SUBJECT: Resolution instructing County Manager to amend Aviation Department policy regarding air carriers operating at MIA

R-1440-97

The accompanying resolution was prepared and placed on the agenda at the request of Commissioner Dennis C. Moss, Commissioner Natacha Seijas Millán, Commissioner James Burke and Dr. Barbara M. Carey, Commissioner District 3. This resolution differs from Agenda Item No. 6(A)(13) in that it requires annual review by the Board of County Commissioners to decide whether to allow air carriers at Miami International Airport to service additional airlines partners.

Robert A. Ginsburg
County Attorney

RAG/bw

MEMORANDUM

TO:	Honorable Chairperson and Members Board of County Commissioners	DATE:	December 2, 1997
		SUBJECT:	Aviation Planning and Operations Committee Revisions to Policy Allowing Air Carriers to Handle a Limited Number of Partners
FROM:	Armando Vidal, P.E. County Manager		

The Aviation Planning and Operations Committee, at its meeting of November 14, 1997, requested certain changes to my recommended policy allowing air carriers to handle a limited number of airline partners (attached). My original recommendation is attached, and the requested changes are as follows:

1) With respect to the proposed year-end review to determine if airlines should be allowed to handle additional airline partners, a fifth criteria was requested, impact on General Aeronautical Services Permittee (GASP) employment.

2) Also with respect to the proposed year-end review, the Committee requested measurable standards for each of the four (now five) criteria. Accordingly, the recommended measures are as follows:

   a) Airline Safety Record: The Miami-Dade Aviation Department's (MDAD) Airside Operations Division maintains reports on all incidents occurring in the air operations area. The incident reports include such things as collisions of ground equipment with aircraft; equipment removed from the air operations area by MDAD for failure to meet maintenance/operating standards under Chapter 25, Dade County Code, obstructing aircraft movements; obstructing emergency vehicle access, etc. The number of incident reports involving ground handling operations for last fiscal year, 1996-97, will form the baseline for comparison with FY 1997-98 statistics.

   b) Impact on Ramp Congestion: MDAD Airside Operations staff regularly patrol the ramp areas to assure that ground equipment is being properly stored when not in use and that the apron areas are free of obstruction. As part of the year-end review, Airside Operations will prepare a report delineating their assessment of ramp-congestion and any variation from the present conditions.

c) Affirmative Action Plan: Airlines will be required to submit an affirmative action plan on an annual basis to the Aviation Department. This plan, will detail the workforce composition of the airlines and will contain the airlines' assurance as to non-discrimination in employment. The plan will be provided to the Board for its consideration as part of the year-end review.

d) Local Procurement Effort: Airlines will be requested to provide information on the total amount of goods and services purchased from local vendors in connection with their operations at MIA for FY 1996-97. This amount will form the baseline for comparison with expenditures in subsequent fiscal years, which the airlines will also be asked to provided.

e) Impact on GASP Employment: The General Aeronautical Services Permittees (GASP) currently provide information on the number of persons they employ. The employment numbers for FY 1996-97 will be used as a baseline for comparison with employment numbers for subsequent fiscal years. These employment numbers should be viewed in the aggregate for all permittees as normal fluctuations occur in employment numbers of individual permittees when they get new airline customers or lose airline customers.

3) The Committee requested that the Board of County Commissioners make the final decision on airlines being allowed to handle additional airlines partners beyond the initial authority to handle one partner, which will be based on the above-referenced year-end review.

The attached resolution and form of permit have been amended to incorporate these revisions.

Attachments

MEMORANDUM

TO: Honorable Chairperson and Members
Board of County Commissioners

DATE: December 2, 1997

SUBJECT: Approval of a Policy Which Allows Air Carriers to Handle A Limited Number of Partners

FROM: Armando Vidal, P.E.
County Manager

RECOMMENDATION

It is recommended that the Board approve a policy which provides for : (1) airline lessees at Miami International Airport ("MIA") to handle one airline partner in any of the categories on the attached list in addition to airlines in which they have a 5% or more equity interest starting in the County 1997-1998 fiscal year; (2) consideration for allowing an airline to handle additional airline partners in subsequent fiscal years to be based on a year end review by the Aviation Department of the airline's safety record, impact on ramp congestion, its affirmative action plan, and local procurement efforts; and (3) issuance of a permit in substantially the form attached that authorizes an airline to handle a partner airline, and that requires the payment to Dade County of a 7% opportunity fee on the imputed or actual value of handling services rendered. The airlines have agreed to voluntarily include the above in their permits with the Aviation Department.

BACKGROUND

The Board by Resolution R-962-97 instructed the County Manager to report to the Board on a policy which allows airlines at MIA to handle a limited number of partners. The resolution also instructed the County Manager to negotiate the terms and conditions of an extension of the six general aeronautical services permits ("Permits") for up to five years conditioned upon the Permittees voluntarily increasing their level of DBE participation which is addressed in a companion item on today's agenda.

The foregoing issues of airline handling its partners and the extension of the Permits are interrelated in that allowing an airline to handle its partners may affect the Permittees through the loss of handling business.

In formulating a handling policy for the airlines consideration was given to two principal factors: (1) the necessity of giving recognition to the continuing expansion of international groupments of airlines sharing passengers and services including ground handling among group members as a means of providing more efficient and convenient service and seamless air travel; and (2) the need to insure an operationally safe

environment as airlines become more involved in handling with its inherent hazards and the likely expansion of numbers of vehicles and equipment on MIA.

Therefore, because of the uncertainty of the impact on MIA safety and congestion from the increase in entities performing handling, it is prudent to limit handling by an airline to one airline partner during Fiscal Year 1997-1998, and that consideration for allowing an airline to handle additional airline partners be determined upon a year end review by the Aviation Department of an airline's handling safety record, impact on ramp congestion, affirmative action plan submitted to the Aviation Department, and local procurement efforts.

The requirement that the airlines obtain a permit, and pay the County 7% of the value of handling services rendered parallels those conditions imposed on the Permittees for the privilege of furnishing these services. It is the intent of the County that the fees paid by the airlines will offset the reduction in the County's fee income caused by lower fees being paid by Permittees whose handling business may be impacted.

Attachment

Definition of Carrier Agreements/Relationships placed in order of the formality of those relationships

Subsidiary Carrier - A separate airline that is owned wholly by another or airlines that are jointly owned by the same holding company but may operate as a separate unit. Complete operational and financial information is shared with the owning company. The subsidiary company's management is responsible and reports to the owning company. This relationship is fully recognized under the laws of the country or countries involved.

Equity Partner Agreement - A relationship with a separate airline but with a portion of its stock or other assets owned by another airline. While operational and financial control remains with that airline, the equity partner may provide certain functions of which it is paid. This relationship must be approved by the governments involved and would require anti-trust protection.

Alliance - A business relationship that has been approved by the governments of the respective carriers, if from different countries or by the government from which they come. In most cases the carriers would seek anti-trust protection from the appropriate governments. The companies share operational and financial information and work as a consolidated carrier presenting to the passenger the impression that is one single business unit.

Feeder Carrier Agreement - An agreement which provides code sharing and assistance from a carrier's general office which may extent to reservations, flight scheduling, maintenance, safety issues and other administrative activities. Operational and financial information is exchanged. In most cases this agreement is between a large airline and a smaller airline and may require governmental approval and anti-trust protection.

Code Share Agreement - An agreement which is approved by the governments of the countries from which the airlines come and which provides for the display of share carrier flights in each carriers' reservation and sales systems. Limited to certain routes and flights and the sharing of certain financial information. Requires governmental approval and the carriers involved may seek anti-trust protection.

Connection Marketing Agreement - These agreements are limited to specific flights and markets and provide for the transfer of passengers from one airline to another based on the specific agreement. The only information passed between the carriers would be directly related to the specific markets involved and would not be such that anti-trust protection would be needed.

Approved _____ Mayor

Veto _____

Override _____

Amended
Agenda Item No. 6(D)16
12-2-97

RESOLUTION NO. R-1440-97

RESOLUTION INSTRUCTING THE COUNTY MANAGER TO AMEND THE DADE COUNTY AVIATION DEPARTMENT POLICY TO ALLOW EACH AIR CARRIER OPERATING AT MIAMI INTERNATIONAL AIRPORT TO PROVIDE GENERAL AERONAUTICAL HANDLING SERVICES TO ONE AIRLINE PARTNER AND AUTHORIZING THE COUNTY MANAGER TO EXECUTE A PERMIT WITH EACH AIR CARRIER PROVIDING GENERAL AERONAUTICAL SERVICES TO AN AIRLINE PARTNER AND DELEGATING TO THE COUNTY MANAGER THE AUTHORITY TO DECIDE WHETHER TO ALLOW AIR CARRIERS TO HANDLE ADDITIONAL AIRLINE PARTNER(S); PROVIDING FOR REPORT TO COUNTY COMMISSION UNDER CERTAIN CONDITIONS

WHEREAS, air carriers are more frequently executing agreements with other carriers which seek to establish seamless air travel;

WHEREAS, numerous air carriers at Miami International Airport ("MIA") have requested the ability to provide ground aeronautical handling services to at least one airline partner;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that this Board instructs the County Manager to amend the Aviation Department's policy to allow each air carrier operating at MIA to handle one airline partner starting in Fiscal Year 1997-1998; and to revise said policy to provide for annual review by the County Manager as to whether air carriers should be allowed to handle additional airline partner(s); and instructing the County Manager to

consider in addition to the criteria set forth in his memorandum, the net effect on ground handling services employment (both full and part time) caused by allowing air carriers to handle an additional airline partner; and further amending the policy to require that each air carrier handling another airline partner shall pay to Dade County 7% of the imputed or actual value of the handling services rendered all as more particularly set forth in the County Managers memorandum, which is incorporated herein by reference, and authorizing the County Manager to execute a permit in substantially the form attached hereto with each air carrier providing general aeronautical services to an airline partner for the period of November 1, 1997 through October 21, 2002. American Airlines and United Airlines have voluntarily offered to meet the Disadvantage Business Enterprise ("DBE") participation goals for the ground handling services rendered to an airline partner in the amounts corresponding to the DBE goals voluntarily agreed to by the aeronautical permittees; allowing American Airlines and United Airlines to meet the percentage above 10% of the DBE goal through the purchase of goods and services. The County Manager is authorized to issue permits to other airlines for provision of similar ground handling services on the same terms and conditions as provided herein. The County Manager shall, within 30 days of completing the annual review, inform the Board of County Commissioners in the event an air carrier receiving a permit to provide ground handling services hereunder does not submit an affirmative action plan, fails to meet

voluntary DBE goals, or has negatively impacted safety, ramp congestion or net ground handling services employment (full and part time).

The foregoing resolution was sponsored by Commissioner Dennis C. Moss, Commissioner Natacha Seijas Millan, Commissioner James Burke and Dr. Barbara M. Carey, who moved its adoption. The motion was seconded by Commissioner

Miguel Diaz de la portilla , and upon being put to a vote, the vote was as follows:

Dr. Miriam Alonso	aye	James Burke	aye
Dr. Barbara M. Carey	aye	Miguel Diaz de la Portilla	aye
Betty T. Ferguson	aye	Bruce C. Kaplan	aye
Gwen Margolis	aye	Natacha Seijas Millan	aye
Jimmy L. Morales	absent	Dennis C. Moss	aye
Pedro Reboredo	aye	Katy Sorenson	aye
Javier D. Souto	aye		

The Chairperson thereupon declared the resolution duly passed and adopted this 2nd day of December, 1997. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF COUNTY
COMMISSIONERS

HARVEY RUVIN, CLERK

By: KAY SULLIVAN
Deputy Clerk

Approved by County Attorney as to form and legal sufficiency.

107.07-17A METRO-DADE/GSA-MAT MGT

MEMORANDUM

Agenda Item No. 5(A)(3)

TO: Honorable Chairperson and Members
Board of County Commissioners

DATE: September 14, 1995

SUBJECT: Approval of Form of Amendment(s) to the General Aeronautical Services Permits

FROM: Armando Vidal, P.E.
County Manager

RECOMMENDATION

It is recommended that the Board authorize the County Manager or designee to execute amendments to the General Aeronautical Services Permits with: AMR Services Corp., Dispatch Services Inc., DynAir Services Inc., International Enterprises Group Inc., Ogden Aviation Services and Universal Aviation Services, Inc., in the form attached, that deletes the 80/20% (full time/part time employment) requirement to reflect current industry standards and allows for partial assignment of subcontracted services to DBE companies.

BACKGROUND

The current policy at Miami International Airport (MIA) is that aeronautical and ground handling services are provided by the airlines with their own employees or through contract with the General Aeronautical Services Permittees (Permittees). These services include, as examples, baggage handling, skycap services, aircraft cleaning, and ticketing. When an airline does not choose to provide some or all of these services through its own employees, the airlines must purchase services from a Permittee.

The General Aeronautical Services Permits were awarded through a competitive selection process. Part of the process contained a monetary consideration in which the proposer was required to bid a Minimum Guarantee. These bids were submitted based on the current policy which had been historically maintained.

Because of the increase over the last several years of inter-airline marketing agreements and equity ownership arrangements between carriers, the airlines that are members of the Miami Airport Affairs Committee (MAAC) have expressed the need for seamless passenger connections between airline partners, and have requested that the Aviation Department reexamine the aeronautical and ground handling service policies at MIA. Specifically, the airlines have requested substantial flexibility in providing aeronautical and ground handling services to airlines with whom they have this type of relationship. This would be a change to current policy.

In recognition of possible impacts on the Permittees by such policy change, the Department has met with the Permittees. All of the Permittees expressed concern over the financial impact which would result from this change in policy. In order to evaluate the economic impact, information was gathered from all airlines and the Permittees using Miami International Airport (MIA), such as airline frequencies, aircraft type, services used, and applicable fee for the service. Using this information, a model was developed to estimate the impact to the revenues derived by the Permittees. The esti ated impact was calculated and compared to current conditions. The estimated impact to the annual revenues of all the Permittees is about $1.4 million or a reduction of approximately 3.5%.

Further, all of the Permittees expressed the opinion that the contract requirement for not less than 80% full time employment places them at a competitive disadvantage to airlines that will be able to provide services without such a restriction under the new handling policy. The 80% full time employment requirement was included in the permit to encourage the hiring of full time employees by the Permittees who would presumably receive full benefits, including health insurance. However, this full time policy has not materialized because of the considerable level of competition for aeronautical and ground handling services at MIA and the nature of the business being dependent on the schedule of the airlines, rather than a consistent level schedule throughout an 8 hour shift.

The Permittees also indicated concern with language in the permit requiring that if a service is subcontracted to a DBE, all such service must be subcontracted. This precludes a Permittee from entering into a subcontract agreement with a DBE for the partial assignment of a service. For instance, a permittee cannot under the current agreement provide ramp service to an airline and also subcontract with a DBE to provide ramp service to another airline. The Permittees have expressed concerns that this limits their ability to provide additional business to DBE companies, and has limited their ability to comply with the 10% DBE participation goal in the agreements.

The Aviation Department has tentatively offered the airlines the ability to provide aeronautical and ground handling services to other airlines in which they have at least 5% ownership, provided that they pay the Aviation Department 7% of the gross revenues they derive from providing those services. The Aviation Department has tentatively offered the Permittees that it would recommend to the Board to delete the 80% full time requirement to reflect current working standards in their industry and their agreements with their respective unions; and further, tentatively offered to recommend the deletion of the restriction concerning subcontracting only a portion of services. After several meetings with the airlines and the Permittees, implementation of an equity ownership policy was agreed upon by both the airlines and authorized Permittees on the above basis.

The policy change proposed herein will enhance the handling of passengers and facilitate airline activities at MIA. The proposed Amendment(s) form to accomplish the Permit Amendment(s) is submitted to the Board for consideration and approval . .

Agenda Item No. 5(A)(3)
9-14-95

RESOLUTION NO. R-1180-95

RESOLUTION APPROVING FORM OF PROPOSED FIRST AMENDMENT(S) AND SIX SEPARATE NONEXCLUSIVE GENERAL SERVICES PERMITS WITH AMR SERVICES CORP., DISPATCH SERVICES, INC., DYNAIR SERVICES, INC., INTERNATIONAL ENTERPRISES GROUP, INC., OGDEN AVIATION SERVICES AND UNIVERSAL AVIATION SERVICES, INC., MIAMI INTERNATIONAL AIRPORT, AND AUTHORIZING COUNTY MANAGER OR DESIGNEE TO EXECUTE SAME

WHEREAS, this Board desires to accomplish the purposes outlined in the accompanying memorandum and documents, copies of which are incorporated herein by reference,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF DADE COUNTY, FLORIDA, that this Board hereby approves the form of proposed First Amendment(s) to six separate nonexclusive General Aeronautical Services Permits with AMR Services Corp., Dispatch Services, Inc., Dynair Services, Inc., International Enterprises Group, Inc., Ogden Aviation Services and Universal Aviation Services, Inc., at Miami International Airport, as set forth in the accompanying memorandum from the County Manager, said First Amendments to become effective as of the date of adoption of this resolution and execution of the Amendments, being in substantially the form attached hereto and made a part hereof; authorizes the County Manager or designee to execute such Amendment(s) upon submittal by Permitees after review by County Attorney.

The foregoing resolution was offered by Commissioner James Burke , who moved its adoption. The motion was

seconded by Commissioner Arthur E. Teele, Jr. , and upon being put to a vote, the vote was as follows:

James Burke	aye	Miguel Diaz de la Portilla	aye
Betty T. Ferguson	absent	Maurice A. Ferre	absent
Bruce Kaplan	aye	Gwen Margolis	aye
Natacha S. Millan	aye	Dennis C. Moss	aye
Alexander Penelas	absent	Pedro Reboredo	absent
Katy Sorenson	aye	Javier D. Souto	aye

Arthur E. Teele, Jr. aye

The Chairperson thereupon declared the resolution duly passed and adopted this 14th day of September, 1995.

DADE COUNTY, FLORIDA BY ITS
BOARD OF COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By: KAY SULLIVAN
Deputy Clerk

Approved by County Attorney as to form and legal sufficiency. AP

FIRST AMENDMENT TO NONEXCLUSIVE
GENERAL AERONAUTICAL SERVICES PERMIT,
MIAMI INTERNATIONAL AIRPORT,
MIAMI, FLORIDA, BETWEEN DADE COUNTY
FLORIDA,_____

_____

THIS FIRST AMENDMENT is made and entered into as of the_____ day of _____, 1995, by and between Dade County, Florida ("County") and _____ (Permittee).

WITNESSETH:

WHEREAS, the County and the Permittee have previously entered into a certain Aeronautical Services Permit, dated _____, under which the Permittee provides Aeronautical Services at the Terminal Building at Miami International Airport; and

WHEREAS, the County and the Permittee desire to amend the said Aeronautical Services Permit to change certain terms of the Permit in consideration for certain policy changes at Miami International Airport which policy change authorizes airlines having equity interest of 5% or more in another airline to provide ground handling to the other airline.

NOW, THEREFORE, for and in consideration of the premises and mutual covenants herein contained, the parties agree to amend the Aeronautical Service Permit between them dated _____, as follows:

(A) Article 5.02 of the Permit is hereby deleted in its entirety as of July 31, 1995.

(B) Article 7.03 is hereby deleted in its entirety as of July 31, 1995 and the following new Article 7.03 is hereby substituted in lieu thereof, effective as of August 1, 1995:

7.03 Subcontracting: Notwithstanding provisions of section 7.01 above, the Permittee may, with the advance written approval of the Department, subcontract some of the services required or authorized herein to Disadvantaged Business Enterprises ("DBE' s"), as defined in Title 49, Part 23, Code of Federal Regulations, or to others provided that the Permittee has met the DBE participation goal of 10% in the Proposal Documents, provided, the Permittee shall remain fully liable for the actions and performance of such subcontractors as if such were employees of the Permittee. Any subcontract must be in accordance with the terms and conditions of this Agreement and shall be subject to approval by the County. However, the Permittee may not subcontract the provision of cargo handling services.

Only the Permittee may contract for the services hereunder directly with the commercial aircraft operators and airlines. Subcontractors are specifically prohibited from direct contracts with commercial aircraft operators and airlines, for such services, such provision to be specifically included in all agreements between the Permittee and its subcontractor.

(C) All other terms, covenants and conditions contained in the Aeronautical Services Permit between the parties dated _____, not inconsistent herewith, shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this First Amendment to be executed by their appropriate officials as of the date first above written.

BOARD OF COUNTY COMMISSIONERS
OF DADE COUNTY FLORIDA
By:_____
County Manager

Attest: Harvey Ruvin, Clerk

By:_____
Deputy Clerk

(COUNTY SEAL)

_____

By:_____
President

_____
Print Name

ATTEST:

_____
Secretary

_____
Print Name
(CORP. SEAL)

STATE OF FLORIDA)
) SS:
COUNTY OF DADE)

I, HARVEY RUVIN, Clerk of the Circuit Court in and for Dade County, Florida, and Ex-Officio Clerk of the Board of County Commissioners of said County, DO HEREBY CERTIFY that the above and foregoing is a true and correct copy of Resolution No. R-1180-95, adopted by the said board of County Commissioners at its meeting held on September 14, 1995.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on this 15th day of September, A.D. 19 95.

HARVEY RUVIN, Clerk
Board of County Commissioners
Dade County, Florida

By C. Philippe
Deputy Clerk

COUNTY COMMISSIONERS DADE SEAL FLORIDA

MIAMI-DADE COUNTY, FLORIDA

CLERK OF THE BOARD
2006 JAN 31 AM 10: 14
CLERK, CIRCUIT & COUNTY COURTS
DADE COUNTY, FLA.
#1

AVIATION DEPARTMENT
P.O. BOX 592075
MIAMI, FLORIDA 33159-2075
(305) 876-7000

Operational Directive No. 00-01
Effective: March 5, 2001
Amended: 1/30/06
Effective: 2/14/06

SUBJECT: CARGO HANDLING SERVICES AT MIAMI INTERNATIONAL AIRPORT (AMENDED)

PURPOSE AND SCOPE: To establish cargo handling policies, provide effective and efficient management of resources, and promote competition at Miami International Airport (MIA).

I. AUTHORITY:

A. Chapter 25 of the County Code, Aviation Department Rules and Regulations Section 25-1.1 (30) and 25-1.2.

B. Board of County Commissioners Resolution R-1440-97, dated December 2, 1997, instructing the County Manager to amend the Miami Dade Aviation Department policy to allow each air carrier operating at MIA to provide general aeronautical handling services to one airline partner and delegating to the County Manager the authority to decide whether to allow air carriers to handle additional airline partner(s); providing for a report to the County Commission under certain conditions.

C. Operational Directive 99-02, Operational Directives.

II. DEFINITIONS:

A. *Airline* - An air carrier having an FAA Operating Certificate or a foreign operating certificate issued by the originating country and a current, valid United States Department of Transportation (USDOT) 402 Certificate; and having a current operating schedule at Miami International Airport. Airline privileges and authorizations do not extend to parent, sister or subsidiary companies.

B. *Alliance* - A governmentally approved formal business relationship in which companies share operational and financial information, work as a consolidated carrier, and present to the passenger the impression that they are one single business unit.

C. *Cargo Handling Company ("CHC")* - A company in the business of providing all the components of cargo handling services in the cargo area.

D. *Cargo Handling Services* - The provision of warehousing, warehouse services, and/or transportation of cargo and loading and unloading of cargo on the Airport.

E. *Code Share Agreement* - An agreement between two or more air carriers which is approved by the government of the countries of origin, providing for the display of shared carrier flights, reservations, and sales systems.

F. *Connection Marketing Agreement* - An agreement limited to specific flights and markets to provide for the transfer of passengers from one airline to another.

G. *Equity Interest Airline* - An airline in which the lessee airline has at least a 5% voting stock ownership.

H. *Equity Partner Agreement* - The relationship of an airline owning a portion of stock or other assets of another airline and one of the parties having a leasehold at Miami International Airport. While operational and financial control remains with the lessee airline, the equity partner may provide cargo handling for which it is paid. This relationship must be approved by the governments involved, and would require anti-trust protection.

I. *Feeder Carrier Agreement* - An agreement which provides for code sharing and assistance from a carrier's general office which may include reservations, flight scheduling, maintenance, safety issues and other administrative activities. Operational and financial information is exchanged.

J. *General Aeronautical Services Permittee (GASP)* - A company authorized by Miami-Dade County to provide aeronautical services to passenger airlines at the terminal and cargo handling services on the airport.

K. *In-Warehouse Contractor Permittee* - A lessee under contract to an airline having a cargo warehouse leasehold on MIA, and that is solely permitted to provide the warehouse component of cargo handling services within the confines of the leasehold property.

L. *Leasehold* - On-MIA Cargo Warehouse premises leased from Miami-Dade County.

M. *Subsidiary Carrier* - A separate airline that is owned wholly by another or an airline that is jointly owned by the same holding company.

III. POLICY:

The following policy must be observed for the provision of any of the components of cargo handling services at MIA:

A. *Airlines without leasehold* may only provide cargo handling services for itself and must use personnel directly employed by itself.

B. *Airlines with leasehold* may provide cargo handling services for equity interest airlines and for up to two non-equity interest airlines in and from its own leasehold premises, provided that the airlines' activity levels are in accordance with the cargo warehouse leasing guidelines.

1. Effective January 1, 2000, (and any annual anniversary thereafter), an airline may handle one additional non-equity airline in and from its own leasehold premises.

2. An airline may handle alliance, code share, and feeder carrier agreement partners without limitation. This privilege does not extend to the loading of non-equity interest airlines at the terminal building.

3. An airline may not handle others except in and from its own leasehold premises.

4. Airlines pay, in addition to leasehold rent, 7% of gross revenue derived from cargo handling services provided to equity interest and non-equity interest airlines.

C. *CHCs with leasehold* may provide cargo handling services for airlines, except where loading and unloading of cargo at the passenger terminal facility is prohibited.

1. CHCs may provide services within airlines' leaseholds.

2. CHCs pays leasehold rental under the cargo warehouse lease or 7% of gross revenue, whichever is greater.

D. *GASPs* may provide cargo handling services for airlines, including loading and unloading at the passenger terminal facility.

1. GASPs pay 7% of gross revenue for services provided under the General Aeronautical Services Permit.

2. *GASPs* with cargo warehouse leaseholds pay leasehold rental under the cargo warehouse lease or 7% of gross revenue, whichever is greater, provided that the company does not conduct GASP activities or support its GASP operations with the cargo warehouse leasehold.

3. GASPs may provide cargo services within airlines' leasehold and pay 7% of gross revenue.

4. GASPs with cargo warehouse leaseholds shall submit a signed and notarized affidavit certifying that all activities conducted in its cargo warehouse leasehold under the cargo lease are separate and apart from GASP permit operations at the Airport.

E. *In-warehouse contractor permittees* may provide only in-warehouse cargo services to cargo warehouse leaseholders.

1. In-warehouse contractors must submit an introductory letter from the warehouse lessee in order to apply for a permit to operate within the leased premises.

2. In-warehouse contractors may not provide cargo services without a permit.

3. In-warehouse contractor permittees' employees are not authorized AOA access.

4. In-warehouse contractor permittees pay 7% of their gross revenues.

IV. EFFECTIVE DATE:

This OD shall become effective 15 days subsequent to filing with the Clerk of the Circuit Court as required by Sections 2-3 and 2-4 of the County Code.

V. AMENDMENTS:

The Aviation Department reserves the right to amend this Operational Directive at any time and from time to time, and notice of such Amendment will be furnished to all affected parties who register with the Aviation Department. Such Amendments of Rules shall become effective 15 days subsequent to filing with the Clerk of the Circuit Court as required by Sections 2-3 and 2-4 of the County Code.

VI. SEVERABILITY:

If any court of competent jurisdiction determines that any provision in this Operational Directive is illegal or void, then the remainder of this Operational Directive shall continue in full force and effect.

José Abreu, Aviation Director

Date: 1/30/06

Annex 1 - Affidavit

AFFIDAVIT

Affiant, John Doe, being first duly sworn, deposes and says that he is the (President, Vice-President, General Manager, etc.) of XYZ, Inc., a (Florida, Delaware, etc.) Corporation (Partnership, Joint Venture, etc.), and that he is duly authorized to make this affidavit on behalf of XYZ. Affiant further states:

1. XYZ has been granted a General Aeronautical Services Permit (GASP) by Miami Dade County, and that permit is currently in full force and effect.
2. XYZ, as lessee, has entered into a cargo warehouse lease with Miami Dade County, as lessor, whereby XYZ currently occupies and utilizes space within a building at Miami International Airport.
3. XYZ does not now, and will not during the term of the aforesaid lease and permit, conduct or undertake any activity authorized by the aforesaid GASP permit within any area or space, or portion thereof, which is the subject of the aforesaid cargo warehouse lease.
4. XYZ has not reported and will not report any revenue as earned, derived or generated by reason of the cargo warehouse lease described in paragraph 2 above, if such revenue results from any activity authorized by the GASP permit described in paragraph 1 above.

_____
(Affiant's Name)

SWORN TO and SUBSCRIBED before me on _____, 2005, by (Affiant's Name).

_____
Notary Name & Seal

Affiant is personally known to me or produced identification consisting of (driver's license).

GATE PRIORITY LIST AT MIA

1. **Scheduled International and Domestic Aircraft Flights:**
   - Scheduled wide-body international flights have priority for wide-body international gates.
   - Scheduled wide-body domestic flights have priority for wide-body domestic gates.
   - Scheduled narrow-body international flights have priority for narrow-body international gates (may also use wide-body gates, if available).
   - Scheduled narrow-body domestic flights have priority for narrow-body domestic gates (may also use wide-body gates, if available).

2. **Scheduled Charter International and Domestic Flights:**
   - Scheduled Charter wide-body international flights have priority for wide-body international gates.
   - Scheduled Charter wide-body domestic flights have priority for wide-body domestic gates.
   - Scheduled Charter narrow-body international flights have priority for narrow-body international gates (may also use wide-body gates, if available).
   - Scheduled Charter narrow-body domestic flights have priority for narrow-body domestic gates (may also use wide-body gates, if available).

3. **Non-Scheduled Ad-Hoc Charter International and Domestic Flights:**
   - Non-Scheduled Charter wide-body international flights have priority for wide-body international gates.
   - Non-Scheduled Charter wide-body domestic flights have priority for wide-body domestic gates.
   - Non-Scheduled Charter narrow-body international flights have priority for narrow-body international gates (may also use wide-body gates, if available).
   - Non-Scheduled Charter narrow-body domestic flights have priority for narrow-body domestic gates (may also use wide-body gates, if available).

4. **Extra-Section International and Domestic Flights:**
   - Extra-Section wide-body international flights have priority for wide-body international gates.
   - Extra-Section wide-body domestic flights have priority for wide-body domestic gates.
   - Extra-Section narrow-body international flights have priority for narrow-body international gates (may also use wide-body gates, if available).
   - Extra-Section narrow-body domestic flights have priority for narrow-body domestic gates (may also use wide-body gates, if available).

5. **Ground Load, RJ-Commuter Type Aircraft, for International and Domestic Flights:**
   All ground load, RJ-Commuter type aircraft will be assigned to loading bridge gates, if available; otherwise, a ground load gate or hardstand will be assigned.

6. **Fuel Stop International and Domestic Flights:**
   - Fuel Stop wide-body international flights have priority for wide-body international gates, if available.
   - Fuel Stop wide-body domestic flights have priority for wide-body domestic gates, if available.
   - Fuel Stop narrow-body international flights have priority for wide-body international gates (may also use wide-body and international gates, if available).
   - Fuel Stop narrow-body domestic flights have priority for narrow-body domestic gates (may also use wide-body and international gates, if available).

7. **Ferry International and Domestic Flights:**
   - Ferry wide-body international flights have priority for wide-body international gates, if available.
   - Ferry wide-body domestic flights have priority for wide-body domestic gates, if available.
   - Ferry narrow-body international flights have priority for wide-body international gates (may also use wide-body and international gates, if available).
   - Ferry narrow-body domestic flights have priority for narrow-body domestic gates (may also use wide-body and international gates, if available).

8. **Non-Compliant Airlines (arrivals and departures)**
   - All Non-Compliant wide-body international flights have priority for wide-body international gates, if available.
   - All Non-Compliant wide-body domestic flights have priority for wide-body domestic gates, if available.
   - All Non-Compliant narrow-body international flights have priority for wide-body international gates (may also use wide-body and international gates, if available).
   - All Non-Compliant narrow-body domestic flights have priority for narrow-body domestic gates (may also use wide-body and international gates, if available).

Note: MDAD will not permit a wide-body or similar capacity aircraft to park on a hardstand position due to operational difficulties associated with the transportation of passengers to the terminal.

MIAMI-DADE COUNTY, FLORIDA

MIAMI-DADE

AVIATION DEPARTMENT
P.O. BOX 592075
MIAMI, FLORIDA 33159-2075
(305) 876-7000

Operational Directive No. 96-56
Amendment No 2:
Effective: May 6, 2003

SUBJECT: GATE ASSIGNMENTS AT MIAMI INTERNATIONAL AIRPORT

PURPOSE: To establish policy and guidelines for airline gate assignments at Miami International Airport (MIA).

I. BACKGROUND:

A. The Gate Control Section of Miami-Dade Aviation Department (MDAD) Airside Operations manages all terminal gate usage at MIA. The gate control function includes the assignment of available gates, hardstands, remotes, and cargo spots among the numerous domestic and foreign flag airlines that operate at MIA. Growth in flight activity has resulted in conflict when air carriers request gates or concourses already in use by another airline. These competing demands have created an imbalance in the utilization of concourses and Federal Inspection Station (FIS) facilities. The MIA's Gate Control Section will continue to optimize the use of existing facilities and preside over airline disputes for aircraft gates, hardstands, remotes, and cargo spots.

B. The Department intends to install Common Use Terminal Equipment (CUTE) equipment at all gates other than those at which the assigned airline has met the criteria for a dedicated gate and the assigned airline has requested and received MDAD approval to leave its proprietary equipment in place.

II. AUTHORITY:

A. Chapter 25, of Miami-Dade County Code, Aviation Department Rules and Regulations.

B. Operational Directives (OD) No. 99-03, Written Directive System.

III. POLICY:

A. The Gate Control Section of Airside Operations is the authority in charge of the implementation and administration of the MIA gate management policy and guidelines.

B. The two sub-sections of the Gate Control Section, Advance Planning/Scheduling and Real-Time Operations, will work independently and in concert with each other to ensure that all gates, hardstands, remotes, and FIS facilities are optimized with the least inconvenience to airlines and passengers.

IV. GUIDELINES:

A. Advance Planning/Scheduling

1. ***Airline Schedule Change Submission for Existing Service:*** A schedule change is defined as any change made to the existing flight record, including but not limited to, flight numbers, arrival time, departure time, days operated and aircraft equipment changes.

   a. Airlines with existing services at MIA shall submit their proposed schedule changes no later than 14 working days in advance of the effective schedule change.

   b. Daylight saving time changes (April to October) must be submitted no later than 30 working days in advance of the effective date.

2. ***Airline Schedule Submission for New Airlines or Service:*** New airlines starting service into MIA or those adding new services shall submit the new or expanded proposed schedule with a minimum of 30 working days in advance of the effective date.

3. ***Schedule Analysis:*** Upon receipt of the airline schedules, the Advance Planning/Scheduling Sub-section will load this information into the Flight Information Display System (FIDS) and gate manager software program in order to identify and resolve potential conflicts that could cause delays or inconveniences to airlines and passengers. Gate assignments will be made in accordance with the annexed Gate Priority List.

4. ***Schedule Review and Confirmation:*** After completing review of flight schedules, the Gate Control Section will notify airlines of potential conflicts and proposed solutions to accommodate their flight schedule. Solutions will include, but will not be limited to, an

adjustment of arrival and departure times and assignment to a non-preferred gate, concourse or hardstand position. When conflicts have been resolved, a gate plan will be loaded into the FIDS system and printed for daily airline assignments.

5. ***Wide-body Aircraft Operations:*** MDAD will not permit a B747 or similar capacity wide-body aircraft to operate from a hardstand position due to operational difficulties associated with transporting the passengers to the terminal.

B. Real-Time Operations

1. ***Gate Assignment***: On flight day, airlines must provide the Gate Controllers with the confirmation of each flight in need of a gate assignment. This confirmation will consist of arrival and departure flight numbers, times, passenger counts, and aircraft type and registration. If there are no conflicts at that time, a gate assignment will be issued based on the gate plan established by the Advance Planning/Scheduling Sub-section. Gate Controllers will only make adjustments if there is a conflict.

2. ***Real-Time Conflict:*** If the airline requesting a gate assignment has changed equipment type or deviated from the scheduled arrival or departure time by more than 15 minutes, the Gate Controller may re-assign the flight to another gate, concourse or hardstand so as not to interfere with a flight that is operating on schedule. Gate Controllers will only make adjustments if there is a conflict.

3. ***Maximum Gate Occupancy Time:*** The maximum gate occupancy time (in minutes) that will be permitted is:

   a. Turn around flight: 120 minutes
   b. Arrival only (international or domestic): 60 minutes
   c. Departure only (international or domestic): 60 minutes
   d. Turn around flights (arrival and departure) with a planned-gate occupancy time in excess of the maximum may be scheduled as a separate arrival and departure operation. If demand warrants, the carrier may be required to remove the aircraft from the gate and relocate to another gate, hardstand or remote spot.

4. ***Scheduled Inter-Gate Time:*** Under ideal conditions, during peak periods, Gate Controllers will assign flights with a minimum of 15 minutes between gate assignments.

5. ***Multiple Concourse Assignments***: Whenever possible, gate assignments will be made by minimizing the assignment of a single

carrier flight or a group of carriers with MDAD-recognized connecting passenger arrangements onto multiple concourses. Assignments to multiple adjacent concourses will be regarded as more acceptable than assignments to multiple non-adjacent concourses.

6. ***Early Arrivals:*** Early arrivals which cannot be accommodated at their planned gate or concourse area because of conflicts with other gate assignments will be given the alternative to hold for a gate in their preferred concourse area, take an available gate in a non-preferred concourse or take a hardstand position. As previously indicated in this document, MDAD will not permit a Boeing 747 or similar capacity aircraft to park on a hardstand position due to the operational difficulties associated with transporting the passengers to the terminal.

7. ***Delays:*** When a delayed arrival causes a gate assignment conflict with a flight that has a confirmed estimated time of arrival (ETA) the aircraft with the earliest arrival time will be given the use of the gate. The Gate Control Section will make every effort to adjust the gate plan to minimize the impact on other carriers. The Gate Control Section will regularly review late arrivals or departure performances resulting in gate assignment conflicts. As a result of these reviews, the Gate Control Section may choose to assign carriers with consistent delays or early performances to a non-preferred gate, concourse, remote or hardstand position.

   The Gate Control Section will accommodate flights with a delayed departure by adjusting the gate plan while minimizing the impact to other carriers. Excessive departure delays due to aircraft mechanical problems or flow control may result in the aircraft being towed to another gate, concourse, remote or hardstand position. Gate Control may deviate from the above delay procedures to avoid assignment of a B747 or similar capacity aircraft to a hardstand or remote position.

8. ***ETA and Estimated Time of Departure (ETD) Reporting:*** All airlines will report their ETA to the Gate Control Section immediately upon departure of the aircraft from the origin airport. All airlines will immediately advise the Gate Control Section of any delays that will cause the ETD to be changed to a later time.

9. ***Airport Disruptions:*** In the event of airport or airline disruption, an airline may be required to use a non-preferred gate, concourse, remote or hardstand position.

10. ***Unauthorized Gate Use***: The unauthorized use of a gate or a hardstand position at the airport is strictly prohibited and considered a violation of Chapter 25 of the Miami-Dade County Code, Airport Rules and Regulations.

11. ***Gate Assignment Priority:*** When a real-time operation conflict occurs for an international or domestic flight, the priority list will be used to determine which flights will be re-assigned to a non-preferred gate, concourse or hardstand position. International flights will take priority on international gates and domestic flight will take priority on domestic gates.

12. ***Aircraft Gates***: Aircraft gates at MIA shall be striped for the largest aircraft down to the smallest commercial aircraft that can be accommodated at that gate, using minimum accepted aircraft clearances. For MDAD, 20' for wingtip, 15' for engine nacelles, 8' for wingtip leading edge and fuselage, shall be used as accepted clearances.

C. Criteria for Dedicated Gates

Major domestic air carriers, as defined by the U.S. Department of Transportation (DOT), that have operated at MIA for a minimum of twenty (20) years and have invested heavily in a proprietary infrastructure, shall have the right, but shall not be required to, retain or install proprietary equipment at such gate if the following conditions are met:

1. To the extent that the airline's proposed schedule can be accommodated at a gate or gates where no other airline needs to be assigned, the airline shall have the right, but shall not be required to, install its proprietary equipment at such gate. Proprietary equipment installed at a gate shall not preclude MDAD from assigning another carrier to that gate due to operational necessity.

2. Airlines operating with proprietary equipment shall maintain a seven (7) day minimum average of ten daily departures. In the event that the airline's schedule is modified and the new schedule does not meet the criteria for dedicated gates, the airline, upon request from the Department, shall remove its proprietary equipment at its sole expense, and shall use the CUTE equipment provided by MDAD at that gate.

D. Fees for CUTE Equipment

Each airline using a gate equipped with CUTE shall pay an additional CUTE User Charge as determined by the Department on each departing

seat operating from that gate. Such charge shall be established at a rate sufficient to cover the amortized cost of the CUTE gate equipment, as well as its installation, operation and maintenance costs associated with such equipment. The Department shall adjust the charge from time to time as airline schedules change in order to fully recover these costs.

V. EFFECTIVE DATE:

This amended OD shall become effective 15 days subsequent to its being filed with the Clerk of the Circuit Court as required by Sections 2-3 and 2-4 of the County Code.

VI. AMENDMENTS:

MDAD reserves the right to amend this OD at any time and from time to time, and notice of such amendment will be furnished to all affected parties who register with MDAD. Such amendment shall become effective 15 days subsequent to its being filed with the Clerk of the Circuit Court.

VII. SEVERABILITY:

If any court of competent jurisdiction determines that any provision in this OD is illegal or void, the remainder of the OD shall continue in full force and effect.

REVOCATION: OD 96-56 amended on December 12, 2001.

CROSS REFERENCE: None.

Angela Gittens, Aviation Director

Date: April 18, 2003

ANNEX:

Gate Priority List at MIA

MDAD BUSINESS RETENTION & DEVELOPMENT DIVISION

REAL ESTATE MANAGEMENT & DEVELOPMENT

TERMINAL REAL ESTATE

TICKET COUNTER ALLOCATION & USE POLICY

April 1, 2009

This policy supersedes the former Exhibit E in the Airline Use Agreement (AUA) in its entirety.

I. INTRODUCTION

Miami International Airport (MIA) operates under an environment that provides for proprietary and Common Use Terminal Equipment (CUTE) equipped ticket counters. The Miami-Dade Aviation Department (MDAD) has adopted this Terminal Ticket Counter Allocation and Use policy in order to:

- Maximize the flexibility in the assignment of Terminal ticket counters to airlines and General Aeronautical Service Providers (GASPs)
- Efficiently relocate airlines and GASPs when, and if, necessary
- Reduce costs associated with such airline and GASP relocations
- Relieve airlines and GASPs of the cost of investing, installing, and maintaining proprietary equipment at Terminal ticket counters
- Lower barriers and facilitate the entry of new airlines at MIA
- Provide flexibility and opportunity for existing airlines and GASPs to expand service at MIA

Changes in passenger activity, airline alliances, and the number of airlines serving MIA may result in competing carrier demands for available Terminal ticket counter positions. In order to maximize the flexibility of use, and to increase the efficiency of use, MDAD has installed CUTE at its Terminal ticket counters except for those ticket counters occupied by airlines with Exempt Airline status. See Section III for details on Exempt Airline status.

This policy presents the guidelines for the planning, assigning and use of all Terminal ticket counter positions to Exempt Airlines, non-exempt airlines and to GASPs in order to optimize the use of available Terminal ticketing positions in the best interest of the operation of MIA. MDAD reserves the right to modify, revise, or adjust this policy periodically in order to meet the objective of highest and best use in assigning Terminal ticket counters.

II. ADMINISTRATION

The Real Estate Management Section of MDAD's Business Retention and Development Division manages all terminal and support space allocation at MIA. Its function includes the planning and assignment of the available Terminal ticket counter positions for the numerous domestic and foreign flag airlines, both exempt and non-exempt, as well as GASPs, operating at MIA.

The planning and scheduling of Terminal ticket counter positions is based on airlines' and GASPs proposed schedules submitted to MDAD's Airside Operations Division, Advance Planning and Scheduling Section, in accordance with this policy.

The Real Estate Management Section and MDAD's Airside Operations Division, Aircraft Gate Control Section, jointly, will make their best effort to provide the Terminal ticket counter positions necessary for an airline's or GASP's level of activity and in close proximity to the assigned gate(s). This cooperative effort will ensure the highest and best use of all Terminal ticket counter positions with the least amount of inconvenience to the airlines and passengers.

III. EXEMPT AIRLINES

There are certain MIA Terminal ticket counters which are used and occupied by Exempt Airlines using their proprietary equipment.

The initial Exempt Airlines included those airlines operating at MIA as of July 1, 2003, (the CUTE Effective Date), and whose flight schedules during the period of October 1st, 2001 through September 30th 2002, required the use of Terminal ticket counters for at least fifteen (15) continuous hours to handle at least ten (10) daily departures.

For the purposes of this policy, in addition to an Exempt Airline, Exempt Airline status shall include: 1) any airline operating at MIA for the benefit of the Exempt Airline under the same or substantially similar livery as the Exempt Airline and: (a) is owned by the Exempt Airline, or (b) is a subsidiary of the same corporate parent of the Exempt Airline, or (c) is under contract to the Exempt Airline in respect of such operation; or 2) any airline handled by the Exempt Airline under the provisions of the Airline Use Agreement, to the extent that those airlines are operating at the Exempt Airline's Terminal ticket counter or contiguous CUTE Terminal ticket counters at MIA for which CUTE charges will be incurred

The status of each airline will be reviewed periodically, but not more than twice annually, to determine if it meets the Exempt Airline qualification. Any airline with at least ten (10) average daily departures during the review period and that has signed the Airline Use Agreement will qualify as an Exempt Airline to lease ticket counters for the purpose of installing proprietary equipment at the Exempt Airline's cost. MDAD will analyze each Exempt Airline's schedule to determine the number of ticket counters, if any, an Exempt Airline may be allowed to lease.

Any airline that is eligible for Exempt Airline qualification may elect to use CUTE-equipped Terminal ticket counters if CUTE Terminal ticket counters are available.

An Exempt Airline, by written notice from MDAD, may be required to relinquish the exclusive lease of its Terminal ticket counters if an Exempt Airline adjusts its schedule to the degree that it falls below an average of ten (10) daily departures at MIA during the review period. In such event, the Exempt Airline will also be required to remove its proprietary equipment at its own cost and its status as an Exempt Airline will be revoked.

IV. PLANNING & ALLOCATION

A. Schedule Submission – New Service/Changes to Existing Service:

Any airline starting new service at MIA, all existing airlines and GASPs expanding or reducing service at MIA, shall submit their proposed schedule to Advance Planning & Scheduling Section within 30 days of the proposed effective date. Failure to do so may result in the inability of MDAD to provide adequate CUTE Terminal ticket counter positions or to adjust shared ticket counter requirements.

Charter or ad-hoc flight schedules must be submitted a minimum of 7 days in advance of the flight. Failure to do so may result in the inability of MDAD to provide adequate CUTE Terminal ticket counter positions or to adjust shared ticket counter requirements.

Airlines and GASPs should seek confirmation of sufficient ticket counter capacity to accommodate proposed flight activity from MDAD before making any flights public or operating any flights from MIA. Failure to do so may result in the inability of MDAD to provide adequate CUTE Terminal ticket counter positions or to adjust shared ticket counter requirements.

B. Advance Terminal Ticket Counter Planning Process:

At least 30 days prior to the semi-annual, seasonal time changes, airlines and GASPs operating at MIA are required to submit to Advance Planning & Scheduling their proposed flight schedule for the upcoming period. This information will be used for forecasting the terminal ticket counter allocations. The proposed flight schedule shall include:

1) Flight numbers
2) Days of operation
3) Hours of operation
4) Aircraft type and series
5) Passenger capacity
6) Requested number of ticket counter positions

Real Estate Management will determine the actual number of ticket counters and ticket counter location to assign by comparing the number of requested positions to the ticket counter allocation criteria as follows:

1) Aircraft type and series (Narrow body or Wide body)
2) Ticket counter availability
3) Ticket counter location vs. departure gate location
4) Ticket counter type (Linear or Pod)
5) Single vs. multiple/overlapping flights

The computation of number of ticket counter positions allocated will include all airline or GASP flight activity plus any other airline(s) handled by the airline or GASP.

For Exempt Airlines, MDAD will allocate and lease to the Exempt Airlines the number of ticket counter positions that are necessary to accommodate the passenger ticketing process.

If desired, an airline or GASP may request additional ticket counter positions than initially allocated. MDAD will allocate additional ticket counter positions only if counter area is available and use is justified.

During normal operations, an airline or GASP will be permitted to occupy its assigned CUTE ticket counters four (4) hours prior to its scheduled departure time (SDT). Airline and GASP are required to vacate the CUTE ticket counters one-half (1/2) hour after its SDT, except in cases of a flight delay or a flight cancellation which requires additional time for processing of passengers as referenced in Section IV.E.

Real Estate Management will allocate no less than 4 CUTE ticket counter positions to airlines and GASPs for narrow body aircraft (less than 150 passenger seats; refer to below for aircraft with less than 30 passenger seats), and will allocate no less than 7 CUTE ticket counter positions to airlines and GASPs for wide body aircraft (greater than 150 passenger seats). An airline or GASP with aircraft having less than 30 passenger seats will require fewer ticket counter positions than the guidelines outlined above. MDAD will allocate a reasonable number of CUTE ticket counter positions for these flights based on the justified need of the airline or GASP taking into consideration all of the relevant factors, but in no event less than 2 positions. These guidelines are based upon a single flight within the 4 ½ hour processing period (4 hours prior and ½ hour after SDT).

C. Terminal Ticket Counter and CUTE Allocation, Assignment and Confirmation:

Either the day before or on the day of the flight, the airline or GASP requiring CUTE Terminal ticket counter(s) for a departing flight shall contact Airside Real-Time Operations and confirm its daily flight schedule. This confirmation shall include:

1) Departure flight number(s)
2) Aircraft and series type
3) Departure flight time

Within one (1) hour of receiving this information from the airline or GASP, Airside Real-Time Operations will then confirm the assigned CUTE Terminal ticket counter positions and hours of operations.

In the event an airline or GASP disagrees with the number of Terminal ticket counters allocated, it will be required to present its business case to Real Estate Management during regular business hours in order to justify its request. Real Estate Management will make a determination after considering the merits of the case and ticket counter availability.

If an airline or GASP disagrees with the number of allocated Terminal ticket counters or their assignment after business hours, on a holiday, or during a weekend, Aircraft Gate Control will make every attempt to accommodate the request of the airline or GASP, based on CUTE Terminal ticket counter availability, without encroaching on another airline's Terminal ticket counter assignment. The disagreement will be reported to Real Estate Management for resolution.

D. Future Ticketing:

Airlines or GASPs that desire to operate a CUTE Terminal ticket counter for additional hours to conduct advanced ticket operations or as a service center may, upon request and approval, be assigned available CUTE Terminal ticket counters by Real Estate Management for specific days and times. Requests should be made at least five (5) days in advance of use. Should MDAD have CUTE Terminal ticket counter positions available, requests will be allocated on a first-come, first-served basis.

E. Flight Delays & Cancellations:

When flight delays or cancellations occur which cause an airline or GASP to extend the use of its allocated ticket counters, and such extension interferes with the CUTE Terminal ticket counter assignment schedule, the airline or GASP experiencing the delay or cancellation will notify Airside Real Time Operations and will be relocated to the next available group of CUTE ticket counters at the end of its scheduled ticket counter allocation period, if necessary. Alternatively, if necessary and without causing undue disruption, the airline or GASP scheduled to use the ticket counter during the extended time period of the delayed airline will instead be relocated to the next available group of CUTE ticket counters.

F. Conflict Resolution:

In the event of a CUTE Terminal ticket counter assignment dispute, MDAD, at its sole discretion, will resolve the dispute. MDAD's decision is final.

V. Terminal Ticket Counter Unauthorized Use

Unauthorized use of Terminal ticket counters is strictly prohibited. Any airline or GASP that utilizes Terminal ticket counter positions without MDAD authorization is liable for double CUTE usage rentals and fees pursuant to the CUTE Pricing Policy.

VI. Cleanliness of Terminal Ticket Counter

Any user of the CUTE Terminal ticket counter positions shall leave the premises in a clean and orderly manner. The premises will be cleaned daily by MDAD in accordance with airport standards. Should an airline or GASP leave the premises in an unkempt condition, MDAD Terminal Operations will order janitorial services on demand and the airline or GASP that caused such conditions will be assessed a $250 cleaning fee.

VII. International Re-Check CUTE Ticket Counter Positions

Real Estate Management will assign the international passenger re-check CUTE ticket counter positions upon request by an airline or GASP, subject to availability.

TAB F

AFFILIATED AIRLINES

In accordance with Article 2D, the AIRLINE hereby designates the following airline or airlines as "Affiliated Airlines" of the AIRLINE. Such designation shall be effective upon MDAD's receipt of this Tab F,[1] at which time the Affiliated Airline shall be entitled to the rights, responsibilities and obligations of the AIRLINE under AIRLINE'S Airline Use Agreement as set forth in Article 2D.

For any Affiliated Airline listed below, AIRLINE shall be responsible for all obligations of such airline pertaining to rates and charges arising under the Airline Use Agreement that have arisen or accrued between the date of MDAD's receipt of this Tab F containing the airline's name and the date on which MDAD receives a revised Tab F on which the airline's name is omitted. Rates and charges obligations of any such airline in existence prior to the first such date and after the latter such date shall not be the obligation of the AIRLINE but shall be the obligation of the airline incurring such obligations.

Name of Affiliated Airline	Date on which affiliation begins (To be filled in by MDAD based on the date Tab F is received by MDAD's Finance Division set forth under Article 8M) (See Footnote 1 below)

AIRLINE

_____
Name of AIRLINE

BY: _____

TITLE: _____

DATE: _____

[1] AIRLINE should submit to MDAD two (2) copies of this Tab F. MDAD will fill in the Commencement Date and return one copy to the AIRLINE. AIRLINE should likewise submit to MDAD two (2) copies of any revised Tab F. MDAD will fill in the Commencement Date on such revised Tab F which will supersede any Tab F previously submitted to MDAD, effective as of the new Commencement Date.

TAB G

LANDING FEE RATE-SETTING METHODOLOGY
MIAMI INTERNATIONAL AIRPORT

The Aviation Department shall administratively revise the Landing Fee Rate for Miami International Airport (the "Airport") as of each October 1 and April 1 and at any other time if required due to emergency conditions. Such revisions shall be based on the procedures and method of calculation set forth below.

Capitalized terms not otherwise defined shall have the meaning given in the Trust Agreement or, if not defined in the Trust Agreement, then shall have the meaning given in the Airline Use Agreement. In the event that the Trust Agreement is replaced by a successor bond contract (ordinance, resolution, trust agreement, etc.), then this resolution shall be amended to use the concepts in the successor bond contract in place of the equivalent concepts in the Trust Agreement.

BACKGROUND

The County covenants in Section 501 of the Trust Agreement (the "Rate Covenant") that it will at all times fix, charge, and collect rates and charges for the use of and for the services and facilities furnished by the Port Authority Properties, and that from time to time, and as often as it shall appear necessary, it will revise such rates and charges as may be necessary or proper, in order that the Revenues of the Port Authority Properties will at all times be sufficient to (1) provide funds for the payment of Current Expenses; (2) provide for making the deposits to the credit of Reserve Maintenance Fund of the amounts recommended by the Consulting Engineers; and (3) provide for making deposits in an amount not less than 120 percent of the Principal and Interest Requirements for such fiscal year.

The Airline Use Agreement provides that the County, acting through its Board of County Commissioners, has the right to calculate landing fees using an airport system residual methodology for the Port Authority Properties. Revenues from landing fees calculated pursuant to the methodology described below together with Revenues from other sources will be sufficient to meet (1) the requirements of the Rate Covenant and (2) such other requirements as are set forth below. Airlines that are signatory to the Airline Use Agreement have agreed to pay such landing fees for so long as they operate at the Airport or at any airport in the County system of airports. Airlines that are not signatory to the Airline Use Agreement, but have separately complied with MDAD's Aviation User Credit Program requirements, shall be required to pay landing fees equal to 105 percent of the Landing Fee Rate (the Non-signatory Differential).

COORDINATION PROCEDURES

Annual Calculation

The Aviation Department shall calculate the Landing Fee Rate to be effective October 1 based upon the annual budget for Port Authority Properties and estimates of Total Landed Weight. Prior to the adoption of this budget by the Board, the Aviation Department will meet with the Miami Airline Affairs Committee (the "MAAC") or its designated representative to review the proposed budget, the estimates of landed weight, and the calculation of the Landing Fee Rate. The Aviation

Department shall give fair and prudent consideration to additions, deletions, or modifications recommended by the MAAC, recognizing that the Board of County Commissioners has sole responsibility for final approval of the annual budget.

Semi-Annual Adjustment

The Landing Fee Rate may be adjusted semi-annually effective April 1. However, to effect such an adjustment, the Aviation Department shall by not later than March 1 notify the MAAC in writing of its intent and shall provide to the MAAC its calculation of the Landing Fee Rate to be effective on April 1. Before revising the Landing Fee Rate effective April 1, the Aviation Department shall give fair and prudent consideration to changes recommended by the MAAC and shall re-compute the Landing Fee Rate as appropriate.

Emergency Adjustment

If the County is required because of emergency conditions to adjust the Landing Fee Rate effective at a time other than October 1 or April 1, the Aviation Department shall provide the AIRLINE with as much notification as is reasonably possible, consult with the MAAC regarding the emergency conditions that require such an adjustment, and thereafter make the adjustment effective no sooner than fifteen (15) days after the date of the notice. Promptly upon the cessation of the emergency conditions requiring any such adjustment, the Aviation Department shall notify the AIRLINE as to the adjustment that can be made because of the cessation of such conditions and the effective date upon which the adjustment shall take effect.

CALCULATION OF LANDING FEE RATE

For the use of the airfield at Miami International Airport, each airline shall pay the County monthly landing fees determined by multiplying its Total Landed Weight during the month by the then-current Landing Fee Rate. The Aviation Department shall calculate the Landing Fee Rate in the following manner and as illustrated in the attached exhibit.

Revenue Requirement

The Revenue Requirement for the period of the fee calculation shall be estimated on a cash basis by totaling the following amounts:

1. Estimated Principal and Interest Requirements[1] on bonds then outstanding and on bonds to be issued during the period of the fee calculation;
2. A coverage margin calculated as 20 percent of the estimated Principal and Interest Requirements;

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[1]Pursuant to the Trust Agreement, "if all or a portion of the principal or Amortization Requirement of or interest on bonds is payable from funds set aside or deposited for such purpose (other than funds on deposit in the Reserve Fund), including funds deposited to the credit of the Building Fund or any other special construction fund as provided in Section 405 of this [Trust] Agreement, together with projected earnings thereon, such principal, Amortization Requirement or interest shall not be included in computing 'Principal and Interest Requirements' if such funds, together with interest earnings thereon, will provide sufficient moneys to pay when due such principal, Amortization Requirement or interest, as applicable."

3. Estimated Current Expenses;
4. Estimated change in the operating reserve for Current Expenses, which reserve is calculated as a percentage (not to exceed 20 percent) of estimated Current Expenses;
5. Estimated deposit, if any, from Revenues to the Bond Reserve Account required to meet the reserve requirement;
6. Deposit to the Reserve Maintenance Fund in the amount recommended by the Consulting Engineers;
7. Estimated debt service payable from Revenues on commercial paper then outstanding and on commercial paper to be issued during the period of the fee calculation, including amounts necessary to make hedge or termination payments;
8. Estimated debt service and revenue covenant requirements payable from Revenues on other indebtedness (including, for example, subordinate debt, PFC debt, or general obligation bonds) then outstanding and on other indebtedness to be issued during the period of the fee calculation;
9. Estimated deposits to funds and accounts payable from Revenues that may be required in connection with commercial paper or other indebtedness; and
10. Costs of Aviation Development Facilities (ADF), if any, that may be payable from Revenues pursuant to a merger of ADF and Port Authority Properties net of ADF revenues related to such costs.

The Revenue Requirement does not include any charge for depreciation, imputed interest, or amortization on costs financed from moneys in the Aviation Capital Account.

Revenue Credits

The total Revenue Credits for the period of the fee calculation shall be estimated on a cash basis by totaling the following amounts:

1. Revenues to be received during the period of the fee calculation from all sources, including the transfer from the Improvement Fund and Revenues from the Non-signatory Differential, but exclusive of Revenues from (1) landing fees, (2) interest earnings on moneys in the Reserve Maintenance Fund, and (3) interest earnings on moneys in the Improvement Fund; and
2. Revenues to be received from landing fees for aircraft landings conducted prior to the effective date of the revised Landing Fee Rate (which, for example, includes Revenues received in October for landings conducted in September when computing the October 1 Landing Fee Rate).

Landing Fee Requirement

The total Landing Fee Requirement shall be calculated by subtracting the Revenue Credits from the Revenue Requirement.

Landing Fee Rate

The Landing Fee Requirement shall be divided by Total Landing Weight to determine the Landing Fee Rate per 1,000 pounds of aircraft weight. (When computing the October 1 Landing Fee Rate, Total Landing Weight covers the 11-month period October through August.)

IMPROVEMENT FUND TRANSFER

On or before March 1 of each year, the County shall transfer moneys to the Revenue Fund from the Improvement Fund. The amount of this transfer shall be the ending balance in the Improvement Fund as of September 30, the close of the prior Fiscal Year, less deposits to one or both sub-accounts of the Aviation Capital Account: the Retainage Sub-account and the Performance Sub-account and less amounts as agreed to by MIIs and MDAD as described under Article 9D of the AUA. As explained more fully below, the Retainage Sub-account is an account into which the Aviation Department may deposit $5,000,000 annually, subject to a cap on the total amount on deposit therein and subject to certain other limitations, for discretionary spending on any lawful airport purpose. The Performance Sub-account is an account into which the Aviation Department may deposit a portion of the revenues that exceed the breakeven costs of certain facilities at MIA; moneys in the account, if any, are available for discretionary spending on any lawful airport purpose.

The initial deposit to the Retainage Sub-account shall be made in March 2002 in the amount of $5,000,000. Subject to limitations on the total amount on deposit in the Retainage Sub-account (the Cap), the deposit in each subsequent year shall be in an amount equal to $5,000,000 adjusted up or down by a percentage change in the U.S. Bureau of Labor Statistics Consumer Price Index for All Urban Consumers (i.e., the CPI-U) for the Miami-Fort Lauderdale CMSA, or a successor index. (The percentage change in the CPI-U shall be calculated from the fourth calendar quarter of 2001 to the corresponding quarter of the year next preceding the scheduled deposit.) In no event shall the sum of the inflation-adjusted deposit plus the balance in the Retainage Sub-account at the close of the prior Fiscal Year exceed the Cap. If it is necessary, the deposit shall be reduced to insure that this sum is less than or equal to the amount of the Cap.

The Cap shall be $15,000,000, adjusted up or down by the percentage change in the CPI-U for the Miami-Fort Lauderdale CMSA in the same manner as the annual deposit to the Retainage Sub-account.

Beginning in March of the first year next succeeding the merger of Aviation Development Facilities into the Port Authority Properties and annually in March thereafter, the Aviation Department may deposit to the Performance Sub-account fifty (50) percent of the Revenues that exceed breakeven costs of the Cargo and Commercial Aviation Support Facilities. The Aviation Department shall co-develop with the MAAC Consultant the methods and procedures of accounting for the breakeven costs and the Revenues of the Cargo and Commercial Aviation Support Facilities. Consistent with these methods and procedures, the Aviation Department shall prepare an annual accounting of the breakeven costs and the Revenues of the Cargo and Commercial Aviation Support Facilities, which it shall submit to the MAAC for review and comment before making the deposit to the Performance Sub-account. There is no cap on the annual deposit to, or the balance in, the Performance Sub-account.

The Aviation Department may use moneys in the Aviation Capital Account, which includes both the Retainage Sub-account and the Performance Sub-account, for any lawful airport purpose.

DEFINITIONS

1. "Aircraft Landed Weight" means the nominal landing weight of an aircraft type as determined from time to time by the Aviation Department based on data reported by individual airlines, FAA, and other sources.
2. "Total Landed Weight" means the sum of Aircraft Landed Weight for each aircraft type weighted by the number of operations for each such aircraft type. Said sum shall be expressed in thousand pound units for the calculation of all landing fees.
3. "Cargo and Commercial Aviation Support Facilities" means the facilities at MIA, whether ADF or PAP by history, which will be inventoried by the Aviation Department in consultation with MAAC consultants as the facilities whose financial results will determine the annual deposit, if any, to the Performance Sub-account of the Aviation Capital Account. The Cargo and Commercial Aviation Support Facilities shall include all cargo buildings, aircraft maintenance hangars, GSE (ground service equipment) buildings, and flight simulator buildings, together with vehicular parking associated with such buildings, as such facilities now exist or may hereafter be modified or extended and including any new facilities of a similar type at MIA.

* * *

ILLUSTRATION OF OCTOBER 1 LANDING FEE CALCULATION
PORT AUTHORITY PROPERTIES
MIAMI INTERNATIONAL AIRPORT

Revenue Requirement

Principal and Interest Requirements	$130,000,000
20 percent coverage margin	26,000,000
Current Expenses	280,000,000
Changes in operating reserve	3,000,000
Deposit to Bond Reserve Account	2,000,000
Deposit to Reserve Maintenance Fund	8,000,000
Debt service on commercial paper	4,000,000
Debt service on other indebtedness	1,000,000
Required deposits for commercial paper and other indebtedness	500,00
Total Revenue Requirement	$454,500,000

Revenue Credits

Aviation Fees	$125,000,000
Terminal Rentals	45,000,000
Commercial Revenues	175,000,000
Other Revenues	30,000,000
Deposit from Improvement Fund	25,000,000
PAP Revenues net of Landing Fees	$400,000,000
Less: Interest earnings—Reserve Maintenance Fund	1,000,000
Less: Interest earning—Improvement Fund	1,000,000
Subtotal Revenue Credits	398,000,000
Plus: Revenues for September landings	4,000,000
Total Revenue Credits	$402,000,000

Landing Fee Requirement	$52,500,000
Total Landed Weight (11 months October thru August)	35,000,000
Landing Fee Rate	$1.50

TAB H

TERMINAL RENTS AND USER FEES RATE-SETTING METHODOLOGIES MIAMI INTERNATIONAL AIRPORT

This report documents the methodologies for calculating Terminal Rents and User Fees for Miami International Airport (the "Airport"). These rate-setting methodologies apply to the following charges:

- Terminal Rental Rate
- Terminal User Fees including:
  - Concourse
  - Domestic Baggage Claim
  - Screening
  - International Facilities
  - Outbound Baggage

Capitalized terms not otherwise defined shall have the meaning given in the Trust Agreement or, if not defined in the Trust Agreement, then shall have the meaning given in the Airline Use Agreement. In the event that the Trust Agreement is replaced by a successor bond contract (ordinance, resolution, trust agreement, etc.), then this resolution shall be amended.

BACKGROUND

The Aviation Department calculates terminal rents and user fees according to an equalized rate methodology. Under an equalized rate methodology, each airline pays the same rate for a category of terminal space, even though the space used by one airline may differ significantly from the same category of space used by another airline in terms of age, location, cost to construct, replacement value, undepreciated value, and other factors that may affect how the "value" the space is perceived. The methodology was initially adopted by a resolution of the Board of County Commissioners (Resolution R-1054-90) in September 1990 and first implemented effective October 1, 1990.

The principles underlying this methodology were affirmed in a 1997 order by the U.S. Department of Transportation (the "DOT") in response to a request filed by the County asking the agency, among other things, for a determination of the reasonableness of its terminal rents and user fees. (The County filed its request in response to a legal challenge by certain airlines, the "Joint Carriers", to the methodology in connection with the North Terminal Development project, which was then known as the "A/D Concourse.") In its decision, the agency was guided by standards in federal policy that permit an airport to "use any reasonable method to determine fees, so long as the methodology is justified and applied on a consistent basis to comparable facilities..." and that require an airport to apply its rate-setting methodology "consistently to similarly situated aeronautical users." The DOT determined that the "key issue in this case is whether the A/D Concourse is comparable to the facilities provided the Joint Carriers.

The Terminal Building at the Airport must accommodate a varied mix of airlines that exhibit a wide range of facility requirements. The variables are numerous and include, for example, airline flag (U.S. or foreign); airline route structure (point-to-point service or connecting hub); type of

airline operation (domestic, international, or combined); aircraft fleet (jet, RJ, turboprop, or combined); airline schedule frequency (daily or weekly or non-scheduled); airline service product (full service or economy); airline operational experience (established or startup); and use of proprietary airline systems (extensive or insignificant). Moreover, the supply and condition of space within the Terminal Building—even similar areas such as ticket office space—can vary widely in terms of age, location, cost to construct, replacement value, undepreciated value, and other factors.

This report documents the 1990 methodology and the minor changes that have occurred in the interim.

COORDINATION PROCEDURES

The Aviation Department shall calculate the Terminal Rent and User Fee Rates to be effective October 1 of each year based upon the annual budget and estimates of arriving and departing aircraft seats and rentable space in the Terminal Building. Prior to the adoption of this budget by the Board, the Aviation Department will meet with the Miami Airline Affairs Committee (the "MAAC") or its designated representative to review the proposed budget, the activity estimates, and the calculation of the Terminal Rent and User Fee Rates. The Aviation Department shall give fair and prudent consideration to additions, deletions, or modifications recommended by the MAAC, recognizing that the Board of County Commissioners has sole responsibility for final approval of the annual budget.

TERMINAL BUILDING AND COSTS

Terminal Building

The Terminal Building includes all facilities, equipment, and activity encompassed by the outer walls of the Terminal Building as such now exist or may hereafter be modified or enlarged, including the exterior surfaces of such walls, inward and shall specifically include the following: the upper drive canopy; conveyor housings on the upper drive; for space without exterior walls, the shadow line of the floor above (excluding the sidewalk on the lower drive); the air-conditioned portions of the SkyRide system, including the doors; and the four floors of the International Satellite, the STS guideway, Central Chiller West, Central Chiller East and the facilities connecting it to the Terminal Building, the "D" Satellite, the Interim J Terminal and connecting walkway, and the office tower, including the seventh floor Executive Conference Center. Specifically excluded are the third through the eighth floors of the Hotel.

The Aviation Department intends to adhere to the standards for comparability of facilities articulated in the DOT order. The County designs and builds Terminal Building facilities to its design standards, which represent the benchmark for comparability of Terminal Building facilities. Existing facilities that have not been upgraded to then-current design standards are regarded as satisfying the standards for comparability except possibly under extraordinary circumstances. No such extraordinary circumstances have been identified and, at this time, none are anticipated.

Classification of Terminal Space

Rentable space in the Terminal Building is comprised of airline and nonairline space. Rentable airline space includes exclusive-, preferential-, joint-, and common-use space for airline occupancy and use, including passenger circulation areas on the concourses. Rentable nonairline space includes concession retail areas, concession support areas (e.g., office and storage areas), space for commercial tenants, and space for administrative offices of the Aviation Department. All rentable space in the Terminal Building shall be classified into one of six separate classes as follows:

Class I	All airline regular and special passenger service facilities, including, but not necessarily limited to, ticket counter space, interline counters, passenger service centers, advance ticketing facilities and the like.
Class II	Airline club rooms and all air-conditioned office space in the main Terminal Building, including the office tower, baggage service rooms, and excluding the concourses out board of security screening.
Class III	All other air-conditioned operating space, including, but not necessarily limited to, baggage claim areas, hold rooms, group rooms, employee canteens, concourse office space, and the like.
Class IV	All enclosed or semi-enclosed, non-air- conditioned operating space, including, but not necessarily limited to, baggage make-up rooms, equipment and parts storage, and the like.
Class V	Leased space created as part of the building shadow-line, included in the Terminal pursuant to the definition of Terminal Building herein.
Class VI	This class includes all other classes of space and includes all other leasable revenue producing and concession space. It shall specifically include space leased by airlines for concession-type activities. A single rental rate for this class will not be established, provided that the overall revenues produced for this class shall average per square foot at least the rate established for Class III space.

Nonrentable (support) space is sometimes regarded as Class VII space. (The cost of nonrentable space is effectively apportioned to rentable areas and charged through terminal rents and user fees.)

Weighting of Terminal Space Classes

The weighting factors applicable to each class of rentable space[1] is as follows:

Class I	2.00
Class II	1.50
Class III	1.00
Class IV	0.50
Class V	0.25
Class VI	Variable, not to average less than Class III space on a Terminal wide basis.

[1]Class VII space is not rentable; hence, no weighting factor is applied.

The square footage attributable to each class of space shall be multiplied by the appropriate weighting factor in order to develop a total weighted average rentable area for the Terminal Building. This weighted average area is used as the square footage divisor in the calculation of the Class III rental rate, which is discussed below.

Terminal Costs, Credits, and Reimbursements

Terminal Costs include: (1) direct Current Expenses, (2) allocated indirect Current Expenses, (3) allocated Principal and Interest Requirements, (4) an allocated portion of the net increase in coverage on Principal and Interest Requirements, and (5) amortization on the cost of Terminal assets except assets that were financed with moneys in the Aviation Capital Fund, federal or state grants, passenger facility charges, or the proceeds of bonds issued under Section 210 of the Trust Agreement. Terminal Costs shall be reduced by the amount of any credits and reimbursements.

The costs of Terminal Building equipment that meets the Aviation Department's standards of "usual and customary" are included in Terminal Costs. The tenant or a third party shall finance the costs that exceed the costs of equipment exceeding this standard of usual and customary. The Aviation Department may finance such excess costs on behalf of a tenant pursuant to a reimbursement agreement with the tenant. The reimbursements shall reduce Terminal Costs.[2] At this time, financing of laser sortation equipment is the only source of reimbursed costs.

Most Terminal Costs are recouped through cost-based Terminal Rents and User Fees, where costs are formally tracked through Terminal Cost Centers (as described below) and recovered over square footage or some measure of activity (e.g., aircraft seats). Some costs, however, may be recouped through separate charges that are not cost-based per se, but reflect management judgment about what is fair and reasonable under the circumstances. Revenues from such charges shall be treated as credits to reduce Terminal Costs. At this time, revenues from charges for curbside conveyors and curbside check-in stands provide the only source of credits against Terminal Costs.

Terminal Cost Centers and Cost Allocations

For rate-setting purposes, Terminal Costs are allocable to one of five cost centers: General Terminal, Domestic Baggage Claim, Screening, International Facilities, and Outbound Baggage.

Current Expenses are directly assigned to cost centers based upon management judgment to the extent possible. Current expenses that cannot be directly assigned are allocated to cost centers based on the ratio of direct Current Expenses among cost centers.

Principal and Interest Requirements are allocated to cost centers based on the historical use of proceeds of bonds issued under Section 210 of the Trust Agreement, whether or not the bonds are currently outstanding. (The historical use of bond proceeds shall not include the proceeds of bonds whose Principal and Interest Requirements are to be paid from grants or passenger facility charges.) The same basis of allocation is used to distribute the net increase, if any, in coverage on Principal and Interest Requirements.

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[2]In general, reimbursements should be applied to the same cost Center

Amortization expense is directly assigned to cost centers based upon management judgment to the extent possible. Amortization expense that cannot be directly assigned is allocated on the same basis as Principal and Interest Requirements.

TERMINAL RENTAL RATES

The Class III rental rate is computed by dividing the costs of the General Terminal cost center by the weighted average rentable area for the Terminal Building.

The rental rate for each of the other five classes of Terminal Building space is computed by multiplying the Class III rate by the corresponding weighting factor for each such class. Thus, for example, the rate for Class I space, which carries a 2.0 weight, would be twice the rate for Class III space, which carries a 1.0 weight; and the rate for Class IV space, which carriers a 0.5 weight, would be half the Class III rate.

For occupancy of Terminal Building space, tenants shall pay the rental rate(s) applicable to each of the class(es) of space under lease.

TERMINAL USER FEES

Concourse Use Fee

The rate base for the Concourse Use Fee is calculated as the space costs of certain common-use areas of the Terminal Building.[3] The space costs associated with the Concourse Use Fee is calculated by multiplying the Class III rental rate by the square footage of (1) gate holdroom areas, (2) "domestic sterile" circulation areas in the concourses that are used by arriving and departing domestic passengers as well as departing international passengers, (3) "international sterile" circulation areas in the concourses that are used by arriving international passengers, (4) processing areas for federal inspection of arriving international passengers, and (5) areas for international baggage claim. The Concourse Use Fee rate is computed by dividing the rate base by the total number of arriving and departing aircraft seats.

Domestic Baggage Claim Fee

The rate base for the Domestic Baggage Claim Fee is calculated as the sum of the equivalent rent for the domestic baggage claim area plus the costs to acquire, maintain, and operate domestic baggage claim equipment. The rate for the Domestic Baggage Claim Fee is computed by dividing the rate base by the number of arriving domestic aircraft seats.

Screening Fee

The rate base for the Screening Fee includes the cost to acquire and maintain security screening equipment at passenger checkpoints and operation expenses incurred by the Aviation Department for checkpoint security functions. (There are no space costs associated with this fee.) The rate for the Screening Fee is computed by dividing the rate base by the number of departing aircraft seats.

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[3]Space costs (or equivalent rent) is the amount equivalent to the rental revenue that would have been realized if the space in question had been rented on a per square foot basis.

International Facilities

The rate base for the International Facilities fee includes the cost of international operations, a portion of the costs of the E-Satellite shuttle transit system, and other related costs. (There are no space costs associated with this fee.) The rate for the International Facilities Fee is computed by dividing the rate base by the number of arriving international aircraft seats.

Outbound Baggage

Current Expense Component

The rate base for the Current Expense Component of the Outbound Baggage Makeup Fee is calculated as the sum of the direct Current Expense and allocated indirect Current Expense related to the operation and maintenance of outbound baggage makeup systems in the Terminal Building. (There are no space costs associated with this fee.) The rate for this component of the Outbound Baggage Makeup Fee is computed by dividing the rate base by total departing aircraft seats, except for the departing aircraft seats of airlines that operate and maintain their outbound baggage systems.[4]

Capital Cost Recovery Component

The rate base for the Capital Cost Recovery Component of the Outbound Baggage Makeup Fee is calculated as the capital costs of the outbound baggage systems after deducting applicable credits.[5] (There are no space costs associated with this fee.) The credits consist of the reimbursements paid by American for baggage systems that exceed the Aviation Department's design standards for usual and customary systems, which systems were financed by the Aviation Department.[6] The rate for this component of the Outbound Baggage Makeup Fee is computed by dividing the rate base by total departing aircraft seats.

TERMINAL BUILDING EQUIPMENT

The costs of Terminal Building equipment are, as noted above, reflected in Terminal Costs and recovered through Terminal Rents. Treatment of certain types of equipment is discussed below.

- Ticket Counter Conveyor: No separate charge.
- Curbside Conveyor: This will continue as a separate charge, based on linear feet of leased coveyor. The charge should be reasonable, and not necessarily based on cost.

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[4]As of December 1, 2000, the only exclusions are American and Delta.

[5]Costs include the costs to acquire the Eastern and Pan Am laser sortation systems, which are being amortized over 20 years at 6.5%, and the "usual and customary" portion of a baggage sortation system for American, which is being amortized over 10 years at 7.4%.

[6]At the August 1996 MAAC meeting where the proposed FY1997 airline rates and charges were presented, the airlines in attendance requested that the surcharge paid by American Airlines (for the cost of systems that exceed the usual and customary design standard) be credited directly to the rate base for this fee rather than the landing fee.

- Curbside Check-in Counter: Per position charge shall be based on an average footprint of 100 square feet at the Class II rate.
- Scales: No separate charge.
- Baggage Claim Devices: Separate cost based use charge per seat.
- Flight Information Display Systems: No separate charge.
- Baggage Information Display Systems: No separate charge.
- Chilled Water Supplied to Non-air-conditioned Space: Continue separate charge based on cost.
- Laser Sort Baggage Makeup Systems: For the time being, individual negotiated arrangements, with charges based on costs, going interest rates and a ten year amortization.

OTHER CHARGES

In addition to terminal rents, fees, and charges, MDAD also imposes charges for the use and occupancy of other facilities, equipment, and services including, among others, preconditioned air at certain Terminal Building gates, aircraft parking, and loading bridges.

AIRCRAFT SEATS

For the purpose of computing and assessing user fees based on the number of aircraft seats, the Aviation Department will periodically determine the average number of aircraft seats attributable to each type of aircraft operating at MIA. The results of weighting these nominal aircraft seat counts for each aircraft type by the annual number of domestic and international arrivals and departures for each aircraft type will produce the annual seat counts necessary to compute user fees based on seats. These nominal aircraft seat counts will also be used as a basis for assessing fees to individual airlines.

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ILLUSTRATION - TERMINAL RENTAL RATE
Dade County Aviation Department
Terminal Rents and User Fees

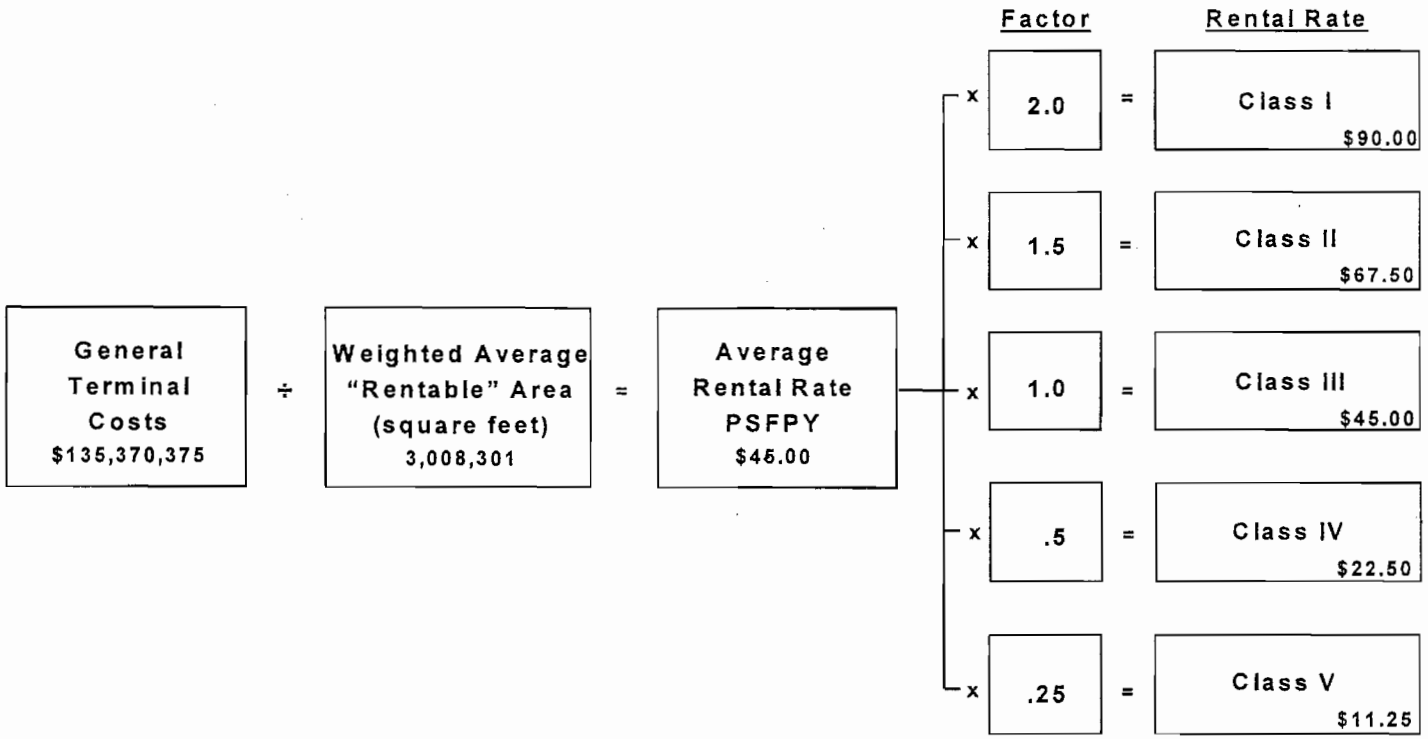

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ILLUSTRATION - TERMINAL USER FEES
Dade County Aviation Department
Terminal Rents and User Fees

Use Fee	=	Rate base	÷	Activity
Concourse $1.16 = $64,692,855 ÷ 55,701,600		Class III rental rate x Areas (SF) for holdrooms, "domestic sterile" and "international sterile" passenger circulation, FIS processing, and international baggage claim = Space costs (equivalent rental)		Arriving and departing seats
Domestic Baggage Claim $0.31 = $4,969,048 ÷ 16,088,400		Space costs for domestic baggage claim + Cost of domestic baggage claim equipment		Arriving domestic seats
Screening $0.13 = $3,660,345 ÷ 27,871,400		Cost of screening equipment + Operating expenses		Departing seats
International Facilities $1.50 = ($20,583,815 - $3,007,807) ÷ 11,741,800		Portion of costs of E-satellite shuttle + International operations costs		Arriving international seats
Outbound Baggage - O&M $0.25 = $3,762,528 ÷ 14,871,400		Operating expenses related to conventional system and to laser systems that DCAD acquired from EA and PA		Departing seats (except DL and AA)
Outbound Baggage - Capital $0.10 = $2,671,980 ÷ 27,871,400		Amortization expense related to the "conventional" portion of AA, EA, and PA laser sortation systems		Departing seats

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DERIVATION OF SELECTED BILLING CATEGORIES
Dade County Aviation Department
Terminal Rents and User Fees

BILLING CATEGORY	Fee Per Seat			
	Arriving		Departing	
	Dom.	Int'l.	Dom.	Int'l.
DOMESTIC CONCOURSE USE FEE				
Concourse	$1.16	NA	$1.16	NA
Domestic Baggage Claim	$0.31	NC	NC	NC
Fee per seat	$1.47	—	$1.16	—
INTERNATIONAL CONCOURSE USE FEE				
Concourse	NA	$1.16	NA	$1.16
International Facilities	NC	1.50	NA	NA
Fee per seat	—	$2.66	—	$1.16
SCREENING USE FEE				
Screening	NC	NC	$0.13	$0.13

NOTES: NA=Not applicable. NC=Not calculated.

July 15, 2011

TAB I

MIAMI-DADE COUNTY AVIATION DEPARTMENT
AVIATION USER CREDIT POLICY

(This Policy is Referenced in Article 8(C))

I. **Policy**: Aviation Users of Miami International Airport ("MIA") or other Miami-Dade County Airports are required to pay Aviation Fees in cash at the time the charges are incurred. Aviation Fees, however, are established on the basis that all Aviation Users will participate in the Department's Aviation Users Credit Program (the "AUCP"). Because of the additional administrative expense to the Department associated with collecting Aviation Fees in cash, those Aviation Users not participating in the AUCP are required to pay, in addition to the published fees, a surcharge of fifty percent (50%) of such fees. To avoid this surcharge and the obligation to pay in cash, Aviation Users can apply for Credit Privileges under the AUCP covering aviation fees. To be eligible for the AUCP, the Miami-Dade County Aviation Department (the "Department") requires that Regular Commercial aviation users of MIA (as defined below in Section VIII) or other Miami-Dade County airports (henceforth "User(s)") execute documents applicable to the Department's AUCP, including the establishment of Advance Aviation Fee Account, and comply with the AUCP's strict reporting and payment requirements. The Advance Aviation Fee Account functions as a security deposit, and must be maintained at all times with a minimum balance equaling at least two (2) months of estimated aviation fees, as calculated by the Department, unless adjusted under Section VI. The Department reserves the right to determine the terms and conditions of the AUCP from time to time.

II. **Applicable Fees and Charges**: Fees and charges used for determining the minimum Advance Aviation Fee Account requirement shall include, but not necessarily be limited to, landing fees, concourse use charges, baggage claim charges, security screening fees, aircraft parking, cargo parking charges, loading bridge use charges, 400 cycle ground power fees, preconditioned air charges, and other aviation fees and charges applicable to an airport User that may be imposed by the Department, from time to time, for the use of airport facilities, equipment and services. The Department shall determine from time to time which of the Aviation Fees for Aviation Activities (as Aviation Activities are defined in Article 8(A) of the AUA) shall be considered in determining the level of AUCP security deposit amount under Sections I and IV of this Policy. In addition, the Department from time to time shall determine (i) which Aviation Fees shall be paid by the AIRLINE through the AIRLINE's self-pay and self-reporting obligations set forth in Article 8 of the AUA, (ii) which Aviation Fees are subject to the AIRLINE's payment based on invoices or other documentation issued by the

Department, and (iii) which Aviation Fees are subject to separate payment by the AIRLINE based on the AIRLINE's performance and use of the Airport facilities during the designated reporting period for such payment.

III. Credit Limit: The amount of a User's Advance Aviation Fee Account requirement shall be used as the User's credit limit on aviation fee accounts by the Department.

IV. Form of AUCP Security Deposit: For all Users who have an Advance Aviation Fee Account requirement of less than $15,000, the AUCP security deposit shall be made in cash. Those Users with an Advance Aviation Fee Account requirement of $15,000 or more may provide an Irrevocable Letter of Credit in the form approved by the Department, in lieu of cash.

V. Adjustment of Advance Aviation Fee Account Requirement:

A. In the event changes in the actual fees and charges applicable to a User and/or the actual scheduled aviation activity of the User during any two (2) consecutive month period exceed the estimated aviation fees used for computing the User's Advance Aviation Fee Account requirement, such that, in combination, there is a 20% or more increase in the requirement when recalculated, the Department may require the User to provide an additional deposit to its Advance Aviation Fee Account or a revised Irrevocable Letter of Credit to reflect the recalculated requirement. Upon notification by the Department that an additional Advance Aviation Fee Account balance is required, the User shall be given 30 days to make additional cash deposits or to provide an adjusted Irrevocable Letter of Credit, provided that all accounts of the User with the Department are then in, and remain in, a current status. In the event that the User's accounts with the Department are not in a current Status, or the Advance Aviation Fee Account requirement has increased by 20% or more and the User fails to provide the additional Advance Aviation Fee Account deposit upon the demand of the Department, the Department may suspend or revoke the User's credit privileges, in accordance with Section VIII below.

B. If changes in fees and charges applicable to the User and/or the User's change in aviation activity result in a decrease in monthly aviation fees payable by the User of 20% or more, over a two consecutive-month period, upon the written request of the User, the Department shall reduce the User's Advance Aviation Fee Account requirement. In such event, any excess Advance Aviation Fee Account balance, if in cash, will be applied to any unpaid accounts balances due the Department from the User, before refunding the balance.

VI. Preferred Credit Status: The Department shall have the right to adjust a User's Advance Aviation Fee Account requirement based on a history of timely reporting and payments by the User. A User demonstrating outstanding credit with the

Department, with no history of late reporting or payment for 24 consecutive months, may request, in writing, that its Advance Aviation Fee Account requirement be decreased to an amount equivalent to the charges for one (1) month's aviation activity. If the User continues to demonstrate outstanding credit, by timely reporting and payment, for an additional 12 consecutive months (36 consecutive months in total), upon written request from the User to the Department, the User's Advance Aviation Fee Account requirement shall be further reduced to zero. The Department shall be the sole determiner of the User's history of timely reporting and payment for purposes of increasing or reducing Advance Aviation Fee Account requirements, with determinations made with reference to the Department's Security Deposit Policy, a copy of which is attached to the AUA as Tab K. A subsequent failure of a User to make timely payments or submit timely reports, as specified in the Agreement, may be grounds for the Department to revoke the User's preferred credit status, and, in such event, the User may be required to reestablish an Advance Aviation Fee Account balance based on two months of projected aviation activity.

VII. Revocation of Credit Privileges: Upon not less than five days advance notification to the User, the Department shall have the right to revoke the credit privileges of any User with delinquent account balances with the Department, to include, but not necessarily be limited to, aviation fees accounts, rental accounts, employee parking fees, ground transportation permit fees, or any other charge owing by the User to the Department. In addition, the Department shall have the right to revoke a User's credit privileges for any reason specified in Article 8 or 22 of the Airline Use Agreement.

VIII. Cash Payments/Liens: When a User's credit privileges have been revoked, the Department requires cash payment for the use of all airport facilities, equipment and services, at the time of such usage. Further, as stated above in Section I, an additional charge per use of a minimum of 50% of all aviation fees and charges shall be levied on all regular commercial aviation Users of MIA who do not have charge account/credit privileges with the Department. Regular commercial aviation Users are defined as any commercial air carrier regularly operating two or more revenue flights into MIA per month. In addition to payment of premium charges as described in this Section and loss of credit privileges, any aviation User with delinquent accounts payable to the Department shall be subject to the provisions of Chapter 329.40, Florida Statutes, pertaining to an airport's lien for landing and other fees.

[End]

(On bank's letterhead)

Irrevocable Standby Letter of Credit

Date: _____

L.O.C. No. _____

Miami Dade Aviation Department
Attn: Credit Manager
4200 NW 36TH Street Bldg 5A Suite 300
Miami, FL 33122

Gentlemen:

By order of _____(Name of User)_____, we hereby issue our Irrevocable Standby Letter of Credit No. _____ in your favor in an amount not to exceed $ _____ in US Funds, effective immediately, and expiring at the close of business on _____, 20__ at our counters at _____.

Funds under this Letter of Credit are available to you against your draft(s) drawn on us at sight, identifying your Letter of Credit number. Each such draft(s) must be accompanied by your written statement purported to be signed by an official of the Miami Dade Aviation Department reading as follows:

> "that _____(Name of User)_____ has failed to pay rental fees due to the Miami Dade Aviation Department in advance on the first of each month", or that _____(Name of User)_____ has failed to pay fees and other charges required to be paid by the User to the Miami Dade Aviation Department pursuant to the provisions of the Miami Dade Aviation Department Airline Use Agreement for the use of facilities, equipment and services at Miami International Airport, such payments including, but not limited to, those being more particularly set forth in Article 8 thereof", or "that _____(Name of User)_____ has failed to comply with the terms of any credit, lease concession or payment agreement entered into with the Miami Dade Aviation Department" and "we are hereby presenting our draft for payment."

Partial drawings under this Letter of Credit are permitted.

This Letter of Credit shall be valid until _____, 20__ and shall thereafter be automatically renewed without amendment for successive one-year periods upon each anniversary or before the above expiration date unless we notify you in writing by overnight courier at your above address, at least sixty (60) days prior to the above stated expiration date, that we elect not to renew this Letter of Credit.

In the event that we elect not to extend this Letter of Credit and notify you as above then this Letter of Credit shall be available by your draft at sight on us, which need not be accompanied by the above mentioned statement.

We hereby engage with you that all drafts drawn under and in compliance with the terms of this Letter of Credit will be duly honored by us if presented at our counters with this original Letter of Credit while this Letter of Credit is in force and effect.

Except so for as otherwise expressly stated, this letter of credit is governed by International Standby Practices 1998 (ISP) promulgated jointly by the Institute for International Banking Law and Practice and International Chamber of Commerce effective Jan. 1, 1999 (found in ICC Publication No. 590).

_____
Issuing Bank

By: _____
Signature

_____
(Print Name)

_____
(Print Title)

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TAB K MATRIX
Tenant Payment Due Dates by Types of Monthly Invoices
Miami-Dade County Aviation Department

Category	Invoice Type	Self Reporting	Due Date	Delinquency Waiver Period (calendar days)	Comment
Aviation:	Landing fee	Y	10 business days from beg of month	10 days	If not paid by the 25th, then the charge is considered delinquent since the invoice date.
	Concourse use fee	Y	10 business days from beg of month	10 days	If not paid by the 25th, then the charge is considered delinquent since the invoice date.
	Pre-conditioned air	Y	10 business days from beg of month	10 days	If not paid by the 25th, then the charge is considered delinquent since the invoice date.
	Loading bridge	Y	10 business days from beg of month	10 days	If not paid by the 25th, then the charge is considered delinquent since the invoice date.
	Aircraft parking	N	30 calendar days from invoice date	none	If not paid by the 30th day, then the charge is considered delinquent since the invoice date.
	Training & Transition Airport approach	N	30 calendar days from invoice date	none	If not paid by the 30th day, then the charge is considered delinquent since the invoice date.
	PFC	Y	Last day of the following calendar month	5 days	If not rec'd by MDAD w/in 5 days of due date, then amount is considered delinquent from due date.
Rent:	Terminal	N	1st day of the month	10 days	If not paid by the 10th, then the charge is considered delinquent since the 1st.
	Non-Terminal	N	1st day of the month	10 days	If not paid by the 10th, then the charge is considered delinquent since the 1st.
CUTE: (common use terminal equipment)	Infrastructure fee	Y	*Included in concourse use fee*		
	Gate usage fee	Y	10 business days from beg of month	10 days	If not paid by the 25th, then the charge is considered delinquent since the invoice date.
	Hourly usage fee	N	30 calendar days from invoice date	none	If not paid by the 30th day, then the charge is considered delinquent since the invoice date.
Miscellaneous:	Decals	N	30 calendar days from invoice date	none	If not paid by the 30th day, then the charge is considered delinquent since the invoice date.
	ID Badges	N	30 calendar days from invoice date	none	If not paid by the 30th day, then the charge is considered delinquent since the invoice date.
	Property Damage	N	30 calendar days from invoice date	none	If not paid by the 30th day, then the charge is considered delinquent since the invoice date.
	AVI	N	30 calendar days from invoice date	none	If not paid by the 30th day, then the charge is considered delinquent since the invoice date.
	Generic	N	30 calendar days from invoice date	none	If not paid by the 30th day, then the charge is considered delinquent since the invoice date.

********THIS MATRIX IS A SUMMARY OF CONDITIONS APPLICABLE TO AVIATION FEES AND DELINQUENCY PERIODS********

July 15, 2011

SECURITY DEPOSIT POLICY

(TAB K TO RESTATED AIRLINE USE AGREEMENT)

(This Policy is Referenced in Article 8(D))

Miami-Dade County, through its Aviation Department, has adopted various policies applicable to Security Deposits required under agreements governing the use of Miami international Airport ("MIA"). These policies include the following:

(i) Resolution No. R-335-94 established the Security Deposit policy applicable to an Airline's use of the Terminal Building at MIA under Terminal Building Lease Agreements ("TBLAs"). Under this TBLA Policy, the standard security deposit is two (2) month's rent, but may be increased up to six (6) months' rent under certain circumstances. The Policy and the determinations of the Board of County Commissioners in regard to the Policy provide that if an Airline has had no incidences of "late payment of Terminal rental and aviation fee payments, within the prior 24 consecutive months," MDAD shall at the request of the Airline reduce the basic security deposit requirement to equal one (1) month's rent. The Policy also provides that if the Airline continues to make "timely payment of rentals and aviation fees required for an additional twelve (12) consecutive months," MDAD shall at the request of the Airline waive the one (1) month's security deposit. The Policy adds that if the Airline develops "a history of late payment of rentals and landing fees and/or if the Department, based on authoritative published financial reports, has reason to believe that the [Airline's] ability to continue to pay rentals and landing fees on a timely basis is in jeopardy," then MDAD may increase the security deposit requirement to "up to six months required rental payments."

(ii) Article 8(C) of the Restated Airline Use Agreement (the "Restated AUA") requires each AIRLINE participating in the Aviation User Credit Program to establish with MDAD an "Advance Aviation Fee Deposit Account" as a security deposit equal to at least two months' estimated aviation fees. Article 8(D) of the Restated AUA provides that the Airline's security deposit requirements "are subject to waiver or reduction if AIRLINE has made timely payments" in compliance with the Security Deposit Policy in this Tab K.

This Security Deposit Policy statement identifies the conditions under which a tenant will be deemed to have made "timely payments" for purposes of meeting the 24-month and 12-month security deposit reduction requirements under the TBLA and the AUA, and, alternatively, the conditions under which a tenant will be deemed to have developed a "history of late payments." In summary:

(a) Airline lessees shall have (i) a delinquency waiver period of ten (10) calendar days beyond the due date for payment of their rents or reported aviation fees, i.e., 10 calendar days beyond the first day of each month for payment of rents and 10 calendar days beyond the 10th business day of each month for payment of self-reported aviation fees, which are either fixed amounts and known by the Airline lessees or are calculated by them and self-paid, and (ii) a delinquency waiver period of thirty (30) calendar days beyond the stated due date on an invoice for payment of MDAD invoices that are based on specialized activities during a monthly period. Airline lessees will not be delinquent if their payment for such respective charges owed to MDAD under (i) or (ii) are received by MDAD within 10 or 30 calendar days, respectively, of the date on which the foregoing charges are due. Attached to this Tab K is a "Matrix" that summarizes the due date for various charges that are incurred by an Airline.

(b) Payments received by MDAD beyond the 10 calendar days or 30 calendar days delinquency waiver period are delinquent, unless the Airline lessee has made a timely dispute of the charges, in the manner provided below.

(c) "Timely payments" and a lack of "late payments" for purposes of an Airline lessee receiving a reduction or waiver of its security deposit mean that the tenant has not had three (3) or more "delinquent" payments, as defined in Section 5 of this Security Deposit Policy statement, in the 24-month or 12-month qualifying period, whichever may be applicable.

If a tenant is "delinquent" in its payment obligations to MDAD, then the tenant is subject to delinquency payments, currently established at 1 ½% per month, commencing as of the original date the payment was due, e.g., the first day of each month for rental payments, the 10th business day of each month for reported aviation fee payments, or the date provided by an invoice for non-rent or other aviation fee items.

In consultation with the Miami Airport Affairs Committee (the "MAAC"), MDAD has developed the following clarifications of the security deposit policy. Airline lessees not complying with the following requirements will be required to submit the security deposit that applies to the lessees, as required by Resolution No. R-335-94 or by the Restated AUA.

1. The Airline has the obligation to make all payments within the prescribed payment period, and in addition has the obligation to provide MDAD with a "Payment Application" document identifying the invoices that are to be paid with the accompanying check, wire transfer, or other form of payment.

2. The Payment Application may be made in whatever manner is consistent with the Airline's business practices. If payment is made by check, the Payment Application information shall be placed on the check itself, the check voucher, or a separate written Payment Application document attached to the check. If the payment is made by wire transfer, the tenant must assure that a separate written Payment Application document is received by MDAD at the same time, inasmuch as wire transfer documents do not have sufficient space to include Payment Application information. If the payment is in any other form, a separate written document providing the Payment Application information must be provided along with the payment. The information may be provided by any written document and may be separately e-mailed to MDAD's Credit Manager, provided the e-mail is received before, or at the same time, that the payment is made.

3. The Payment Application that accompanies each payment shall be sent to the PO Box address provided by MDAD from time to time for receipt of payments. Currently, the address is: Miami-Dade Aviation Department, Finance Division, PO Box 526624, Miami, Florida 33152-6624. An Airline will be credited with its payment as of the date MDAD stamps the documents making up a Payment and Payment Application.

4. If the tenant fails to attach the Payment Application information to a payment, the following shall apply:

    a. The tenant has the obligation to inform MDAD of the authorized representative of the tenant who can provide the Payment Application information. If the tenant has failed to do so in writing or email, MDAD shall be entitled to rely on the apparent authority of the tenant representative whom MDAD routinely contacts regarding Payment Application information.
    b. If no Payment Application document is attached to the payment, or if the tenant has failed to provide the Payment Application information by way of separate email or written document, MDAD <u>must</u> contact the tenant and request whatever Payment Application information from the tenant is reasonably required by MDAD.
    c. The Payment Application information requested by MDAD must be provided within five (5) business days of MDAD's request. MDAD's request may be by telephone, email, or any other communication that gets to the tenant representative.
    d. If the Payment Application information is provided within five (5) business days, MDAD has the obligation to apply the tenant's payment to the invoices or other obligations as directed by the Payment Application provided the Payment Application is reasonably clear to MDAD.

e. If (i) no Payment Application information is provided within five (5) business days, or (ii) the payment application information is unclear and cannot be complied with, then MDAD in its sole discretion shall have the right to:
    (1) Determine which invoice, invoices, or other obligations or portions of same of the tenant shall be paid with the proceeds of the tenant's payment; and
    (2) Apply the proceeds at its sole discretion to multiple invoices or obligations, or portions of the same.
f. Following the application of any payment from the tenant, if any portions of any invoice or other obligation remain unpaid, the unpaid portions are delinquent and a delinquency charge of 1 ½% per month shall apply to such unpaid portions, commencing as of the original payment due date of such portions.
g. If a tenant fails to provide Payment Application information at the time of a payment or upon request by MDAD three (3) or more times in a 24-month period, MDAD shall be excused from having to contact the tenant about Payment Application information and MDAD shall be entitled to apply all future payments in the manner set forth in (e) above, except to the extent that any future payments contain Payment Application information. MDAD shall notify the tenant representative in writing if the Airline has failed to provide Payment Application information.

5. A payment not received by MDAD at MDAD's then-current post-office box address within the delinquency waiver period of ten (10) calendar days for rent or reported aviation fee payments or thirty (30) calendar days for activity-based payments is a delinquent payment if the related invoice is not being disputed in good faith as provided in Section 7 below. In addition, if a payment is made with no Payment Application information or insufficient Payment Application information and the payment is insufficient to cover all outstanding charges of the tenant, it is delinquent as to the deficiency, and MDAD is entitled to act under Section 4(e) above.

6. If a tenant has accumulated three (3) delinquencies in the most-recent 24-month or 12-month security deposit reduction qualification period, the tenant has failed to make "timely payments" and shall be considered to have a "poor payment history" and is not entitled to the reduction in security deposit requirements.

7. The Airline will not be charged with a delinquency if, within the 10 calendar days or 30 calendar days delinquency waiver period, the Airline notifies MDAD in writing (or orally, if the phone call or personal contact is followed up within 24 hours with an email or written

confirmation of the items being disputed), of a dispute, the nature of the dispute, and the specific items being disputed. The dispute may be initiated (i) in writing by attaching a copy of the dispute to the Payment and/or Payment Application form sent to MDAD's post office address above within the 10 calendar days or 30 calendar days delinquency waiver period, or (ii) orally, within the 10 calendar days or 30 calendar days delinquency waiver period, by telephoning the Airline's contact person within MDAD's Finance Division with whom the Airline's designated Representative usually makes contact. Any such oral contact must be followed up within a 24-hour period with a written statement as to the disputed items and the reason for the dispute. Such written confirmation must be sent to MDAD's current post office box given above, or else emailed to the Airline's contact person within MDAD's Finance Division. Any portion of a disputed invoice that is not being disputed must be paid timely. Provided, however, the following shall apply to any disputed item:

a. MDAD in its sole discretion shall determine whether a dispute is being made in good faith.
b. The dispute must be resolved between the tenant and MDAD within ninety (90) days from the date of the original invoice giving rise to the dispute. MDAD may, at its discretion, and provided that it is satisfied that the tenant is continuing to show good faith and is making diligent efforts to resolve the dispute, continue the dispute resolution period for successive thirty (30) day periods, up to a maximum extension period of one hundred twenty (120) days. Following the MDAD-determined dispute resolution period, and in any event no later than two-hundred ten (210) days of the invoice date, the dispute shall no longer be considered to be in good faith, and monthly delinquency charges of 1 ½% shall apply as of the original date the disputed amount was due.
c. If a dispute is of such significance in dollar amount that its settlement requires approval of the Board of County Commissioners, as determined by the County Attorney's Office, and if the tenant and MDAD have resolved the dispute within the 90-day or 210-day period, whichever is applicable, then the good-faith dispute period shall continue until the Board approves or denies the settlement of the dispute. If the Board denies the settlement of the dispute, the delinquency charge shall relate back to the date the disputed amount was due.

8. Terminal Building tenants (including Airlines) are reminded that the security deposit policy in Resolution No. R-335-94 requires the tenants

to be current in its rent payments and aviation fees under the AUA in order to obtain a reduction of the TBLA security deposit. In this regard, the following shall apply:

(a) Airline tenants have a separate obligation under the Restated AUA to self-report and self-pay those aviation fees identified by MDAD from time to time as being the Airline's obligation to self-report and self-pay by the tenth (10th) business day of the month following the month in which the aviation fees are incurred. The delinquency waiver period therefore permits the Airline to pay these reported aviation fees within 10 calendar days from the 10th business day of each month for such fees that were incurred in the preceding month. At the present time, those aviation fees that must be self-reported and self-paid by the 10th business day of each month are reflected on the Matrix attachment to this Tab K, and include the following: landing fees, concourse use fees, pre-conditioned air fees, loading bridge fees, aircraft parking fees, Training and Transition Airport approach and use fees, and passenger facility charges.

(b) Although it is MDAD's current policy to provide airline tenants with invoices for aviation fee reports based on MDAD's independent confirmation of the amount of reported aviation fees that are due, airline tenants have the independent obligation to pay with a check or wire transfer the reported aviation fees due to MDAD that the airline tenants themselves reflect as being owed on their own self-report forms by the 10th business day of each month.

(c) If MDAD has issued an invoice that shows aviation fees for the prior month that are greater than the aviation fees that were self-reported by the Airline, the Airline's failure to pay the difference between the amount that was self-reported by the Airline for that month and MDAD's invoice amount is a breach of the AUA unless the Airline disputes MDAD's invoice amount. In addition, unless disputed, the Airline's failure to make this payment will result in a "delinquency" if the aviation fee payment is not actually received by MDAD within the 10 calendar days of MDAD's invoice date. The delinquency fee of 1 ½% on a reported aviation fee not received within the 10 calendar days following the 10th business day of each month or within 10 days of the date of MDAD's invoice will commence on the first calendar day following the 10th business day of the month, or on the 10th business day following the date of an MDAD invoice, whichever is applicable, i.e., the first day of the start of the delinquency waiver period.

9. If a tenant's payment history has justified a waiver of security deposits under the Airline User Agreement, Terminal Building lease, or other agreement requiring a security deposit, a tenant may lose such waiver according to the security deposit policy of Resolution No. R-335-94 if MDAD has reason to believe, "based on authoritative published financial reports, that the tenant's ability to continue to pay rentals and landing fees on a timely basis is in jeopardy."

Attached to this Tab K is a document entitled "Matrix for Tenant Payment Dates by Types of Monthly Invoices" as of July 2010. Airlines and other users must make the payments by the indicated Due Dates. MDAD reserves the right to amend this Matrix from time to time.

-End-

MIAMI INTERNATIONAL AIRPORT

MDAD REAL ESTATE MANAGEMENT DIVISION

DATED August 24, 2011

COMMON USE TERMINAL EQUIPMENT (CUTE) PRICING POLICY

1. CUTE Infrastructure

All airlines serving Miami International Airport (MIA) are assessed a fee for CUTE infrastructure to recover the annual amortized capital and operating and maintenance expenses attributable to the installation of core CUTE equipment, which includes all software, computer and network equipment required to operate and manage interfaces to airline host computers and CUTE user equipment.

1.1. CUTE Infrastructure Requirement

The CUTE Infrastructure Requirement is the sum of the projected annual amortized capital, operating and maintenance costs of gateway computers located in core equipment rooms and software site license fees for the Fiscal Year.

1.2. CUTE Infrastructure Fee

The CUTE Infrastructure Fee is calculated by dividing the CUTE Infrastructure Requirement by the projected number of departing seats of all airlines at MIA to determine the rate per departing seat for the Fiscal Year. The CUTE Infrastructure Fee will be recovered by incorporating the CUTE Infrastructure Fee in the Concourse Use Fee rate per departing seat.

2. CUTE Gate Pricing

The costs for acquisition, installation, operation and maintenance of CUTE equipment at CUTE-equipped gates at MIA will be charged to the users of CUTE gate equipment. CUTE gate equipment includes workstations, printers, document scanners, gate readers, telephones, and credit card reader data communications outlets necessary to operate CUTE gates.

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2.1. CUTE Gate Requirement

The CUTE Gate Requirement is the sum of the projected annual amortized capital cost, operating and maintenance costs of CUTE gate equipment for all CUTE gates for the Fiscal Year, plus an allocation of telecom charges, training costs, and training equipment costs.

2.2. CUTE Gate Usage Fee

At the outset of each Fiscal Year, the Department shall determine the CUTE Gate Usage Fee. The CUTE Gate Usage Fee is calculated by dividing the CUTE Gate Requirement by the projected number of departing seats of all aircraft using CUTE gates at MIA for the Fiscal Year to determine the rate per departing seat. If a gate has both CUTE and proprietary equipment only the departing seats of airlines using the CUTE equipment will be used in the calculation.

3. Common User Self Service (CUSS) Kiosks

CUSS kiosk pricing will be different depending upon how the CUSS kiosk is used. Five types of CUSS kiosk use are possible:

1. Single user stand-alone;
2. Single user desktop;
3. Shared use stand-alone;
4. Shared use desktop; and
5. Common use kiosks not located in close proximity to ticket counters.

Operating and maintenance and amortized capital costs allocated to the CUSS units are included in the various requirements noted below for each type of CUSS kiosk based on the total operating and maintenance expense allocation to CUSS units, which is further divided by the total number of CUSS units in use and in inventory. MDAD will use its own discretionary funds to cover any unrecovered CUSS operating and maintenance costs.

3.1. Single User CUSS Kiosks

Single-user CUSS kiosks are those CUSS kiosks placed and programmed for the beneficial use of a single airline. The Department will recover the costs of single user CUSS kiosks from the single airline user. Equipment and other capital expenditures will be amortized over three years.

3.1.1. Single User Stand-Alone CUSS Kiosk Pricing

The Single User Stand-Alone CUSS Kiosk Requirement includes the annual amortized capital cost, the allocated annual cost of operation and maintenance, including an allocation of telecom charges, and six (6) square feet of Class I space multiplied by the number of Single User Stand-Alone CUSS Kiosks in service multiplied by the Class I terminal rental rate for the Fiscal Year. The Single User Stand-Alone CUSS Kiosk Requirement will be divided by the total number of single user stand-alone CUSS kiosks in service.

One twelfth of this annual amount will be billed monthly to the user for each kiosk used.

3.1.2. Single User Desktop CUSS Kiosk Pricing

The Single User Desktop CUSS Kiosk Requirement includes the annual amortized capital cost and the allocated annual cost of operation and maintenance, including an allocation of telecom charges, for all single user desktop CUSS kiosks for the Fiscal Year. The Single User Desktop CUSS Kiosk Requirement will be divided by the total number of single user desktop CUSS kiosks in service. One twelfth of this annual amount will be billed monthly to the user for each kiosk used.

3.2. Shared Use CUSS Kiosks

Shared use CUSS kiosks are those CUSS kiosks, either desktop or stand-alone, located at, or in close proximity to, CUTE ticket counters and which are programmed for the beneficial use of specific airlines using those CUTE ticket counters.

3.2.1. Shared Use Stand-Alone CUSS Kiosk Pricing

The Shared Use Stand-Alone CUSS Kiosk Requirement includes the annual amortized capital cost, the allocated annual cost of operation and maintenance, including an allocation of telecom charges, and six (6) square feet of Class I space multiplied by the number of Shared Use Stand-Alone CUSS Kiosks in service multiplied by the Class I terminal rental rate for the Fiscal Year. The Shared Use Stand-Alone CUSS Kiosk Requirement shall be divided by the total number of shared use stand-alone CUSS kiosks in service. One twelfth of this annual amount will be billed monthly for each kiosk used, which monthly amount shall be allocated among the users of each shared use stand-alone CUSS kiosk based upon the number of monthly ticket counter hours allocated by the Department for each user at each shared use stand-alone CUSS kiosk.

3.2.2. Shared Use Desktop CUSS Kiosk Pricing

The Shared Use Desktop CUSS Kiosk Requirement includes the annual amortized capital cost and the allocated annual cost of operation and maintenance, including an allocation of telecom charges for the Fiscal Year. The Shared Use Desktop CUSS Kiosk Requirement shall be divided by the total number of shared use desktop CUSS kiosks in service. One twelfth of this annual amount will be billed monthly for each kiosk used, which monthly amount shall be allocated among the users of each shared use desktop CUSS kiosk based upon the number of monthly ticket counter hours allocated by the Department for each user at each shared use desktop CUSS kiosk.

3.3. Common Use CUSS Kiosks

Common use CUSS kiosks are those CUSS kiosks programmed for multiple airlines and are not associated with ticket counter use. Common use CUSS kiosks may be located throughout the airport terminal, parking garages, local hotels, or other locations as determined by the Department after consultation with the Miami Airport Affairs Committee and other users of common use CUSS kiosks.

Use of common use CUSS kiosks is optional and the costs of common use CUSS kiosks will be recovered from the airlines that elect to use the common use CUSS kiosks. The Department may determine a maximum rate per transaction that is less than the cost recovery rates contained in this Section 3. Any shortfall in recovery of common use CUSS kiosks created by the Department's decision to set a maximum rate per transaction will not be recovered from any airline charges, but will be funded with the Department's discretionary funds.

3.3.1. Common Use CUSS Kiosk Requirement

The Common Use CUSS Kiosk Requirement includes the annual amortized capital cost, the allocated annual cost of operation and maintenance, including an allocation of telecom charges, and, for CUSS units placed in the airport terminal, six (6) square feet of Class I space multiplied by the number of Common Use CUSS Kiosks in service in the airport terminal multiplied by the Class I terminal rental rate for the Fiscal Year.

From time to time, the Department may receive requests or have a desire to install and operate CUTE equipment and devices at off-airport locations. As number and type of devices may vary, as well as the cost of the infrastructure at various locations, the pricing for such installations will be determined on a case by case basis. At a minimum, each installation will be completed and operated on a cost recovery basis and all such pricing will be approved by the MAAC. The off airport Common Use CUSS Kiosk Requirement shall include any net expenses, fees, or rentals associated with placement of Common Use CUSS Kiosks outside the airport terminal.

3.3.2. Common Use CUSS Kiosk Pricing

The Common Use CUSS Kiosk Requirement shall be divided by the projected number of common use CUSS kiosk transactions for the Fiscal Year. This per-transaction rate will be billed monthly to airlines that elect to use the common use CUSS kiosks based upon the number of monthly transactions for each airline user of common use CUSS kiosks. If the Department determines a maximum rate per transaction shall apply for the Fiscal Year, then this maximum rate per transaction multiplied by the number of airline transactions shall be in effect replacing the methodology discussed immediately above in this Section 3.3.

4. Back Wall Displays

All CUTE ticket counters will have dynamic back wall displays. The cost of dynamic back wall displays installed at CUTE ticket counters is included in the CUTE Ticket Counter Hourly Usage Fee as described in Section 7.

For Exempt Airline ticket counters, a monthly rate per dynamic back wall display will be computed by dividing the annual amortized capital cost and the operating and maintenance expense of dynamic back wall displays by the number of ticket counter positions which have the dynamic back wall displays installed divided by twelve (12). This monthly rate shall be adjusted annually and shall apply to all Exempt Airline ticket counters that have the dynamic back wall displays installed.

5. Over counter LED displays

All ticket counter positions will have over counter LED displays. The cost of over counter displays will be included in the terminal rental rate.

6. Exempt Airline Back Wall Signage

An Exempt Airline may request to install and maintain proprietary back wall signage at its leased ticket counters. The proposed signage is subject to the review and approval of the Department. The cost of installing and maintaining proprietary signage is the responsibility of the Exempt Airline. At such time as the Exempt Airline no longer leases ticket counter positions having proprietary back wall signage, the Exempt Airline shall remove at its cost the proprietary signage and equipment behind such positions, including cabling and conduit, repair any damage caused by such removal, and restore the back wall to its original condition, normal wear and tear excepted.

The Department may also require an Exempt Airline to accommodate dynamic back wall displays over a number of preferentially leased ticket counter positions which number shall be determined at the sole discretion of the Department.

7. CUTE Ticket Counter Pricing

The Department will assign CUTE ticket counters to airlines in accordance with the Ticket Counter Allocation and Use Policy.

The costs for acquisition, installation, operation and maintenance of CUTE-equipped ticket counters at MIA will be charged to CUTE ticket counter users. CUTE ticket counter equipment includes workstations, printers, document scanners, telephones, credit card reader data communications outlets, and dynamic back wall displays necessary to operate CUTE ticket counters. The cost of terminal space (the "Class I Space"), and baggage make-up space (the "Class IV Space") associated with CUTE-equipped ticket counters will also be charged to the users of CUTE ticket counters excluding Class IV baggage make-up space leased by Exempt Airlines.

Users of CUTE-equipped ticket counters will be billed an hourly fee for each hour of usage subject to Section 7 and Section 8 below.

7.1. CUTE Ticket Counter Requirement

The CUTE Ticket Counter Requirement is the sum of the projected annual capital amortization cost, operating and maintenance costs of equipment, including an allocation of telecom charges, plus an allocation of training costs and training equipment costs, for the Fiscal Year.

7.2. CUTE Ticket Counter Hourly Usage Fee

At the outset of each Fiscal Year the Department will determine the CUTE Ticket Counter Hourly Usage Fee. The Ticket Counter Hourly Usage Fee for CUTE ticket counters is the sum of the Ticket Counter Equipment Charge, the Class I Space Charge and the Class IV Space Charge.

The Ticket Counter Equipment Charge is determined by dividing the CUTE Ticket Counter Requirement by the estimated number of CUTE ticket counter hours for the Fiscal Year.

The Class I Space Charge is computed by dividing the product of all Class I Space square footage associated with CUTE ticket counters, including recheck counters, and the Class I Space rental rate by the estimated number of CUTE ticket counter hours for the Fiscal Year.

The Class IV Space Charge is computed by dividing the product of all Class IV Space square footage associated with CUTE baggage make-up areas (excluding Class IV baggage make up space leased by Exempt Airlines) and the Class IV Space rental rate by the estimated number of CUTE ticket counter hours for the Fiscal Year (excluding CUTE ticket counter hours of airlines using CUTE ticket counters supported by Class IV Space leased by Exempt Airlines).

Airlines using CUTE ticket counters supported by Class IV baggage make up space leased by Exempt Airlines will not be assessed the Class IV Space Charge when using CUTE ticket counters.

At the outset of each Fiscal Year the Department will estimate the annual number of CUTE ticket counter hours based on an average daily usage in prior years and the number of useable CUTE ticket counters.

8. CUTE Ticket Counter Pricing

Pricing for the usage of CUTE ticket counters will vary based upon the cumulative usage of all CUTE ticket counter positions (as determined beginning at 12:00 am daily) as well as the number of hours per CUTE ticket counter position as outlined below.

8.1 Total Ticket Counter Usage for Two (2) Hours or Less

When the daily cumulative use of CUTE ticket counters (i.e., all ticket counter positions utilized) by an airline is two (2) hours or less that airline will be charged for each minute of CUTE ticket counter use. The rate per minute for use of CUTE ticket counters will be determined by dividing the CUTE Ticket Counter Hourly Usage Fee by sixty (60) minutes.

8.2 Total Ticket Counter Usage for Over Two (2) Hours and up to Twelve (12) hours

Each airline that uses CUTE ticket counter positions greater than two (2) hours and up to twelve (12) hours on a daily cumulative basis will be assessed a **minimum** daily use charge computed by multiplying the CUTE Ticket Counter Hourly Usage Fee by twelve (12) hours.

8.3 Total Ticket Counter Usage Over Twelve (12) Hours

For any cumulative daily usage by an airline of CUTE ticket counter positions over twelve (12) hours, the airline will be charged for the total number of hours used, subject to a **maximum** amount of twelve (12) hours per CUTE ticket counter position. To clarify, any CUTE airline ticket counter use in excess of twelve (12) hours per position on a daily cumulative basis shall be only charged for twelve (12) hours. All remaining hours used by the airline at CUTE ticket counter positions not subject to the maximum amount of twelve (12) will be charged the CUTE Ticket Counter Hourly Usage Fee.

9. Usage of Unassigned CUTE Ticket Counters

Any airline that uses unassigned CUTE ticket counters will be charged for each minute of unassigned CUTE ticket counter use. The rate per minute for use of unassigned CUTE ticket counters by such airlines will be determined by dividing the CUTE Ticket Counter Hourly Usage Fee by sixty (60) minutes.

10. Annual Adjustment of CUTE Rates

The Department will adjust the CUTE rates annually and apply the revised CUTE rates effective each October 1 using the applicable costs for the Fiscal Year and activity projections for the Fiscal Year.

11. Charges for Unauthorized Ticket Counter Use

Airlines that process flights at a ticket counter but are unable to access a host computer must utilize a Local Departure Control System (LDCS). Training is available for the utilization of this system and the cost is included in the CUTE usage fees.

An airline that utilizes ticket counter positions and handles flights manually without logging on to the CUTE system and without the Department's authorization shall pay double the rates paid by authorized users for so long as it continues such unauthorized use. Unauthorized users will be detected through the Airport Operation Information System (AOIS) and will be charged accordingly.

The charging methodology for unauthorized ticket counter use is as follows:

1. Wide-body (over 200 seats) — A minimum of seven (7) ticket counter positions for four (4) hours multiplied by the Ticket Counter Hourly Usage Fee multiplied by two (2) will be charged. In the event that more than seven (7) ticket counter positions are used, the unauthorized user will be charged for four (4) hours multiplied by the Ticket Counter Hourly Usage Fee multiplied by two (2) for all ticket counter positions used in excess of seven (7) ticket counters. This fee will apply to each flight even if an airline is able to use the same ticket counter simultaneously for more than one flight.

2. Narrow-body (101-200 seats) — A minimum of four (4) ticket counter positions for four (4) hours multiplied by the Ticket Counter Hourly Usage Fee multiplied by two (2) will be charged. In the event that more than four (4) ticket counter positions are used, the unauthorized user will be charged for four (4) hours multiplied by the Ticket Counter Hourly Usage Fee multiplied by two (2) for all ticket counter positions used in excess of four (4) ticket counters. This fee will apply to each flight even if an airline is able to use the same ticket counter simultaneously for more than one flight.

3. Regional-Commuter (21-100 seats) — A minimum of two (2) ticket counter positions for four (4) hours multiplied by the Ticket Counter Hourly Usage Fee multiplied by two (2) will be charged. In the event that more than two (2) ticket counter positions are used, the unauthorized user will be charged for four (4) hours multiplied by the Ticket Counter Hourly Usage Fee multiplied by two (2) for all ticket counter positions used in excess of two (2) ticket counters. This fee will apply to each flight even if an airline is able to use the same ticket counter simultaneously for more than one flight.

4. Small Turbo (up to 20 seats) —A minimum of one (1) ticket counter position for four (4) hours multiplied by the Ticket Counter Hourly Usage Fee multiplied by two (2) will be charged. In the event that more than one (1) ticket counter position is used, the unauthorized user will be charged for four (4) hours multiplied by the Ticket Counter Hourly Usage Fee multiplied by two (2) for all ticket counter positions used in excess of one (1) ticket counter. This fee will apply to each flight even if an airline is able to use the same ticket counter simultaneously for more than one flight.

12. CUTE Back Office Equipment

Charges for optional back office CUTE equipment will be assessed a monthly fixed fee amount based on total allocated back office CUTE equipment costs divided by the number of CUTE back office units.

13. General Aeronautical Service Permittees (GASPs)

GASPs that use CUTE equipment will be charged the same fees and charges outlined above in this CUTE Pricing Policy.

END OF POLICY STATEMENT