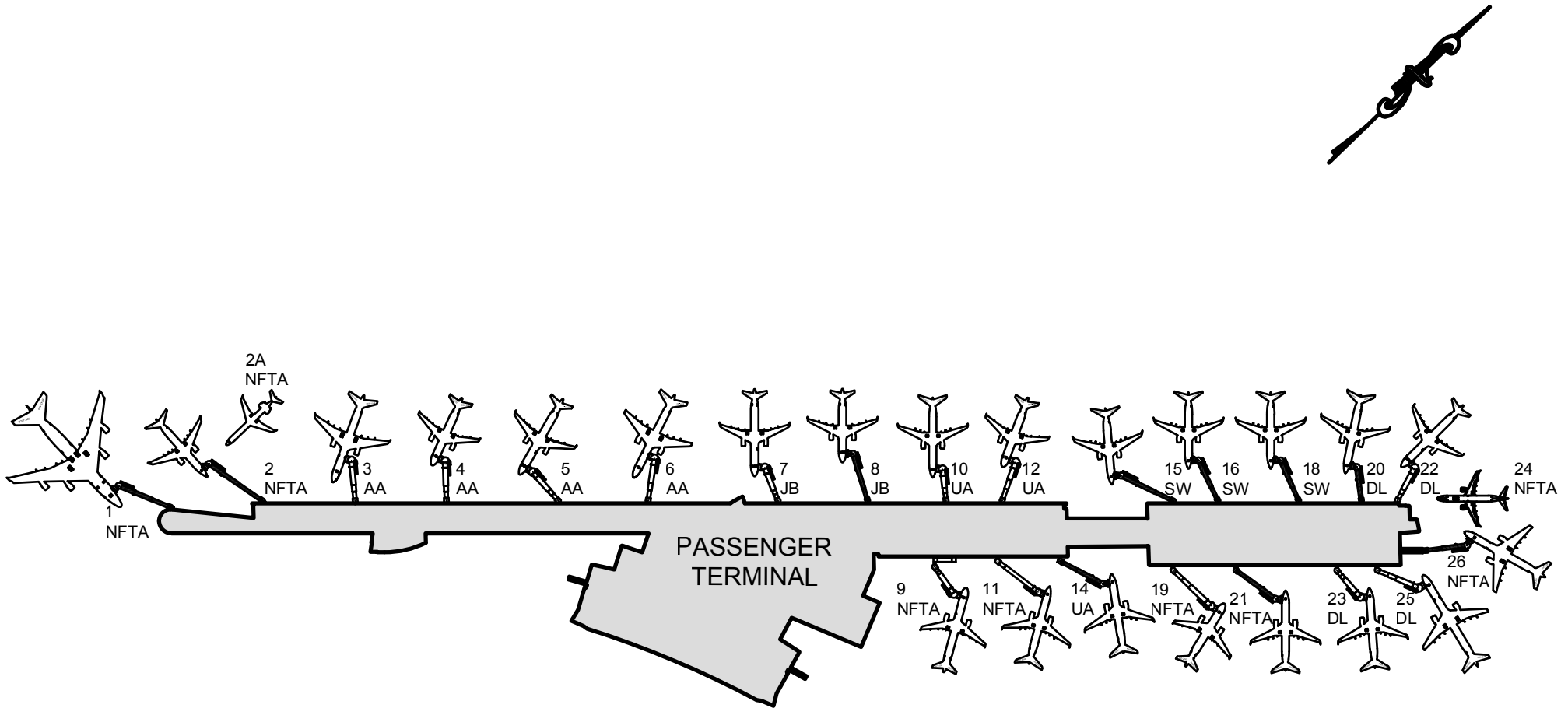


Exhibit 1



BNIA AIRCRAFT GATES
DEPARTURES UPPER LEVEL

MARCH 28, 2017
GATE NUMBERS.DWG

GATE USE PERMIT

THIS PERMIT made 19th the day of December, 2018 between the Niagara Frontier Transportation Authority, with a place of business at 181 Ellicott Street, in the City of Buffalo, County of Erie and State of New York (hereinafter referred to as "Authority") and Sunwing Airlines Inc., a Canadian corporation with a place of business at 27 Fasken Drive, Toronto, Ontario (hereinafter referred to as "User").

WHEREAS, Authority owns and operates the Buffalo Niagara International Airport (hereinafter referred to as the "Airport"); and

WHEREAS, User desires permission to operate scheduled passenger service flights out of the Airport at Authority controlled gates and/or international facilities (hereinafter referred to as "Authority Gates") upon the terms and conditions hereinafter set forth.

NOW THEREFORE, in consideration of the privileges granted herein and in consideration of the mutual covenants hereinafter contained, the parties do hereby agree as follows:

SECTION 1. TERM

1.1 The term of this Permit shall be month to month. Either party may terminate the Permit by providing thirty (30) days' notice to other. In the event that either party elects to terminate this Permit, any flights that had been previously scheduled for a date that is beyond the termination date of the Permit shall be deemed cancelled. User shall be responsible for any and all cancellation charges, as provided for in Section 3.6 herein, in the event that User terminates the Permit.

SECTION 2. USE

2.1 User shall have the non-exclusive right to use the Authority Gates, if properly scheduled, which includes the use of the designated ticket counters, jetbridge, parking ramp position, hold room and baggage handling system for flights. The use of the Authority Gates must be in strict conformance with the Authority's Operating Procedures for Use of Authority Gates.

2.2 All flights handled at the Authority Gates must first be approved and scheduled in writing by the Buffalo Niagara International Airport Administration ("BNIA Administration") in accordance with the procedures set forth in Authority's Operating Procedures for Use of Authority Gates.

2.3 User assumes all responsibility for any and all schedule changes that may result from delayed flights and shall bear all costs and damages, if any, that may result from such delays, including but not limited to flight cancellations, reassignment of gate or

delayed take-off. The Authority shall not be responsible for any costs associated with said events. User is solely responsible to notify any charter operator, air carrier, passengers and/or US Customs and Immigration Services of any delay, cancellation or gate reassignment. User shall be responsible for all costs, if any, that US Customs and Immigration Service may impose for cancelled, delayed or reassigned flights.

2.4 User shall promptly repair, upon receipt of a written notice from Authority, any and all damage to the Authority Gates or other areas of the Airport whether real or personal that may be damaged as a result of the acts or omission of User its officers, agents or employees or any charter operator or airline that User may be handling. The areas of repair must be restored to the condition that existed prior to the damage or destruction and all repairs are subject to the review and approval of the Authority.

2.5 In the event that User does not promptly repair the aforementioned damage or repair the damage to a condition satisfactorily to the Authority, then the Authority may undertake the work and User agrees to reimburse the Authority for the cost of the repairs and replacements thereto made by the Authority within thirty days of receipt of an invoice from the Authority.

2.6 Within two (2) hours of release from proper authorities, User, or its designee, shall remove any disabled aircraft being used under this Permit from the Landing Area and Ramp Area, shall place any such disabled aircraft only in such storage areas as may be designated by the Director of Aviation and shall store such aircraft only upon such terms and conditions as may be established by the Authority. In the event User shall fail to remove any such disabled aircraft within such two (2) hour period the Authority may but shall not be obligated to, cause the removal of such disabled aircraft at the sole expense and liability of the User. The Director of Aviation may in his discretion grant User additional time to remove disabled aircraft. User shall pay to the Authority, upon receipt of invoice, all costs incurred for removal of disabled aircraft by the Authority plus a twenty-five percent (25%) administrative fee.

SECTION 3. FEES, CHARGES AND ACCOUNTABILITY

3.1 User agrees to pay to the Authority the signatory fees and charges that are established by the Authority in accordance with its annual fiscal year tariff. The tariff is revised April 1st of each year.

3.2 On or before the 10th day of each month of the year, User shall submit to the Authority a monthly activity report which must include landing weights, number of flights, equipment type and enplanements and deplanements. Accompanying this Report shall be the payment of the fees and charges in accordance with the tariff that are due and payable for the month being reported and PFCs. Payments shall be made in lawful money of the United States, free from all claims, demands, set-offs, or counterclaims of any kind against the Authority. Any amounts not paid on the 15th day of the month shall be assessed a late charge of 1.5% per month.

3.3 User shall keep full and accurate books and records, showing all of its flight activities, in accordance with generally accepted accounting principles. The Authority shall have the right through its representatives, and at all reasonable times, to inspect such books and records. All such records shall be available to the Authority at the Airport for three years following the period in which the activity reported therein occurs. User shall fully cooperate with the Authority to facilitate such inspection.

3.5 Should any examination, inspection, and audit of User's books and records by the Authority disclose an underpayment by User of the total fees and charges then due, User shall promptly reimburse the Authority for all costs incurred in the conduct of such examination, inspection, and/or audit in addition to remitting the amount of such underpayment plus 1.5% interest per month. In the event that the Authority deems it necessary to utilize the services of legal counsel in connection with such examination, inspection, and/or audit and such examination, inspection, or audit results in reimbursement to the Authority, User shall reimburse the Authority for its reasonable attorney fees and litigation expenses in addition to any deficiencies due.

3.6 User agrees that if User cancels the use of the Authority Gates as set forth in Section 5 of Exhibit A hereto User will immediately remit to the Authority the scheduled cancellation charge set forth in said Section 5. Failure to pay the cancellation charge may result in the Authority not scheduling any further use of the Authority Gates for User until such time as User makes payment of the cancellation charge. The Director of Aviation may in his discretion waive, either in whole or in part, the provisions of this Section 3.6.

3.7 No payment by User or receipt by the Authority of a lesser amount than that provided herein shall be deemed to be other than on account of the earliest stipulated fees and charges; nor shall any endorsement or statement on any check or letter accompanying any check or payment of fees and charges be deemed an accord and satisfaction, and the Authority may accept such check or payment without prejudice to the Authority's right to recover the balance of such fees and charges or pursue any other legal remedy it may possess.

3.8 User agrees to collect a passenger facility charge (PFC) of \$4.50 per passenger to be held in trust for the Authority and remit the payment of the PFCs, less the FAA authorized administrative fee no later than thirty days after the close of the month. User shall collect, remit, and maintain proper records in strict accordance with the PFC Regulations set forth in 14 CFR Part 158 as such Regulations may be amended from time to time. The PFC collection date is effective upon the date of this Permit and the PFC collection expiration date is March 1, 2027.

SECTION 4. FEDERAL, STATE, COUNTY AND LOCAL LAWS AND AUTHORITY RULES AND REGULATIONS

4.1 User shall comply at its own cost and expense, with all Federal, State, County or local law, ordinances, rules and regulations, including the rules and regulations of the Authority, now or hereinafter in force, which may be applicable to the operation of

its business at the Airport, including obtaining and paying for all licenses and permits necessary for the operation thereof, and payment of all fees and charges assessed under State, Federal, County or local statutes or ordinances insofar as they are applicable thereto. This applies to any Federal, State, County or local agency or department thereof.

SECTION 5. INDEMNIFICATION

5.1 User shall defend, indemnify and hold harmless the Authority, its commissioners, elected and appointed officers, agents and employees from and against any and all causes of action, claims, damages, liabilities, losses, costs, expenses (including reasonable attorneys' fees, expenses and litigation costs), fines, awards, settlements or judgments of whatever nature, arising or alleged to have arisen from or in connection with the use or occupancy of the Authority Gates and/or Airport by User its affiliates, employees, officers, contractors, agents, invitees or any charter operator, air carrier or other person occupying, using or operating from the Authority Gates and/or Airport at the request of User (hereinafter in this Section sometimes collectively referred to as "User"), and/or in connection with the following events, but only to the extent that any of such events are by or due to the negligence or willful act or omission of User (and except to the extent caused by the Authority's negligence): (a) the willful misconduct, or the negligent or tortious act or omission of the User; (b) the violation by the User of any agreement, covenant or condition of this Permit; (c) any accident, injury to, or the death of, any person caused by the negligence of User; (d) damage to or destruction of property whether real or personal, in connection with User's use or occupancy of the Authority Gates or Airport or the storage by User of any property at the Authority Gates or Airport, whether the same be asserted by third parties, User's affiliates, agents, contractors, employees, invitees, licensees; (e) any and all claims or liability for compensation under any workers compensation statute arising out of injuries sustained by any employee of the User; (f) the introduction, disposal, escape, seepage, leakage, spillage, discharge, emission, release, or threatened release by User of any Hazardous Materials (hereinafter defined), from, or affecting the Authority Gates or Airport or any other property; (g) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Materials; (h) any lawsuit brought or threatened, settlement reached, or government order relating to such Hazardous Materials; or (i) any violation by User of laws, orders, regulations, requirements, or demands of government authorities, which are based upon or in any way related to such Hazardous Materials including, without limitation, the costs and expenses of any remedial action, attorney and consultant fees, investigation and laboratory fees, court costs and litigation expenses; and (j) a prohibited incursion into the air operations area, or breach of the landside sterile area security and any resulting civil penalty or settlement amount paid by the Authority for such incursion or breach and all expenses, including reasonable attorneys fees, incurred by the Authority in defending against the civil penalty action and for any civil penalty or settlement amount paid by the Authority. Civil penalties, settlement costs and associated expenses include but are not limited to those paid or incurred as a result of violation Federal Security Laws and Regulations including those found in 49 CFR Parts 1540 and 1542 or the Airport's Security Plan and FAA Federal Aviation Regulation Part 139, "Certification and Operations: Land Airports Serving Certain Air Carriers."

5.2 User shall have the right to control the defense of any claim, action, proceeding or suit for which the User indemnifies the Authority pursuant to this Section 5 and upon Authority's request reasonably inform the Authority as to the status.

5.3 Without limiting the generality of any other provision hereof, the User shall reimburse the Authority for the cost of any and all reasonable attorneys' fees and investigation expenses, including the costs of utilizing the Authority's Law Department and Investigations Division, which may be incurred by the Authority in the defense and handling of said suits and claims covered by Section 5.1 if User does not undertake defense and indemnity without reservation of rights.

5.4 The obligations of User under this Section 5 shall survive the expiration or earlier termination of this Permit. All such obligations are expressly made for the benefit of, and shall be enforceable by, the Authority without the necessity of declaring this Permit to be in default. The Authority may initially proceed directly against User under this Permit and is not obligated to resort to any other rights of indemnification it may have. All payments to be paid pursuant to this Permit shall be made directly to, or as otherwise requested by, the Authority, upon written demand by the Authority. All such written demands shall specify the amounts payable and the detailed facts upon which the right to indemnification is based.

SECTION 6. MISCELLANEOUS

6.1 User covenants that it shall not assign, transfer, convey, sell or encumber any rights of the User hereunder or allow the use of the Authority Gates or Airport by any other person without the prior written consent of the Authority.

6.2 This Permit shall be governed by, and construed in accordance with, the laws of the State of New York without regard to conflicts of law principles.

6.3 User, by accepting this Permit, expressly agrees for itself and its successors that it will not make use of the Authority Gates or Airport in any manner which might interfere with the landing and taking off of aircraft at the Airport under current or future conditions or which might otherwise constitute a hazard.

6.4 This Permit is subject and subordinate to the provisions of any existing or future agreements between the United States Government or instrumentality of the United States government and the Authority 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. This includes the imposition and use of Passenger Facility Charges for the development of the Airport, including but not limited to Federal PFC Assurances 5 and 7 which are incorporated herein by reference.

6.5 Nothing contained in this Permit is intended to create or establish any relationship other than that of licensor and permittee, and nothing herein shall be construed to create or establish a leasehold estate or any partnership, joint venture or association or to make User the representative or agent of the Authority for any purpose whatsoever.

6.6 Each of the provisions of this Permit shall extend to and shall, as the case may require, bind or inure to the benefit not only of the Authority and of User, but also of their respective successors.

6.7 If any term, provision or condition contained in this Permit shall, to any extent, be invalid or unenforceable, the remainder of this Permit (or the application of such term, provision or condition to persons or circumstances other than those in respect of which it is invalid or unenforceable) shall not be affected thereby, and each and every other term, provision and condition of this Permit shall be valid and enforceable to the fullest extent possible permitted by law.

6.8 Any notice, other than the notice for scheduling the use of the Authority Gate, demand, request or other communication which any party hereto may be required or may desire to give under this Permit shall be in writing and shall be deemed to have been properly given (a) if hand delivered (effective upon delivery), (b) if mailed (effective three (3) days after mailing) by United States registered or certified mail, postage prepaid, return receipt requested, (c) if sent by a nationally recognized overnight delivery service (effective one (1) day after delivery to such courier), or (d) if sent by facsimile (effective upon confirmation of transmission), in each case addressed as follows:

If to the Authority:

Kimberley A. Minkel
Executive Director
Niagara Frontier Transportation Authority
181 Ellicott Street
Buffalo, New York 14203
with copy to: **General Counsel**

If to User:

Len Corrado

Vice President, Commercial Operations

27 Fasken Drive

Toronto, ON, M1B 4X8

or to such other address as either party shall designate by written notice in the manner herein provided.

6.9 This Permit may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

6.10 User hereby expressly waives all rights to trial by jury on any cause of action directly or indirectly involving the terms, covenants or conditions of this Permit or

the use of the Authority Gates or Airport or any matters whatsoever arising out of or in any way connected with this Permit.

6.11 Failure by either party to take any action with respect to any default or violation of any of the terms, covenants or conditions of this Permit shall not in any respect limit, prejudice, diminish or constitute a waiver of any rights of such party to act with respect to any prior, contemporaneous or subsequent violation or default or with respect to any continuation or repetition of the original violation or default. The acceptance by the Authority of payment for any period or periods after a default or violation of any of the terms, conditions and covenants of this Permit shall not constitute a waiver or diminution of, nor create any limitation upon any right of the Authority pursuant to this Permit to terminate this Permit for subsequent violation or default, or for continuation or repetition of the original violation or default.

6.12 User has entered into this Permit solely for its own benefit, and this Permit does not grant to any third party a right to claim damages or bring any proceeding against the Authority.

6.13 All the payments shall be due in accordance with the terms set forth in this Agreement. All amounts are due in United States dollars. User agrees that it is responsible for all sales, use, or services taxes, of any kind.

6.14 This Permit shall not be modified except by a written instrument executed and duly signed by both parties.

SECTION 7. INSURANCE

7.1 User shall, at its own cost and expense, maintain in effect the following insurance coverage at all times during the term of this Permit and contemporaneous with the execution of this Permit, shall deliver to the Authority certificates of insurance, issued by a company or companies authorized to do business in the State of New York, with a financial rating of A- VIII or better as determined by A.M. Best Inc., or as deemed acceptable to the Authority, evidencing the following coverage:

(A) Comprehensive airport premises liability and aviation insurance covering: premises and operations; explosions, collapse; products liability and completed operations; independent contractors; contractual liability or contractual liability specifically covering this Permit; mobile equipment or other ground vehicle operating at the Airport that are used and operated in connection with the User's rights and obligations under this Permit; personal injury (with employee exclusion deleted), on airport automobile coverage for all owned and non-owned motor vehicles; fire legal liability with a limit of not less than (\$50,000); and broad form property damage against bodily injury and property damage claims. The Comprehensive airport premises liability coverage shall be subject to a limit of liability not less than a combined single limit of \$500,000,000 per occurrence and in the aggregate. The Authority shall be named as additional insured.

(B) If any motor vehicles are used in Airline's operations at the Airport and such motor vehicles are required by New York State Law to be insured, then User shall procure and keep in force during the Term of this Permit, auto liability insurance covering bodily injury and property damage with a minimum combined single limit of \$2,000,000. The Authority shall be named as additional insured.

(C) Workers' compensation insurance as required by law.

(D) Each of the aforementioned certificates shall provide that the liability policies shall be primary to any other policies of insurance maintained by the Authority and shall provide that such policies cannot be terminated, canceled or materially changed in any manner that may adversely affect the Authority, until after the issuing company has provided thirty (30) days prior written notice to the Authority. Any and all deductibles in the insurance policies described above shall be assumed by and be for the account of, and at the sole risk of the User. The User shall deliver to the Authority, ten (10) days before the date of the renewal of any policy of insurance required hereunder, a renewal certificate that shall conform to the requirements set forth in this Section for the original certificates. The Authority shall have the right in its reasonable discretion to waive or reduce the insurance obligations of the User as required by this Permit.

SECTION 8. DEFAULT AND REMEDIES

8.1 The Authority reserves the right at any time to cancel this Permit, at its sole discretion, for non-compliance with any of the provisions of this Permit upon thirty (30) days written notice to User. User agrees that the Authority shall not be responsible for any damages, actual or consequential, that may result from said cancellation and User assumes full responsibility for advising any charter operator or air carrier of such cancellation.

SECTION 9. GENERAL CIVIL RIGHTS PROVISIONS and NONDISCRIMINATION - TITLE VI

9.1 User agrees that it will comply with pertinent statutes, Executive Orders and such rules as are promulgated to ensure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or disability shall be excluded from participating in any activity conducted with or benefiting from Federal assistance. If User transfers its obligation to another, the transferee is obligated in the same manner as User.

This Section 9.1 obligates User for the period during which the property is owned, used or possessed by User and the Authority remains obligated to the Federal Aviation Administration. This Section 9.1 is in addition to that required of Title VI of the Civil Rights Act of 1964.

9.2 During the performance of this contract, the User, for itself, its assignees, and successors in interest (hereinafter referred to as the "User"), agrees as follows:

- A. Compliance with Regulations:** The User (hereinafter includes consultants) will comply with the Title VI List of Pertinent Nondiscrimination Acts and Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.
- B. Nondiscrimination:** The User, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The User will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR part 21.
- C. Solicitations for Subcontracts, including Procurements of Materials and Equipment:** In all solicitations, either by competitive bidding or negotiation made by the User for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by the User of the User's obligations under this contract and the Nondiscrimination Acts and Authorities on the grounds of race, color, or national origin.
- D. Information and Reports:** The User will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the sponsor or the Federal Aviation Administration to be pertinent to ascertain compliance with such Nondiscrimination Acts and Authorities and instructions. Where any information required of a User is in the exclusive possession of another who fails or refuses to furnish the information, the User will so certify to the sponsor or the Federal Aviation Administration, as appropriate, and will set forth what efforts it has made to obtain the information.
- E. Sanctions for Noncompliance:** In the event of a User's noncompliance with Article 15 and the non-discrimination provisions of this contract, the sponsor will impose such contract sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:
- a. Withholding payments to the User under the contract until the User complies; and/or
 - b. Cancelling, terminating, or suspending a contract, in whole or in part.
- F. Incorporation of Provisions:** The User will include the provisions of paragraphs A through F in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations, and directives issued pursuant thereto. The User will take action with respect to any subcontract or procurement as the sponsor or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the User becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such

direction, the User may request the sponsor to enter into any litigation to protect the interests of the sponsor. In addition, the User may request the United States to enter into the litigation to protect the interests of the United States.

9.3 Title VI List of Pertinent Nondiscrimination Acts and Authorities

During the performance of this contract, the User, for itself, its assignees, and successors in interest (hereinafter referred to as the "User") agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

- Title VI of the Civil Rights Act of 1964 (42 USC § 2000d *et seq.*, 78 stat. 252) (prohibits discrimination on the basis of race, color, national origin);
- 49 CFR part 21 (Non-discrimination in Federally-assisted programs of the Department of Transportation—Effectuation of Title VI of the Civil Rights Act of 1964);
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 USC § 4601) (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Section 504 of the Rehabilitation Act of 1973 (29 USC § 794 *et seq.*), as amended (prohibits discrimination on the basis of disability); and 49 CFR part 27;
- The Age Discrimination Act of 1975, as amended (42 USC § 6101 *et seq.*) (prohibits discrimination on the basis of age);
- Airport and Airway Improvement Act of 1982 (49 USC § 471, Section 47123), as amended (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987 (PL 100-209) (broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, sub-recipients and Users, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act of 1990, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 USC §§ 12131 – 12189) as implemented by U.S. Department of Transportation regulations at 49 CFR parts 37 and 38;
- The Federal Aviation Administration's Nondiscrimination statute (49 USC § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures nondiscrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;

- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);
- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 USC 1681 et seq).

9.4 **Title VI Clause for Access to Real Property**

User for himself/herself, his/her heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that (1) no person on the ground of ground of race, creed, color, national origin, sex, age, or disability will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land, and the furnishing of services thereon, no person on the ground of race, creed, color, national origin, sex, age, or disability will be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that User will use the premises in compliance with all other requirements imposed by or pursuant to the List of discrimination Acts And Authorities.

In the event of breach of any of the above nondiscrimination covenants, the Authority will have the right to terminate the Agreement and to enter or re-enter and repossess said land and the facilities thereon, and hold the same as if said Agreement had never been made or issued.

9.5 **Nondiscrimination on the Basis of Disability in Air Travel and Compliance with American with Disabilities Act**

User agrees to operate and furnish its accommodations and services in compliance with the Air Carrier Access Act of 1986, as amended, and its implementing regulations set forth in Title 14, Code of Federal Regulation, Part 382, entitled Nondiscrimination on the Basis of Disability in Air Travel, the applicable requirements of the Americans with Disabilities Act (ADA) of 1990 (42 U.S.C. 12101-12213) including the Department's ADA regulations (49 CFR parts 37 and 38), the regulations of the Department of Justice implementing titles II and III of the ADA (28 CFR parts 35 and 36), and the regulations of the Equal Employment Opportunity Commission implementing title I of the ADA (29 CFR part 1630) and Section 504 of the Rehabilitation Act of 1973, (29 U.S. C. §794 *et seq.*), as amended and 49 CRF Part 27, to ensure that no passengers will be discriminated on the basis of disability and will make aircraft, facilities, and services accessible and take steps to accommodate passengers with a disability as provided for in the referenced statutes and implementing regulations.

9.6 User shall not discriminate in the use of the Airport and/or its services or any access thereto if the Airport and/or User's services are used as a public accommodation

or in connection with a public service. User will not discriminate against any employee or applicant for employment because of race, creed, color, sex, national origin, age, or disability.

9.7 User shall include the foregoing provisions in every agreement or concession pursuant to which any person or persons, other than User, operates any facility on the Airport providing service to the public and shall include thereon a provision granting the Authority a right to take such action as the United States may direct to enforce such covenant including, but not limited the right to terminate this Permit.

9.8 User shall indemnify and hold harmless the Authority from any claims and demands of third persons including the United States of America resulting from User's noncompliance with any of the provisions of this Section and User shall reimburse the Authority for any loss or expense incurred by reason of such noncompliance.

SECTION 10. ENVIRONMENTAL MATTERS

10.1 **Compliance with Environmental Laws.** User covenants that it will keep the Authority Gates and Airport free of Hazardous Materials, and neither User nor any contractor, charter operator, air carrier or other person who makes use of the Authority Gates or Airport at User's request or on behalf of User (hereinafter sometimes collectively referred to as "User" or "Users") shall use, transport, store, dispose of or in any manner deal with Hazardous Materials on or at the Authority Gates or Airport, except in compliance with all applicable federal, state, and local laws, ordinances, rules and regulations. User shall comply with, and ensure compliance by all Users of the Authority Gates or Airport with, all applicable federal, state and local laws, ordinances, rules and regulations, and shall keep the Authority Gates and Airport free and clear of any liens imposed pursuant to such laws, ordinances, rules or regulations. In the event that User receives any notice or advice from any governmental agency or any source whatsoever with respect to Hazardous Materials on, from or affecting the Authority Gates or Airport or the operations thereon, User shall immediately notify the Authority. User shall thereafter conduct and complete all investigations, studies, sampling, and testing, and all remedial actions necessary to contain, clean up, and remove all Hazardous Materials from the Authority Gates in accordance with all applicable federal, state and local laws, ordinances, rules and regulations. The term "Hazardous Materials" as used in this Permit shall include without limitation, petroleum and petroleum products and derivatives; glycol; methane; asbestos; radon; polychlorinated bi-phenyls (PCBs); urea-formaldehyde foam insulation; explosives; radioactive materials; laboratory wastes and medical wastes (including, without limitation, contaminated clothing, body fluids, contaminated medical instruments and equipment, catheters, used bandages, gauzes, needles and other sharps); and any chemicals, materials or substances designated or regulated, as hazardous or as toxic substances, materials, or waste under any Environmental Law.

10.2 **Permits, Licenses and Hazardous Materials Handling.** User shall at its own expense procure, maintain in effect and comply with all conditions of any and all permits, licenses and other governmental and regulatory approvals required for User's use of the Authority Gates or Airport, including, without limitation, discharge of (appropriately

treated) materials or wastes into or through any sanitary or storm, or combined sanitary and storm sewer serving the Authority Gates or Airport. User shall cause any and all discharged Hazardous Materials removed from the Authority Gates or Airport to be removed and transported solely by duly licensed haulers to duly licensed facilities for final disposal of such materials and wastes. Materials and/or wastes which are transported or generated by the User from the Authority Gates or Airport and which are subject to Hazardous Materials or Hazardous Waste Transportation Laws shall be transported by User under User's own EPA I.D. Number. User shall in all respects handle, treat, deal with and manage any and all Hazardous Materials in, on, under or about the Authority Gates or Airport in total conformity with all applicable Laws, including Hazardous Materials Transportation Laws, and with prudent industry practices regarding management of such Hazardous Materials including all reporting obligations. User shall promptly deliver to the Authority copies of hazardous waste manifests reflecting the legal and proper disposal of all Hazardous Materials removed from the Authority Gates or Airport. Upon expiration or earlier termination of this Permit, User shall cause all of its then existing Hazardous Materials to be removed from the Authority Gates or Airport and transported for use, storage or disposal in accordance and compliance with all applicable Laws, including Hazardous Materials Transportation Laws. User shall not take any remedial action in response to the presence of any discharged Hazardous Materials in or about the Authority Gates or on the Airport, nor enter into any settlement agreement, consent decree or other compromise in respect to any claims relating to any discharged Hazardous Materials in any way connected with the Authority Gates or the Airport, without first notifying Authority of User's intention to do so and affording Authority ample opportunity to appear, intervene or otherwise appropriately assert and protect Authority's interest with respect thereto. In addition, at Authority's request, upon the expiration or termination of this Permit, User shall remove any tanks or fixtures, which contain or contained, or are contaminated with Hazardous Materials.

10.3 **Notices.** User shall immediately notify Authority, in writing, of: (a) any enforcement, cleanup, removal or other governmental or regulatory action instituted, completed or threatened pursuant to any Hazardous Materials Laws; (b) any claim made or threatened by any person against User, the Authority Gates or the Airport relating to damage, contribution, cost, recovery compensation, loss or injury resulting from or claimed to result from any Hazardous Materials actually handled by User; (c) any reports made to any environmental agency arising out of or in connection with any Hazardous Materials actually handled by User; and (d) any reports made to any environmental agency arising out of or in connection with any Hazardous Materials actually handled by User in, on or removed from the Authority Gates or the Airport, including any complaints, notices, warnings, reports or asserted violations in connection therewith. User shall also supply to Authority as promptly as possible, and in any event within five (5) business days after User first received or sends the same, copies of all claims, reports, complaints, notices, warnings or asserted violations relating in any way to Hazardous Materials actually handled by User on or at the Authority Gates, or the Airport or User's use thereof.

10.4 **Survival.** The obligations and liabilities of User under this Section shall survive the expiration or earlier termination of this Permit.

SECTION 11. LOADING AND UNLOADING FACILITIES

11.1 The Authority will furnish one Authority owned jetbridge for User's use at its assigned Gate position. User shall return and surrender the Authority owned jetbridge to the Authority after each use in the condition that existed at the time the User commences use of the jetbridge.

11.2 User, at its own cost and expense, shall at all times during the Term of this Agreement keep the jetbridge it is assigned in a clean and good condition. The Authority shall be responsible for the repair and maintenance of the jetbridge and shall perform such preventative maintenance to the jetbridge as recommended by the manufacturer. User is responsible for the cost of any damage, repair or maintenance to the jetbridge that results from User's failure to operate the jetbridge in accordance with manufacturer's instructions or specifications or the misuse or negligent operation of the jetbridge by User and/or its employees, licensees, contractors, subcontractors, affiliates and code-sharing users.

11.3 User shall be solely responsible for the compliance of passenger loading and unloading facilities and devices with the requirements of any legislation, rules and regulations applicable to such facilities and/or devices, including but not limited to The Americans with Disabilities Act and Section 504 of the Rehabilitation Act, the Air Carrier Access Act, 49 CFR Part 27, and 14 CFR Part 382. User agrees to ensure accessible boarding and deplaning to aircraft having a seating capacity of 19 or more for passengers with disabilities. Such boarding assistance shall be accomplished through the use of mechanical lifts, ramps, jetbridges, or other suitable devices that do not require employees to lift or carry passengers up any stairs.

11.4 American Airlines, Inc. ("American") and United Airlines, Inc. ("United") each own mechanical lifts and have agreed to make those lifts available for use, when ramps or jetbridges are not available, by foreign and domestic air carriers operating at the Airport that are subject to boarding and deplaning assistance laws and regulations and who do not themselves own or lease mechanical lifts at the Airport. The mechanical lifts will be made available on a first come first serve basis. American and United agree to maintain their mechanical lifts in proper working order. Each airline/user operating at the Airport that desires to make use of one of the aforementioned mechanical lifts shall be required (i) to pay American or United, as applicable, a reasonable and nondiscriminatory use charge to cover American's or United's overhead costs and the costs to maintain and repair the mechanical lifts and (ii) to execute such reasonable agreement that may be required by American or United that addresses the use of the mechanical lifts, insurance, indemnification and training.

11.5 User agrees that all its personnel, including all its subcontractors and its ground handlers providing for the boarding and deplaning of passengers and the operation of the mechanical lifts shall have completed the training specified by American and United and the manufacturer for the safe, proper and efficient use of the mechanical lifts. User shall be solely responsible for the boarding and deplaning of its passengers with the

mechanical lifts and will provide boarding assistance procedures that safeguard the safety and dignity of its passengers.

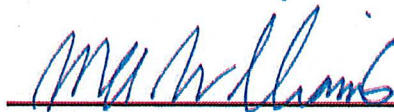
IN WITNESS WHEREOF, the parties have executed this Permit as of the date first written above.

NIAGARA FRONTIER TRANSPORTATION AUTHORITY



Kimberley A. Minkel
Executive Director

SUNWING AIRLINES, INC.



NAME: Mark Williams

TITLE: President

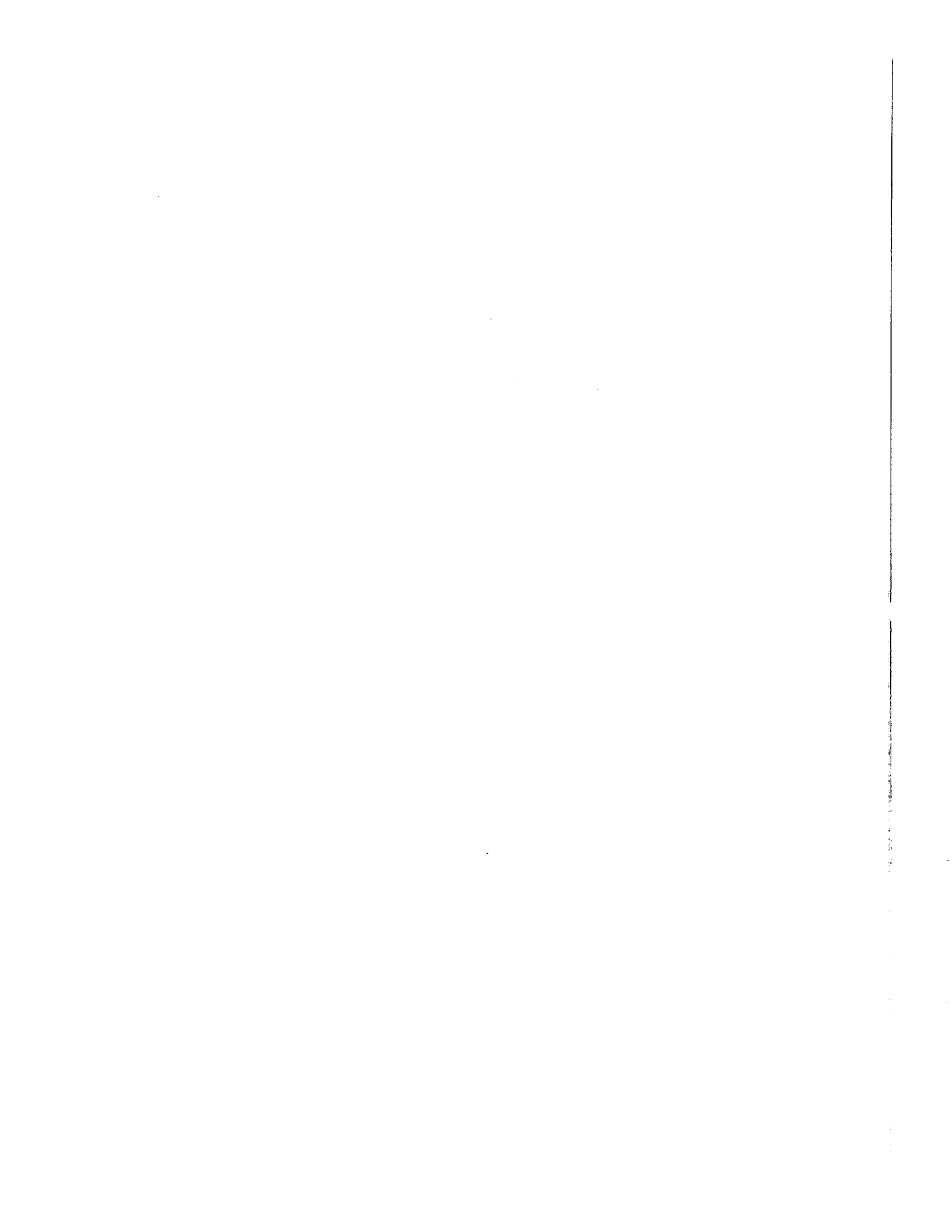


EXHIBIT A to Gate Use Permit

OPERATING PROCEDURES FOR USE OF AUTHORITY GATES

SECTION 1. Administering Authorities

1.1 The Buffalo Niagara International Airport, (BNIA), shall be the administering authority, responsible for providing proper scheduling and maintenance of the Authority Gates.

1.2 United States Customs Service personnel, acting on behalf of all Federal Inspection Services (FIS) agencies, has the responsibility of approving/denying requests for landing rights for international operations, as well as administering the Customs Security Seal program.

SECTION 2. Authorized Gate Users

2.1 Authorized Gate Users, (Users), include BNIA signatory scheduled carriers, BNIA Fixed Base Operators, (FBO), Ground Support Operators, Gate Use Permittees. An Authority Gate User that is a BNIA scheduled signatory carrier may provide its own ground handling services. All other carriers must use the ground handling services of a BNIA signatory carrier or an FBO, which is authorized to operate at BNIA. The organization performing the ground handling services will be referred to as the User and will be responsible for following all operating procedures as established in this document.

SECTION 3. Authority Gates Facilities

3.1 The use of the Authority Gates includes use of the designated ticket counters, jetbridge, parking ramp position, hold room and baggage handling devices.

SECTION 4. Scheduling Authority Gates

4.1 All flights to be handled at the Authority Gates must first be approved and scheduled by the BNIA Administration. To schedule a charter flight at the Authority Gates, the Users should complete the Authority Gates Facility Request Form, (Exhibit A), and return the form at least 48 hours before the charter activity is scheduled to take place. This will enable BNIA Administration to determine if any gate conflicts exists or if parking restraints will be affected. The form should be returned to the following:

BNIA Administration
Airport Manager
BNIA
4200 Genesee Street
Buffalo, NY 14225
Phone: 716-630-6022
Fax: 716-630-6070

4.2 Once an approved operating time for handling a flight at the Authority Gates has been granted, the User will receive written notification of the approval.

4.3 Approval or disapproval of the use of the Authority Gates will be based upon the information furnished to the BNIA Airport Manager on the Authority Gates Facility Use Request Form. This information includes the name of the charter carrier, ground handling agent, requested operating times, which should allow for passenger processing, flight times, various other flight information listed on the request form, and a copy of the aircraft operator's FAA operating certificate and insurance certificates. Scheduling of use of the Authority Gates will be at the sole discretion of the NFTA to achieve the maximum efficient use of the gates.

4.4 Should the User need to schedule or reschedule a flight with little or no advance notice or get preliminary clearance on operating times availability for booking purposes, the Users should contact the Airport Manager by facsimile at 630-6070. This procedure of scheduling an operating time by facsimile should only be utilized on occasions where the normal procedure of submitting an Authority Gates Facility Form would prove impractical due to insufficient lead-time. However, even if a time is assigned by notifying the Airport Manager by facsimile, an Authority Gates Facility Use Request Form must be submitted to the BNIA Airport Manager at the above address to document use of the facility.

4.5 A schedule of Authority Gates Facility activity will be maintained by the Airport Manager and will be available to Users.

SECTION 5. Cancellation of Authority Gates

5.1 Should the User need to cancel a scheduled gate time the User will be responsible for payment to BNIA in the amount of a percentage of the fees, which would have been incurred if the flight had taken place as follows:

<u>Cancellation Lead Time</u>	<u>Cancellation Percentage</u>
30 or more days	1 % of fee
30 to 15 days	5 % of fee
15 days to 48 hours	10% of fee
48 hours or less	100% of fee

5.2 The amount of the fees that would have been incurred will be determined by the information provided on the Authority Gates Facility Use Request Form.

5.3 Should the canceled gate time be scheduled and used by another user, all cancellation fees will be waived.

5.4 The Airport Manager should be notified of any cancellations by facsimile and then by submitting a new Authority Gates Facility Use Request Form. Absent notification of cancellation, user will be charged and be responsible for 100% of the fee that would have been incurred if the flight had taken place.

5.5 The Director of Aviation may in his discretion waive, either in whole or in part, the provisions of this section.

SECTION 6. Rate Calculation (Effective 04/01/18)

6.1 The following fees apply to use of Authority Gates:

<u>Type of Activity</u>	<u>Rate Base</u>	<u>Rate</u>
Gate Use Fee – Domestic – Signatory Airline	per turnaround	\$350.00
Gate Use Fee – Domestic - Non-Signatory	per turnaround	\$437.50
Gate Use Fee- International - signatory airline and non-signatory airline	per turnaround	\$550.00
Landing Fee (non-signatory rate)	Gross Landed Weight	\$6.84
Landing Fee (signatory)	Gross Landed Weight	\$5.47
Passenger Facility Charge	Per Enplaned Passenger	\$4.50

6.2 If any charter activity is handled, the User is required to fill out the monthly Charter Activity Report (Exhibit B). The monthly activity report accompanied by the payment of the fees and charges set forth above should be forwarded to the NFTA accounting department no later than the 15th day of the month following the month being reported.

SECTION 7. Authority Gate Use Requirements

7.1 Passenger Services

7.1.1 Passenger service personnel should be provided at the ticket counters two hours prior to departure in numbers sufficient to accommodate the needs of the type of flight and size of aircraft.

7.2 Apron Services

7.2.1 Apron service personnel should be provided as follows:

7.2.1a one user employee trained and qualified to operate the passenger loading bridge;

7.2.1b sufficient number of apron service personnel to accommodate the needs of the type of flight and size of aircraft;

7.2.1c all ramp agents require security identification in accordance with FAA guidelines.

7.3 Ground Support Equipment

7.3.1 All ground support equipment must be in place 30 minutes prior to scheduled aircraft arrival and be removed 30 minutes after departure. All deicing and fueling activities must take place within BNIA designated areas and follow BNIA procedures.

7.4 Spill Response Plan

7.4.1 All users must sign and adhere to the BNIA Operators Glycol and Jet Fuel Spill Response Plan.

7.5 Flight Information Display System/Baggage Information Display System

7.5.1 All Users must utilize the Flight Information Display/Baggage Information Display System, (FIDS/BIDS) at BNIA.

SECTION 8. Flight Delays

8.1 The BNIA Airport Manager will be notified if a mechanical or operational delay is encountered which would cause the aircraft to remain at the gate/parking position beyond the scheduled operating time. If remaining at the gate/parking position interferes with an inbound flight, the Users will be responsible, at the request of the BNIA Airport Manager to remove the aircraft from the gate/position before the inbound aircraft's scheduled arrival time.

8.2 Any delayed arrival which arrives at a time which would interfere with the time slot of another scheduled flight, will be held away from the Authority Gate, until the facility is available for deplaning. The User and FAA Control Tower will coordinate and decide on a holding location.

SECTION 9. International Diversions

9.1 Any international flight diverted to BNIA will be handled at an Authority Gate, but only at a time that will not interfere with previously scheduled flights.

9.2 Should the diversion arrive at a time which interferes with a scheduled flight, the User and the FAA Control Tower will coordinate and decide on a

location to hold the diverted aircraft until a Authority Gate is available for deplaning.

SECTION 10. Responsibilities of Authority Gate Users

10.1 Obtaining operating times from the BNIA Airport Manager by submitting a completed copy of the Authority Gates Use Request Form.

10.2 Advising the BNIA Airport Manager of any cancellations or requested schedule changes by submitting a revised Authority Gates Use Request Form.

10.3 Arranging and providing all necessary ground handling services, equipment, and manpower, including notification of any necessary government agencies.

10.4 At the discretion of BNIA, accompany the BNIA representative on the inspection of the facilities before and after a flight.

10.5 Maintaining all applicable FAA security and U.S. Customs' requirements related to passenger handling and documentation.

10.6 Returning to the BNIA Airport Manager keys assigned for the use of the Authority Gates in a timely manner.

10.7 Executing and having on file with BNIA a Gate Use Permit.

10.8 Paying to BNIA all pertinent airport users fees incurred by the flight, as detailed above.

10.9 Advising the BNIA Airport Manager if any item requiring maintenance is discovered.

10.10 Ensuring that only trained personnel operate the jetbridge and baggage system.

10.11 Advising the BNIA Airport Manager if a delay is encountered which will cause the aircraft to remain at the gate beyond the scheduled departure time.

10.12 Removing or holding any delayed aircraft away from the Authority Gates if requested to do so by the Airport Manager.

SECTION 11. Responsibilities of BNIA

11.1 Scheduling the Authority Gates by use of an operating time slot system.

11.2 Accompanying, on a random basis, the representative of the Users on pre and post flight inspections of the facilities.

11.3 Providing the facilities, including ticket counter, baggage-handling devices, jetbridge, parking ramp, and hold room.

11.4 Providing all necessary maintenance of the Authority Gates.

Exhibit 3

Buffalo Niagara International Airport
 Gate Departure Schedule - Leased Gates
 March 01, 2017

Departure Time	Southwest			Delta			
	Gate 15	Gate 16	Gate 18	Gate 20	Gate 22	Gate 23	Gate 25
2115							
500							
500							
515							
530						DL #3898	
545	SW #1194				DL #802	Dep: 05:38	DL #1266
600	Dep: 05:55				Dep: 06:00	JFK	Dep: 06:00
615	BWI	SW #337			DTW	DL #4856	ATL
630		Dep: 06:30				Dep: 06:30	
645		FLL				MSP	
700							DL #3643
715			SW #342				Dep: 07:15
730			Dep: 07:30				LGA
745			PHX				
800							
815							
830							
845		SW #1381					
900		Dep: 09:00				DL #3938	
915		LAS				Dep: 09:15	
930						JFK	DL #3444
945							Dep: 09:50
1000							DTW
1015							
1030							
1045							DL #1672
1100					DL #4091		Dep: 11:01
1115					Dep: 11:10		ATL
1130					LGA		
1145							
1200			SW #1471			DL #4595	
1215			Dep: 12:15		DL #4103	Dep: 12:12	
1230			BWI		Dep: 12:34	DTW	
1245					JFK		
1300							DL #2659
1315							Dep: 13:10
1330							ATL
1345		SW #3891					
1400		Dep: 14:05					
1415		FLL					
1430					DL #3763		
1445					Dep: 14:50		
1500		SW #1601	SW #4677	DL #4141	JFK		
1515		Dep: 15:15	Dep: 15:10	Dep: 15:13		DL #3979	
1530		MCO	BWI	LGA		Dep: 15:30	
1545						DTW	
1600			SW #4173				DL #1159
1615			Dep: 16:15				Dep: 16:28
1630			TPA				ATL
1645							
1700							
1715		SW #635					
1730		Dep: 17:25	SW #4675			DL #4660	
1745		MDW	Dep: 17:45			Dep: 17:37	
1800			BWI			DTW	
1815							
1830				DL #4086		DL #3818	
1845				Dep: 18:45		Dep: 18:52	
1900				JFK		LGA	DL #1176
1915							Dep: 19:15
1930		SW #946					ATL
1945		Dep: 19:50					
2000		MCO					
2015							
2030							
2045							
2100							

Exhibit 4

Buffalo Niagara International Airport
 Calendar Year 2015
 Gate Utilization

All Gates				
Gate	Airline	Weekly Departures	Monthly Departures	Annual Departures
1	Unassigned ¹	2	10	119
2	Unassigned ²	9	40	481
2A	Unassigned ³	18	79	942
3	American	28	120	1,439
4	American	30	131	1,570
5	American	18	80	955
6	American	24	102	1,229
7	JetBlue	42	181	2,174
8	JetBlue	37	162	1,938
9	Unassigned ⁴	6	28	337
10	United	37	161	1,933
11	Unassigned ⁵	5	20	239
12	United	36	154	1,850
14	United	6	25	300
15	Southwest	17	73	875
16	Southwest	43	188	2,252
18	Southwest	39	168	2,014
19	Unassigned ⁶	10	43	513
20	Delta	22	94	1,122
21	Unassigned ⁷	12	52	626
22	Delta	28	123	1,473
23	Delta	42	181	2,175
24	Unassigned ⁸	4	19	224
25	Delta	31	134	1,602
26	Unassigned ⁹	9	40	483
Totals		555	2,405	28,865

Unassigned Gates are not leased

- ¹ Sunwing accounted for 94% of total gate usage at Gate 1
- ² American accounted for 100% of total gate usage at Gate 2
- ³ American accounted for 100% of total gate usage at Gate 2A
- ⁴ JetBlue accounted for 100% of total gate usage at Gate 9
- ⁵ American accounted for 94% of total gate usage at Gate 11
- ⁶ Southwest accounted for 100% of total gate usage at Gate 19
- ⁷ Southwest accounted for 100% of total gate usage at Gate 21
- ⁸ Delta accounted for 28% of total gate usage and United accounted for 72% of total gate usage at Gate 24
- ⁹ Delta accounted for 100% of total gate usage at Gate 26

Exhibit 4

Authority Owned Gates				
Gate		Weekly Departures	Monthly Departures	Annual Departures
1	Unassigned ¹	2	10	119
2	Unassigned ²	9	40	481
2A	Unassigned ³	18	79	942
9	Unassigned ⁴	6	28	337
11	Unassigned ⁵	5	20	239
19	Unassigned ⁶	10	43	513
21	Unassigned ⁷	12	52	626
24	Unassigned ⁸	4	19	224
26	Unassigned ⁹	9	40	483
Totals		75	330	3,964

¹ Sunwing accounted for 94% of total gate usage at Gate 1

² American accounted for 100% of total gate usage at Gate 2

³ American accounted for 100% of total gate usage at Gate 2A

⁴ JetBlue accounted for 100% of total gate usage at Gate 9

⁵ American accounted for 94% of total gate usage at Gate 11

⁶ Southwest accounted for 100% of total gate usage at Gate 19

⁷ Southwest accounted for 100% of total gate usage at Gate 21

⁸ Delta accounted for 28% of total gate usage and United accounted for 72% of total gate usage at Gate 24

⁹ Delta accounted for 100% of total gate usage at Gate 26

Preferential (Leased) Gates				
Gate	Lessee	Weekly Departures	Monthly Departures	Annual Departures
3	American	28	120	1,439
4	American	30	131	1,570
5	American	18	80	955
6	American	24	102	1,229
7	JetBlue	42	181	2,174
8	JetBlue	37	162	1,938
10	United	37	161	1,933
12	United	36	154	1,850
14	United	6	25	300
15	Southwest	17	73	875
16	Southwest	43	188	2,252
18	Southwest	39	168	2,014
20	Delta	22	94	1,122
22	Delta	28	123	1,473
23	Delta	42	181	2,175
25	Delta	31	134	1,602
Totals		480	2,075	24,901

Del. 12/16/98

ORIGINAL
C.F.

AIRPORT USE AND LEASE AGREEMENT

NIAGARA FRONTIER TRANSPORTATION AUTHORITY
Buffalo, New York

TABLE OF CONTENTS

SECTION 1.	DEFINITIONS	2
SECTION 2.	REPRESENTATIONS	10
SECTION 3.	TERM AND HOLDING OVER	11
SECTION 4.	TRANSFER OF OPERATIONS	11
SECTION 5.	RIGHTS AND LIMITS ON RIGHTS OF USE	12
SECTION 6.	PREMISES	22
SECTION 7.	RENT	26
SECTION 8.	LANDING FEE	27
SECTION 9.	TERMINAL RAMP FEES	28
SECTION 10.	PASSENGER FACILITY CHARGES	29
SECTION 11.	INFORMATION ON AIRLINE OPERATIONS	29
SECTION 12.	STATEMENT OF AIRLINES' ESTIMATED ANNUAL RENT, FEES AND CHARGES, PAYMENT OF AIRLINES' FEES AND CHARGES	30
SECTION 13.	ADJUSTMENT OF AIRLINE RENT, FEES AND CHARGES	31
SECTION 14.	YEAR-END ADJUSTMENT OF AIRLINE RENT, FEES	32
SECTION 15.	TRANSPORTATION SERVICES, NET SURPLUSES ALLOCATION	33
SECTION 16.	RESERVES	36
SECTION 17.	COVERAGE	36
SECTION 18.	PLACE OF PAYMENT, LATE PAYMENTS	36
SECTION 19.	SECURITY DEPOSITS	37
SECTION 20.	AUTHORITY'S RIGHT TO CURE AIRLINE DEFAULT	38
SECTION 21.	RIGHT TO CONTEST NO ABATEMENT OR SET-OFF	39
SECTION 22.	CAPITAL IMPROVEMENT PROGRAM	39
SECTION 23.	INDEMNITY AND INSURANCE	40
SECTION 24.	UTILITIES	42
SECTION 25.	QUIET ENJOYMENT	43
SECTION 26.	INSTALLATION OF IMPROVEMENTS	43
SECTION 27.	MAINTENANCE AND REPAIRS	45
SECTION 28.	HAZARDOUS MATERIALS	46
SECTION 29.	DAMAGE OR DESTRUCTION OF PREMISES	49
SECTION 30.	SAFETY OF PASSENGERS	51
SECTION 31.	LOADING AND UNLOADING FACILITIES	52
SECTION 32.	RULES AND REGULATIONS	52
SECTION 33.	ACCESS	53
SECTION 34.	CANCELLATION BY AUTHORITY	54
SECTION 35.	CANCELLATION BY AIRLINE	55
SECTION 36.	SURRENDER OF POSSESSION	56
SECTION 37.	ASSIGNMENT AND SUBLETTING	57
SECTION 38.	MISCELLANEOUS	58
SECTION 39.	LEASE MADE IN STATE OF NEW YORK	68
SECTION 40.	NO WAIVER OF RIGHTS	68
SECTION 41.	COMPLIANCE WITH FEDERAL LAWS AND REGULATIONS	69

TABLE OF EXHIBITS

EXHIBIT

- A Airport Layout Plan (approved May 16, 1997)

- B Leased Premises
 - B-1 Summary Existing East & West Terminal and Ramp Area

 - B-2 Drawings
 - SA1 - Arrivals and Apron Level dated 3/12/97
 - SA2 - Departures and Concourse Level dated 3/12/97
 - SA3 - Ramp Area Space Allocation Plan dated 3/14/97

 - B-3 Summary New Terminal Leased Premises

- C Schedule of Airline/Authority CIP Responsibilities

- D Rental Rate Formula
 - D-1 East Terminal Rental Rate
 - D-2 West Terminal Rental Rate
 - D-3 New Terminal Rental Rate

- E Landing Fee Formula

- F Terminal Ramp Fee Formula

- G Example of Transportation Services Net Surplus Allocation

- H Insurance Specifications Re: Construction
 - H-1 Non-Air Side Projects
 - H-2 Air Side Projects

- I Description of Capital Improvement Program ("CPI")

- J Cost Centers
 - J-1 Landing Fee Rate Cost Centers
 - J-2 Terminal Rental Rate Cost Centers

- K Schedule of Responsibility for Maintenance and Repairs of the Terminal

Airline certain premises and facilities and to grant certain rights as hereinafter set forth, upon the terms and conditions hereinafter set out.

NOW, THEREFORE, for and in consideration of the premises and of the mutual terms, covenants and conditions herein contained, the Authority and the Airline do hereby agree as follows:

SECTION 1. DEFINITIONS

The following words and phrases, wherever used in this Agreement, shall, for the purpose of this Agreement, have the following meanings:

1. "Agreement" means this Airport Use and Lease Agreement between the Authority and the Airline, and includes and incorporates the Appendices, Schedules and Exhibits annexed hereto, as the same may be modified or supplemented from time to time.

2. "Air Transportation Business" means the business operated by Airline at the Airport for the commercial transportation by air of persons, property, cargo and/or express freight and mail.

3. "Airline" means the air carrier that has executed this Agreement and is identified in the first paragraph of this Agreement.

4. "Airport" means Greater Buffalo International Airport, to be known as Buffalo Niagara International Airport upon the opening of the new Terminal Building, owned and operated by the Authority, as shown in Exhibit A attached hereto as revised from time to time by the Authority, including all real property and easements, improvements and appurtenances thereto, structures, buildings, fixtures, machinery, equipment, vehicles, supplies, and other tangible personal property or interest in any of the foregoing, now or hereafter leased or acquired by Authority, less any thereof which may be consumed, sold or otherwise disposed of.

5. "Airport Funding Purposes" means the issuance or

entering into by the Authority of any Bonds for the purpose of providing funds for any Airport purpose, including, but not limited to, the funding of Capital Expenditures; judgments, termination payments, liquidated damage amounts or other liabilities of the Authority; current or accrued environmental or other expenses (including Maintenance or Operating Expenses); off-Airport expenditures, including, but not limited to, noise abatement expenditures; or any expenditures mandated by Federal or State authorities having jurisdiction over the Airport.

6. "Airport Manager" means the person so designated by the Authority.

7. "Airport System" means the Airport and the Niagara Falls International Airport and any other airport hereafter owned or operated by the Authority.

8. "Amortization Requirements" means the recovery of capital costs as principal and interest, in substantially equal annual installments over a fixed term for a Capital Expenditure which is not debt financed.

9. "Authority" means the Niagara Frontier Transportation Authority.

10. "Bonds" means any bonds, notes, evidences of indebtedness or any other agreement, payments under which are not treated as a Maintenance and Operating Expense, issued or entered into in connection with an Airport Funding Purpose or any Financial Agreement (including any of the foregoing entered into or issued to refund, refinance, settle, compromise, terminate or liquidate the obligations of the Authority under any Bonds).

11. "Bond Resolution" means Master Resolution and Supplemental Resolution adopted May 12, 1994 and any other resolution of the Authority regulating or authorizing the issuance of Bonds with respect to the Airport System or any other authorized purpose of the Authority related to the Airport System.

12. "Capital Charges" means (i) Debt Service, (ii) Amortization Requirements, and (iii) the cost of any other single item made to improve, maintain, or develop the Airport

System which is not a Capital Expenditure.

13. "Capital Expenditure" made by the Authority shall include but not be limited to: a) the acquisition of land or easements; b) the purchase of machinery, equipment or rolling stock; c) the planning, engineering, design, and construction of new facilities; or d) the performance of any extraordinary, nonrecurring major maintenance of facilities that may be acquired, purchased, or constructed by Authority to improve, maintain, or develop the Airport, any single item of any of the foregoing which has a net (of non-Airline revenues and moneys applied to such cost) cost of one hundred thousand dollars (\$100,000) or more and a useful life in excess of one year. All expenditures made in connection with the Capital Improvement Program shall be deemed Capital Expenditures.

14. "Capital Improvement Program" (CIP) means the program of capital improvements which will or may be undertaken by the Authority as more particularly described in Exhibit I, and as it may be modified from time to time by the Authority.

15. "Common Use Formula" means the formula used to allocate the Common Use Space and the resulting charge which shall be prorated equally among the total number of airline users and non-airline users for each area of Common Use Space shown on Exhibit B. Each user shall be allocated its pro-rata share of space and shall be charged the terminal rental rate per square foot for its share of the space. The Authority shall assume the non-airline users share of space, i.e. Authority and non-airline tenants.

16. "Contract Year" means the period July 1 to June 30.

17. "Cost Centers" mean those activities or areas of cost which relate to the Airport System facilities, areas, or functions, as they now exist or as they may hereafter be modified, changed, or developed, that are to be used to accumulate direct and indirect expenses . Authority, in accordance with generally accepted accounting practices, shall

have the right to establish those activity centers and Cost Centers as may be necessary, in Authority's reasonable discretion, for the operation of the Airport System. The current Airline Cost Centers are those shown on Exhibit J attached hereto and made a part hereof.

18. "Coverage" means the formula prescribed by the Bond Resolution to determine the amount of Revenue the Authority covenants and agrees to generate in each Fiscal Year in excess of Maintenance and Operating Expenses.

19. "Current Fiscal Year" means the last Fiscal Year commenced prior to the beginning of the Contract Year.

20. "Debt Service" means all payments made on, in connection with or under Bonds, including, but not limited to, principal (including mandatory sinking fund installments, mandatory or optional redemptions or purchases or acceleration of principal), interest or premium payments; payments under any financial instrument, contract or agreement constituting Bonds; amounts required to establish, maintain, or increase reserves for Bonds and the Airport as required by the Bond Resolution and amounts defined and required to be treated as debt service under the Bond Resolution.

21. "Debt Service Reserve Fund" shall mean the fund or funds and account or accounts established pursuant to the Bond Resolution for the deposit of funds or security necessary to satisfy the Debt Service Reserve Requirement.

22. "Debt Service Reserve Requirement" means the reserve as defined in the Bond Resolution for all series of Bonds.

23. "Enplaned Passenger" means any passenger boarding at the Airport, including any such passenger that previously disembarked from another aircraft of the same or a different airline, or from the same aircraft, then operating under a different flight number. The total number of Airline's Enplaned Passengers includes all local boarding, interline transfer, and intraline transfer passengers boarded by Airline or by any airline flight groundhandled or otherwise accommodated by Airline

if that airline does not directly report to the Authority, but does not include Airline employees, invitees and retirees traveling on a non-revenue ticket.

24. "Executive Director" means the Executive Director of the Authority or his designee.

25. "FAA" means the Federal Aviation Administration of the U.S. Government or any federal agencies succeeding to its jurisdiction.

26. "Financial Agreement" means any financial instrument or agreement entered into by the Authority in connection with the Airport payments under which are not treated as a Maintenance and Operating Expense and under which the Authority incurs an obligation to make payments from, or perform obligations the failure to perform same will or could result in a pledge of or charge or lien upon, among other things, Revenues, including, but not limited to, any instrument, contract or agreement providing liquidity or credit support in connection with a Bond issue, reserve fund requirement, or otherwise, including letters of credit, committed lines of credit, insurance policies, surety bonds or standby bond purchase agreements; guaranteed investment contracts; reimbursement agreements; agreements providing for forward investment of debt service funds, debts service reserve funds or other funds and accounts of the Authority; interest rate or payments exchange agreements; hedge agreements, interest rate floors or caps, options, puts or calls or any other financial instrument that enables, or enhances the ability of, the Authority to perform any Airport purpose.

27. "Fiscal Year" means the Authority's annual accounting period for general accounting purposes, currently the twelve (12) month period commencing April 1 and extending through March 31 of the following year, or such other twelve (12) month fiscal period as may be adopted by the Authority.

28. "Joint Use Formula" means the formula used to prorate eighty percent (80%) of the specified charge which shall be the ratio of the number of each airline's Enplaned Passengers at a Terminal Building during the most recent month for which

such information is available to the total number of Enplaned Passengers of all airlines at that Terminal Building during that same month. The remaining twenty percent (20%) will be prorated equally to all airlines using the service or space. Joint Use Formula may also mean such other formula as may be agreed upon by a simple majority of Signatory Airlines using the service or space and approved by Authority.

29. "Landing Area" means those areas on the Airport that provide for the landing, takeoff, taxiing, parking, or other operations of aircraft, and for clear zones and citing of navigation aids as such areas now exist or as they may hereafter be modified or developed. The Landing Area is made up of two subcost centers defined as follows:

"Terminal Ramp Area" means those areas of the Airport adjacent to the Terminal Building that provide for the parking, loading, unloading, and servicing of aircraft.

"Other Landing Areas" means those areas of the Airport that provide for the landing, takeoff, and taxiing of aircraft and the approach and clear zones, infield areas, and navigational aids.

30. "Leased Premises" means the space leased to or used by the Airline under this Agreement, depicted in Exhibit B, as revised from time to time and shall also mean such other, different and/or additional space as may be leased to or used by Airline during the Term of this Agreement by reason of the construction and/or completion of the Capital Improvement Program. Leased Premises shall include the following four (4) categories of space:

(a) "Common Use Space" -- means space utilized by one or more airlines and/or the Authority and non-airline tenants.

(b) "Exclusive Use Space" -- means space

exclusively leased to the Airline.

(c) "Joint Use Space" -- means space leased jointly to the Airline and one or more other airlines.

(d) "Preferential Use Space" -- means those portions of the Terminal Building and Terminal Ramp Area assigned to the Airline on a non-exclusive basis which the Airline has a first right to use but which the Authority may authorize others to use when not in use by the Airline, subject to the terms and conditions contained in Section 5 of this Agreement. 6

31. "Maintenance and Operating Expenses" means, for any Fiscal Year, Authority's annual expenses of maintaining, repairing, operating and administering the Airport including any expenses required to be paid by the Authority pursuant to any Bond Resolution or by law and including, for the purpose of this Agreement, equipment purchases and capital outlays related to the operation of the Airport which cost less than one hundred thousand dollars (\$100,000) each (net of any non-Airline revenues, grants and PFC proceeds applied to such purchases and outlays) or any other cost or expenditure which is treated as a maintenance or operating expense under generally accepted accounting practices; provided, however, that such expenses shall not include any reserves for renewals, replacements, extraordinary repairs; depreciation; debt service requirements; or Capital Expenditures.

32. "Maintenance and Operation Reserve Requirement" means any requirement of the Bond Resolution that a reserve be created and maintained sufficient to pay budgeted Maintenance and Operation Expenses, as set forth in the Bond Resolution.

33. "Maximum Certificated Gross Landing Weight" means the maximum weight in one thousand pound (1,000 lb.) units at which each aircraft operated by the Airline at the Airport is authorized by the FAA to land, as recited in the Airline's flight manual governing that aircraft.

34. "Prior Fiscal Year" means the last Fiscal Year completed prior to the beginning of the Contract Year.

INITIAL
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35. "Requesting Airline" means an air carrier, whether a Signatory Airline, nonsignatory, new entrant or incumbent airline requesting to lease or use of Airport premises.

36. "Revenues" means income received by Authority in accordance with generally accepted accounting practices from or in connection with the ownership or operation of the Airport System or any part thereof, or the leasing or use thereof, all as defined and determined in accordance with the Bond Resolution.

37. "Revenue Aircraft Arrivals" means any aircraft arrival at the Airport other than an emergency landing or a nonrevenue, ferry, or test flight. Revenue Aircraft Arrival shall not include any flight that, without making a stop at any other airport, returns to the Airport because of mechanical, meteorological, or other precautionary reason.

38. "Rules and Regulations" means those nondiscriminatory rules and regulations promulgated by Authority as currently in effect and as they may be amended or modified from time to time.

39. "Signatory Airline" means Airline, including code-sharing affiliates, commuter air carrier(s) wholly owned by Airlines, providing air transportation of passengers, property, cargo, and/or mail to and from the Airport which has executed an agreement with the Authority substantially similar to this Agreement covering the use and occupancy of facilities at the Airport.

40. "Substantial Completion Date" means the date on which the Authority certifies any portion of the Capital Improvement Program or any other improvement at the Airport to be available for beneficial occupancy.

41. "Terminal Building" means the East and West Terminal Buildings as they now exist together with the associated concourses and satellites and as shown on Exhibit A, or the new Terminal Building upon Substantial Completion of that portion of the Capital Improvement Program, in either case, as they may be reconstructed, modified, changed, developed or replaced either temporarily or permanently.

42. "Total Landed Weight" means the sum of the Maximum Certificated Gross Landing Weight for all Revenue Aircraft Arrivals over a stated period of time. Said sum shall be rounded to the nearest thousand pounds (1,000 lbs.) for all landing fee computations.

Additional words and phrases used in this Agreement but not defined herein shall have the meanings as set forth in the Bond Resolution, or if not so set forth, shall have their usual and customary meaning.

SECTION 2. REPRESENTATIONS

A. Authority Representations.

The Authority represents and warrants that it is a public authority duly established by the State of New York by Chapter 717 of the Laws of 1967 and existing in good standing under the laws of the State of New York. This Agreement has been duly authorized by all necessary Authority action on the part of the Authority, does not require any further approvals of the Federal, State or local government or body and this Agreement does not contravene the Authority's certificate of incorporation or bylaws or any indenture, credit agreement or other contractual agreement to which the Authority is a party. The Authority warrants that this Agreement constitutes a legal, valid and binding obligation of the Authority.

B. Airline Representations.

The Airline represents and warrants that it is a corporation duly created and validly existing under the laws of the State of Delaware, and is authorized to do business under the laws of the State of New York. This Agreement has been duly authorized by all necessary corporate action on the part of the Airline, does not require any further approvals of the Federal, State or local government and this Agreement does not contravene the Airline's certificate of incorporation or bylaws or any indenture, credit agreement or other contractual agreement to which the Airline is a party. This Agreement constitutes a legal, valid and binding obligation of the Airline.

SECTION 3. TERM and HOLDING OVER

A. Term

This Agreement shall be effective as of July 1, 1997 and continuing through June 30, 2002, subject to prior termination under the terms of this Agreement.

B. Holding Over

If the Airline remains in possession of the Leased Premises after the expiration of this Agreement without any written renewal thereof, such holding over shall not be deemed as a renewal or extension of this Agreement, but shall create only a tenancy from month to month that may be terminated at any time by either party upon thirty days advance written notice one to the other. Such holding over shall otherwise be upon the same terms and conditions as set forth in this Agreement.

SECTION 4. TRANSFER OF OPERATIONS

A. It is recognized by Airline and Authority that during the term of this Agreement it will be necessary for the Authority to reassign the Airline to different mutually acceptable Leased Premises in order to implement the Capital Improvement Project. In making such reassignments, the Authority shall not be arbitrary or capricious.

B. Authority shall make available to Airline its new Leased Premises under the Capital Improvement Program on or about July 1, 1997, for the purpose of installation of equipment and furnishings. Airline shall have the right and obligation to install its own equipment and furnishings, in accordance with Exhibit C attached hereto and made a part hereof, in its new Leased Premises and shall be ready to operate from its new Leased Premises on the estimated opening date of the Terminal of October 31, 1997, or such other date as may be agreed to by the parties. Airline shall be solely responsible for all costs associated with moving, disposing of, or relocating its equipment and furnishings out of the East or West Terminal Buildings. The Airline shall be responsible for the costs associated with a single relocation of

Airline's jet bridges to either the new Terminal Building or an interim area. Any subsequent relocation of jet bridges, due to delayed completion of the Capital Improvement Project, shall be at the sole cost of the Authority.

C. Airline shall begin its operations from its new Leased Premises on the Substantial Completion Date thereof.

D. Authority and Airline have agreed upon certain responsibilities and other details incident to the Capital Improvement Program which are reflected in this and other Sections hereof and on Exhibit C hereto.

SECTION 5. RIGHTS AND LIMITS ON RIGHTS OF USE

A. Use of Airport

The Airline shall have the right to the use, in common with others authorized to do so, of the common areas of the Airport, and appurtenances, together with all facilities, improvements, equipment and services which have been or may be provided at or in connection with the Airport from time to time including, without limiting the generality thereof, the Landing Area, and any extensions thereof or additions thereto, runways, terminal aprons, roadways, taxiways, sewerage and water facilities, floodlights, approach lights, beacons, control tower, signals, radio aids, and all other common use conveniences for flying, landings and take-offs of aircraft of the Airline. That use, without limiting the generality hereof, shall include:

- (1) The operation of its Air Transportation Business by aircraft for the carriage of persons, property, cargo and/or express freight and mail.
- (2) The servicing, towing, or parking of aircraft or other equipment owned or operated by the Airline or other certificated airlines with which the Authority has an agreement, including the right to provide or handle part or all of the operations or services of such other airlines on Airline's preferentially leased Terminal Ramp Area, subject to the Rules and Regulations, including any permit

requirement or payment of fees required by the Authority for provision of services to other airlines except services provided by Airline to subsidiaries, code-share affiliates and merged companies.

- (3) The right to train personnel in the employ of or to be employed by the Airline in areas designated for such purpose by the Authority. Training activities shall not unreasonably hamper or interfere with the use of the Airport and its facilities by others seeking or entitled to such use. The Authority reserves the right to restrict any training operations it deems to interfere with the safe and efficient use of the Airport and its facilities.
- (4) The right to sell, lease, transfer, dispose of or exchange the Airline's aircraft, engines, accessories and other equipment. The Airline is specifically permitted to sell or dispose of any article of goods used by, or bought for use by, the Airline in connection with its operation of its Air Transportation Business.
- (5) The right to service aircraft or other equipment, owned or operated by the Airline, by truck operated by the Airline or an agent of its choosing, or otherwise, with aviation fuel, oil, greases and any other fuel or propellant, de-icing fluid or other supplies required by the Airline, subject to the Rules and Regulations, including any requirement that such agent or third party secure a permit from and/or pay fees to the Authority.
- (6) The right to land, take off, fly, taxi, tow, load and unload aircraft and other equipment owned or operated by the Airline, including but not limited to the right to load and unload passenger aircraft

and equipment adjacent to a convenient entrance or access to the Terminal Building at loading gates or public apron areas or the Terminal Ramp Area reasonably designated for such purpose; provided, however Airline shall not permit the use of the Landing Area by any aircraft operated or controlled by Airline which exceeds the design strength or capability of the Landing Area as described in the then current FAA-approved Airport Layout Plan (ALP) or other engineering evaluations performed subsequent to the then-current ALP, including the then-current Airport Certification Manual.

- (7) The right to transport, load and unload persons, property, cargo and/or express freight and mail at the Airport by such motor cars, buses, trucks, or other means of conveyance as the Airline may desire or require in the operation of its Air Transportation Business. The parties understand and agree that the transportation of the Airline's passengers and their baggage from the Airport generally will be accomplished by ground transportation concessionaires having an agreement with the Authority for such purpose and that such arrangement shall at all times be so conducted as to afford the Airline and its passengers prompt and good service. Any vehicular access to the air operations area shall be subject to such permitting and insurance requirements as Authority may establish and which requirements will be provided in writing to Airline.
- (8) The right to install, maintain and operate computer data lines, telephone communications equipment and associated conduits, and telephone communications switchgear and support computers at suitable locations in the Airport, as may be

necessary or convenient in the opinion of the Airline for its operations; provided that: a) the location of such equipment shall be subject to the prior written approval of the Authority; b) the use and location of such equipment shall not interfere with the use of other similar equipment in the Airport; c) the equipment does not generate revenue e.g. public accessible pay telephones and pay fax machines; and that, d) the use and location of such equipment in the Airport, if not on Exclusive Use Space, Preferential Use Space or Joint Use Space, shall be subject to payment of such nondiscriminatory reasonable fees or charges as may lawfully be established by the Authority for such use of the Airport by the Airline, it being expressly understood that there shall be no fee or charge for the installation, maintenance, and operation of associated conduits or other communication lines.

The Authority reserves the right to place telephones and associated equipment in the Airline's holdrooms in locations mutually agreeable to Airline and Authority.

- (9) The right to exercise on behalf of any other airline having an agreement permitting operation at the Airport any of the rights granted the Airline under this Agreement, so long as the Airline is concurrently exercising those rights in the conduct of the Airline's own Air Transportation Business, and so long as the Airline secures any permits required by the Authority.
- (10) The right to contract with a third party to provide to it or to perform for it any of the services or functions which it is entitled to perform under this Agreement, provided that any

third party secure any permits and pay all fees reasonably required by the Authority. The contractual relationship between any third party and the Airline shall not affect in any way the fulfillment of the Airline's obligations, including those of insurance and indemnification, under this Agreement.

The provisions of this Section shall not be construed as authorizing the conduct of a separate business by the Airline, but shall permit the Airline to perform such functions as an incident to its Air Transportation Business. The rights established in this Section shall not be exercised so as to interfere with Authority's operation of the Airport for the benefit of all aircraft operators using the Airport.

B. Use of Premises

The Airline shall have the right to the use of the Leased Premises for purposes related and incidental to the Airline's Air Transportation Business including, without limiting the generality hereof:

- (1) The handling of reservations and the ticketing, including electronic ticketing, billing and manifesting of passengers, baggage, property, cargo and mail, load planning, conduct of activities relating to flight operations, dispatch and weather; storage of supplies, crew ready room, locker rooms, and rest rooms.
- (2) To the extent not inconsistent with the Capital Improvement Program and Exhibit C, the right to install, maintain and operate certain baggage handling equipment, flight information counters and electronic flight information display systems, computer baggage scales, office equipment and other necessary facilities, passenger handling equipment and facilities; radio and other communications equipment and facilities; meteorological and navigational equipment and

facilities; and repair, maintenance and servicing equipment and facilities but only in areas designated by Airport Manager. No externally mounted antenna may be installed without prior written approval of the Airport Manager.

- (3) The right to install identification and directional signs in and upon the Leased Premises, the size and content to be first approved by the Authority, except that the Airline will not erect or maintain, nor permit to be erected or maintained, upon the Leased Premises, any signs, without obtaining in advance the written consent and approval of the Authority. Within sixty (60) days of the termination or expiration of this Agreement, on the request of the Authority, the Airline shall remove all the signs installed by it on the Leased Premises or elsewhere on the Airport and shall restore the sites of such signs to their original condition, normal wear and tear excepted. The Airline further agrees not to use the public address system for advertising purposes nor to use said system in a disturbing, offensive or boisterous manner.

The Authority reserves the right to place advertising displays in all areas of the Airport accessible to the public at large, except for the Airline's Exclusive Use Space or Preferential Use Space.

- (4) The right, for itself, its employees, agents, passengers, guests, patrons and invitees, in common with others, to use any and all public space which the Authority may designate from time to time in the Terminal Building, including the lobby, waiting rooms, hallways, elevators, escalators, if any, rest rooms and any other public and passenger conveniences.

Access to and from the Terminal Ramp Area and the public concourse via all stairways shall be made available upon the prior request of the Authority and without prior request where emergency conditions mandate use of all possible fire exits for the public safety; but any continuous or periodic use of same shall result in an equitable adjustment in the rental charged the Airline.

- (5) The right to install, maintain, and operate passenger clubs, lounges, or VIP rooms in the Airline's Exclusive Use Space, subject to the prior written approval of the Authority and the requirements of subsection C(5) of this Section and provided that such right shall not be construed as authorizing the conduct of a separate regular business by the Airline, but as permitting the Airline to perform only such functions as are incidental to the conduct or operation of its Air Transportation Business.
- (6) The right to the use of reasonably adequate vehicular parking facilities for its employees employed at the Airport in common with other employees and employees of Airline's contract service providers. Such facilities shall be located in an area designated by the Authority. The Authority reserves the right to assess a reasonable charge for such employee parking facilities.

Rights-of-way to be designated by the Authority shall include but shall not be limited to rights-of-way extending from the adjacent aprons and/or the Leased Premises at the Airport on which the Airline or its fuel supplier now maintains or hereafter may maintain bulk storage facilities or fuel supply lines, and shall be subject to existing similar or related rights of way given to others at the Airport.

C. Restrictions On Rights

- (1) Subject always to the rights of the Airline to use the Leased Premises for the purposes specified in this Agreement, the Airline shall not do or knowingly permit anything to be done in or about the Leased Premises, or bring or keep anything therein which will in any way increase the rate of fire insurance upon any Terminal Building or any of its contents, or which will in any way conflict with any law, ordinance, rule or regulation which may now or hereafter be enacted or promulgated by Authority or the federal or state government including agencies and departments thereof, the FAA or any other public authority, or create a nuisance, or in any way obstruct or unreasonably interfere with rights of other tenants of any Terminal Building, or injure or annoy them, or allow any sale by auction upon the Leased Premises, or commit or suffer to be committed any waste upon the Leased Premises, or place any loads upon the floor, walls or ceiling which endanger the structure, or obstruct the sidewalk or passageways or stairways in front of, within, or adjacent to the Leased Premises, or do or permit to be done anything in any way tending to unreasonably disturb the occupants of the Terminal Building. Nothing in this Section 5 shall be construed as authorizing Airline to conduct any business separate and apart from its Air Transportation Business at the Airport.
- (2) The Airline shall not do or permit its agents, directors or employees to do any act or thing upon the Airport that will be in conflict or violate the requirements of FAA Federal Aviation Regulation Part 139, "Certification and Operations: Land Airports Serving Certain Air

Carriers," or any successor document, or jeopardize the Airport's operating certificate obtained pursuant to such Federal regulation.

- (3) The Airline shall not do or permit its agents, directors or employees to do any act or thing upon the Airport that will be in conflict with or violate the requirements of FAA, Federal Aviation Regulation Part 107, "Airport Security," or any successor document, or the Airport's FAA-approved security plan. Unless security or operational circumstances dictate otherwise, Airline agrees that the Part 107 security checkpoint will open to all ticketed and non-ticketed patrons approximately one (1) hour prior to the first scheduled departure and close no sooner than one-half hour after the last departure. In the event the Authority requires security checkpoint services past one-half hour after the last departure, the Authority shall reimburse the Airline for the actual cost of providing such security.
- (4) The Airline, by accepting this Agreement, expressly agrees for itself, its successors, and assigns that it will not use the Leased Premises in any manner that might interfere with the landing and taking off of aircraft at the Airport or otherwise constitute a hazard. In the event the aforesaid covenant is breached, upon notice to the Airline and reasonable opportunity to cure, the Authority reserves the right to enter upon the Leased Premises and cause the abatement of such interference at the expense of the Airline.
- (5) The Airline shall not maintain or operate in the Terminal Building or elsewhere on the Airport a cafeteria, restaurant, bar or cocktail lounge for the purpose of selling food or beverage to the

public or to its employees and passengers nor shall the Airline in any manner otherwise provide for the sale of food and beverages at the Airport except through vending machines as permitted herein. The Airline may by separate agreement containing reasonable terms and conditions engage in the sale of food or beverage at any "V.I.P. room" or similar private club at the Airport, provided, however, the Airline shall then pay a nondiscriminatory concession fee, not to exceed 14% on the sale of food and non-alcohol beverages and 15% on the sale of alcoholic beverages, provided no such payment shall be required with respect to items obtained from concessionaires already obligated to make such payments to the Authority, to the Authority, in addition to the rental charge for the space occupied by such club. No concession fee will be levied with respect to food and beverage that the Airline provides but does not charge for at such clubs or in Airline holdrooms to passengers boarding aircraft.

- (6) The Airline shall not store fuel, shall not block the taxiways and shall not park any aircraft in such a manner as to interfere with Airport operations. All refueling trucks must be approved, including their routing and parking, by the Authority.
- (7) The Airline shall not perform maintenance and/or repairs on ground support equipment including, but not limited to, vehicles, baggage carts, power units and trucks on Terminal Ramp areas or at any location other than as directed by the Authority in writing to Airline.
- (8) The Airline shall store de-icing/anti-icing fluids only in areas approved by the Airport Manager. The Authority reserves the right to assess a

reasonable rental charge for any such storage areas. The Airline shall apply de-icing/anti-icing fluids only in areas designated by the Airport Manager. Upon transfer of operations to the New Terminal, de-icing/anti-icing fluids may only be applied at specified containment areas located at the Terminal Ramp areas and at remote aircraft parking areas provided that containment areas have been installed and no application will be allowed at any other location on airport property except as designated by the Airport Manager. The Authority will implement a collection, storage and disposal system for these fluids upon transfer of operations to the New Terminal. The Authority reserves the right to include the costs associated with the operation and maintenance of this system in the Airline rates and charges.

The rights and privileges granted Airline pursuant to this Section 5 shall be subject to any and all reasonable Rules and Regulations established by Authority and to the provisions of Section 7. Any and all rights and privileges not specifically granted to Airline for its use of and operations at the Airport pursuant to this Agreement are hereby reserved for and to Authority.

SECTION 6. LEASED PREMISES

The Authority does hereby let and grant to the Airline and the Airline does hereby hire and take from the Authority the Airline's "Exclusive Use Space", "Preferential Use Space" and "Joint Use Space" in the Terminal Building and designated aircraft parking positions on the Terminal Ramp Area, as more particularly delineated in Exhibit B as revised from time to time. In addition, Airline shall have the non-exclusive right to use the Common Use Space delineated in Exhibit B.

Changes to Leased Premises depicting the letting of

space to a new entrant Airline, the letting of additional space to a Signatory Airline and the deletion of space due to an Airline bankruptcy shall be evidenced by the Authority's transmittal of a revised Exhibit B to Airline. Said revised Exhibit B shall be substituted herein and considered part of this Agreement without the necessity of amendment of this Agreement.

In the event changes to Exhibit B reflect changes in the premises leased to tenants other than Signatory Airlines, or reflect other space changes not inconsistent with the provisions of this Agreement, then in such event said revised Exhibit B may be substituted herein and be considered part of this Agreement without the necessity of amendment of this Agreement.

Authority may designate areas in the Terminal Building, or elsewhere on the Airport to be used by agencies of the United States government for the inspection of passengers and their baggage, and for the exercise of the responsibilities of said agencies with respect to the movement of persons and property to and from and among the United States.

A. Efficient Use Of Premises

The Airline and the Authority agree that efficient use of available Terminal Building space and facilities and minimizing disruptions to existing Airport lessees are common goals. During the term of this Agreement:

- (1) New entrant airlines initiating service at the Airport may need facilities.
- (2) Existing airlines may wish to expand their operations at the Airport.
- (3) Conditions may materialize within the Terminal Building whereby it would be prudent to relocate Airlines within existing facilities.
- (4) Due to the Capital Improvement Program it may be necessary to relocate Airlines.
- (5) Due to other construction it may be necessary to relocate Airlines at Authority's sole cost and expense into mutually acceptable alternate premises in the Terminal Building.

In the event any or a combination of the these or other conditions occur, the Authority may request, in writing, the cooperation and assistance of the Airline, in conjunction with other Signatory Airlines as appropriate, to determine satisfactory solutions for the handling of passengers, baggage and aircraft in a manner that maximizes and assures efficient use of the Terminal Building space and facilities. The Airline agrees to cooperate fully with the Authority and to use its best efforts to determine such satisfactory solutions. Any such solutions could include, but need not be limited to, an assignment, sublease, or temporary shared use of a portion of the Airline's Leased Premises; a ground handling agreement; construction of new facilities; use of temporary facilities; or any combination thereof.

In the event that the Authority and the Signatory Airlines are unable to reach a mutually agreeable satisfactory solution accommodating the needs of new entrants or incumbents wishing to expand service, the Authority may require that the Airline supply information regarding past and planned utilization of Airport facilities. Based on the information supplied by the Airline and other information available to the Authority, the Authority may determine that the Airline has capacity available to accommodate any requested shared use, and may require such sharing of Leased Premises. If the Airline refuses to provide the required information, the Authority may presume that the Airline has such capacity available. The Authority may, after considering any information submitted by Airline, require Airline to adjust its Leased Premises to permit the Authority to assure the most efficient use of the Terminal Building. Any such required modification to Airline's Leased Premises shall result in an adjustment of Airline's rent and other charges reflecting such modification, including a credit for unamortized capital improvements made by the Airline. In such circumstances Airline shall not be responsible for the costs of any physical modification required to the Leased Premises.

When the Authority undertakes Terminal Building

demolition and/or modifications to implement the Capital Improvement Program, as contemplated under subparagraph (4) above, then the Airline and the Authority shall use their best efforts to reach a satisfactory solution as to the handling of passengers, baggage and aircraft that will permit construction of the Capital Improvement Program to proceed in a timely fashion.

B. Preferential Use of Aircraft Parking Positions.

Aircraft parking positions on the Terminal Ramp Area of the Terminal Building will be assigned on a Preferential Use Space basis. The Airline will have priority in using such facilities assigned to it on a Preferential Use basis to accommodate its scheduled flights and those of any airline being ground handled by the Airline under an approved ground handling agreement; however, the Authority may assign any such facility for use by others in periods when they are not used by the Airline, so long as unassigned position(s), or any position(s) reserved by the Authority, are not available and such facility is vacated by others at least sixty (60) minutes prior to the Airline's next scheduled arrival at said parking position.

The Authority shall adopt and publish a policy regarding the assignment of airlines to the use of aircraft parking positions, associated holdroom areas and loading bridges, consistent with the provisions of this Section. Application of the policy shall be the sole responsibility of the Executive Director.

If another airline is assigned by the Authority to use the Airline's preferentially-assigned aircraft parking position(s), or Airline's associated holdroom area(s) or loading bridge(s), such airline shall enter into an agreement with the Airline covering the use of such space, and shall agree to pay the Airline a reasonable fee for each use. Said fee shall be based upon the cost of providing and maintaining such space and shall be limited to the total cost of providing and maintaining the space and facilities, plus an administrative surcharge not to exceed fifteen percent (15%), allocated among the total number of uses of the space. The Airline shall have the right to require

the other airline(s) to indemnify, defend and hold harmless the Airline against liability arising out of such use.

SECTION 7. RENT

A. The annual rent payable to the Authority for the Exclusive Use Space, Preferential Use Space, Joint Use Space and Common Use Space in Airline's Leased Premises shall be calculated according to this subsection and Exhibit D. The share of the total costs of the Terminal Building that shall be payable by Airline shall be that share of total Terminal Building costs that are attributable to Airline's Exclusive Use Space, Preferential Use Space, Joint Use Space and Common Use Space within the Terminal Building (as calculated on Exhibit B), its pro rata share of mechanical and administrative areas and any special assessments levied upon the Airport by local governmental agencies. Terminal Building costs payable by Airline shall exclude costs allocable to the concession areas and non-airline Common Use Space and areas leased to other airlines or remaining unleased.

The Authority shall absorb and recover from the Revenues generated from other than Signatory Airlines that share of all Terminal Building costs representing the percentage of the usable space in each Terminal Building not leased to Signatory Airlines. This percentage will be applied against all costs allocated to the Terminal Building including capital asset write-offs or depreciation or annual charges on investments.

Specifically, Authority shall calculate the total annual expense of each Terminal Building so long as the East and West Terminal Buildings are in use and thereafter the new Terminal Building; this total will then be divided by the amount of usable space to arrive at a cost per square foot. The cost per square foot will be applied only against square feet leased by Airline as set forth above.

B. The annual rent shall be payable in equal monthly installments, except as the rent may be adjusted as provided in Sections 11, 12 and 13, below.

C. The rental rate per square foot for Exclusive Use Space, Preferential Use Space, Joint Use Space, and Common Use Space shall be recalculated upon the Substantial Completion Date of any premises and annually thereafter on July 1st subject to this Agreement, all in accordance with Exhibit D. Rental for all Joint Use Space shall be prorated among the airlines according to the Joint Use Formula. Annually, following calculation of any adjustment to the rental and fees, the Authority shall provide the Airline with a statement as to the monthly rental payment required for the ensuing year. Within any Contract Year, appropriate adjustments to rentals resulting from changes in amounts of leased square footage, as provided for in Section 6 of this Agreement, within the Terminal Building may be made without formal amendment to this Agreement and charges shall be prorated as appropriate within any billing period.

D. Common Use Space charges shall be prorated among the users according to the Common Use Formula.

SECTION 8. LANDING FEE

A. The landing fee for each Revenue Aircraft Arrival at the Airport of an aircraft operated by a Signatory Airline (the "Landing Fee") shall be an amount equal to the product of (1) the number of thousands of pounds of the Maximum Certificated Gross Landed Weight of the arriving aircraft involved in the Revenue Aircraft Arrival multiplied by (2) the Landing Fee Rate as defined in paragraph B of this Section.

B. The Landing Fee Rate for any Contract Year shall be that amount determined (to the nearest one-tenth (1/10) of one cent (\$.001) per each one thousand pounds (1,000 lbs.) by dividing the cost of the Landing Area for the Current Fiscal Year calculated pursuant to Paragraph C of this Section, by the total estimated Maximum Certificated Gross Landed Weight in thousand-pound units of all aircraft of all Signatory Airlines landed in Revenue Aircraft Arrivals at the Airport during the Current Fiscal Year.

C. The cost of the Landing Area for each Contract

Year shall be an amount equal to the excess of the capital and operating requirement chargeable to the Landing Area, including without limitation, Maintenance and Operating Expenses, Debt Service and Coverage allocable to the Landing Area, for the Current Fiscal Year over Revenues of the Landing Area for the Current Fiscal Year calculated as in Exhibit E to this Agreement.

D. The cost of the Landing Area used as a basis for calculation of the Landing Fee shall take into account recovery from General Aviation users of twelve percent (12%) of the Landing Area capital and operating requirement, Terminal Ramp Fees as defined in Section 9A below, and inclusion of one-half (1/2) of any combined operating and capital deficits budgeted to be incurred at the Niagara Falls International Airport for the Current Fiscal Year.

E. The Revenues of the Landing Area used as a basis for calculation of the Landing Fee shall include any landing fees paid by nonsignatory airlines and any charges paid by Airlines for remote aircraft parking areas.

F. The Authority reserves the right to establish a reasonable and nondiscriminatory fee schedule for aircraft parking at remote parking areas.

SECTION 9. TERMINAL RAMP FEES

A. The Terminal Ramp Fees for each Signatory Airline shall be an amount equal to the product of (1) the number of linear feet of aircraft parking positions assigned to such Signatory Airline pursuant to Exhibit B measured one hundred feet (100 ft.) out from the face of the Terminal Building multiplied by (2) the Terminal Ramp Fee Rate as defined in paragraph B of this Section.

B. The Terminal Ramp Fee Rate for any Contract Year shall be that amount determined as provided on Exhibit F.

C. The total amount of the Terminal Ramp Fees shall equal ten percent (10%) of the total requirement of the Landing Area expenses including Maintenance and Operating Expenses, Debt Service and Coverage. This Terminal Ramp Fee shall be deducted

from the Landing Area Total Requirement.

SECTION 10. PASSENGER FACILITY CHARGES

The Authority reserves the right to assess and collect Passenger Facility Charges subject to the terms and conditions and such methods of collection set forth in the Aviation Safety and Capacity Expansion Act of 1990, Section 9110 (the "PFC Act") and implementing regulations. Receipts of the Passenger Facility Charge shall not constitute Revenue under this Agreement. Authority may audit Airline's records of Passenger Facility Charge collections in the event the Airline does not comply with the audit requirements of the PFC regulations.

SECTION 11. INFORMATION ON AIRLINE OPERATIONS

A. Not later than March 1st in each year during the term of this Agreement, the Airline shall furnish the Authority with an estimate of (1) the total Maximum Certificated Gross Landed Weight of all aircraft to be landed at the Airport by the Airline during the next ensuing Fiscal Year, and (2) such other estimates relating to anticipated operations at the Airport by the Airline for the next ensuing Fiscal Year as the Authority may reasonably request. The estimates to be furnished by Airline shall be based on the Airline's most recent levels of operation at the Airport and its reasonable expectations of the probable level of operations for the ensuing Fiscal Year. On the written request of the Airline, the Authority shall use its best efforts to keep confidential nonpublic information furnished by the Airline.

B. The Airline shall maintain at its office at the Airport such books, records and accounts as are relevant to the determination of the Airline fees and charges, or if such books, records and accounts are not maintained at such office, Airline shall, upon written request promptly furnish the Authority with all information reasonably requested by the Authority with respect to such books, records and accounts. The Executive Director, and such persons as may be designated by him or her, shall have the right, during normal business hours, upon

reasonable advance written notice and in the company of an employee of the Airline, to examine, make copies of and take extracts from such books, records and accounts, but only as necessary to insure compliance by the Airline with the terms of this Agreement.

C. Upon the written request of the Authority, the Airline shall submit to the Authority information regarding the following: projected levels of operations; planned aircraft parking position utilization; type of aircraft using the Airport; operation procedures that might have an effect on the Airport (such as powerout and pushout procedures); snow removal plans, deicing procedures and canceled trip arrangements. On the written request of the Airline, the Authority shall use its best efforts to keep confidential nonpublic information furnished by the Airline.

SECTION 12. STATEMENT OF AIRLINES' ESTIMATED ANNUAL RENT, FEES AND CHARGES, PAYMENT OF AIRLINES' FEES AND CHARGES

A. Not later than sixty (60) days prior to the beginning of each Contract Year, the Authority shall furnish to the Airline for its review and comment a calculation of projected airline rent and fees and charges for such Contract Year. The Authority shall convene a meeting with the Signatory Airlines not later than thirty (30) days after the distribution of the Statement of the Airline's Estimated Annual Rent, Fees and Charges to discuss same, and shall give consideration to all comments, suggestions and requests by the Signatory Airlines. The adjusted rents, fees and charges shall be effective as of the first day of the Contract Year.

B. Not later than the first (1st) day of each month of each Contract Year, the Airline shall pay pursuant to invoice all rent and airline fees and charges, except Landing Fees and Joint Use Fees for such month, as set forth in the Statement of the Airline's Estimated Annual Fees and Charges or as the same shall have been modified by changes in square footage leased

within the Contract Year.

C. The Airline shall furnish to the Authority, on or before the tenth (10th) day of each month an estimated report for the Airline's aircraft operations at the Airport during the preceding month. The Airline shall thereafter furnish to the Authority, on or before the thirtieth (30th) day of each month, an accurate verified report, on forms prescribed by the Authority together with a check in payment of Landing Fees for the Airline's aircraft operations at the Airport during the preceding month. Said reports shall include, but shall not be limited to; (1) the Airline's total number of Revenue Aircraft Arrivals, by type of aircraft and Maximum Gross Certificated Landing Weight of each type of aircraft, (2) the total number of Enplaned Passengers and deplaned passengers, (3) the total number of enplaned revenue and nonrevenue passengers and (4) the amount of express freight, mail, and other cargo for such month.

D. If the Airline fails to furnish the Authority with the reports required by Paragraph C of this Section, the Airline's Landing Fee shall be determined by assuming that the Total Landed Weight for the Airline during the preceding month was 110% of the Total Landed Weight during the most recent month for which such figure is available for the Airline. Any necessary adjustment in such Landing Fee shall be calculated after delivery of an accurate report to the Authority by the Airline for the month in question, and resulting surpluses or deficits shall be applied to the Airline's Landing Fee for the next succeeding month.

E. Joint Use Fees shall be paid within thirty (30) days of the date of invoice.

SECTION 13. ADJUSTMENT OF AIRLINE RENT, FEES AND CHARGES

If on October 1st the Authority forecast based upon its most recently available information with regard to expenses actually incurred during the Current Fiscal Year, together with

the most recently available information with respect to airline rent, fees and charges actually received by the Authority, indicates that payment of airline rent, fees and charges by Signatory Airlines at the then-existing rates would result in an underpayment or overpayment of ten percent (10%) or more of the amount required hereunder to be generated by the Authority through airline rent commencing January 1st, fees and charges for the Current Fiscal Year, the Authority may after consultation with the Airline adjust the remaining monthly airline rent, fees or charges for such Contract Year to conform to the Authority's current projection for the Current Fiscal Year. The Authority shall notify Airline of its intent to adjust rent and/or airline fees and charges and the effective date of such proposed adjustment (which shall be no earlier than forty-five (45) days after the giving of such notice) and provide the financial justification therefor. If the Airline questions the appropriateness of such adjustment, the Airline shall have thirty (30) days after notice of such proposed adjustment to request a meeting with the Executive Director be held to discuss such adjustment. Upon receiving such request, the Authority shall schedule such a meeting within thirty (30) days of receipt of such notice. The Authority shall give due consideration to all comments, suggestions and requests by the Airline or Airlines. If after that meeting the Authority decides to require such adjustment the Airline may, subject to the limitations imposed by this Agreement, protest such adjustment through any lawful means.

SECTION 14. YEAR-END ADJUSTMENT OF AIRLINE RENT, FEES AND CHARGES

A. On or before May 31st of each year, the Authority shall recalculate and adjust rent and airline fees and charges in effect during the Prior Fiscal Year to be effective July 1st of each year. The Authority's adjustment shall be based on the calculation procedures established in this Agreement, but shall use actual costs, revenues, Leased Premises and Revenue Aircraft

Arrivals. Airline rent, fees and charges shall be set forth and supported by a document known as the "Statement of Airline's Actual Rent and Annual Fees and Charges."

B. In the event that the Airline's rent and/or the Airline's fees and charges actually paid for such Prior Fiscal Year exceed the amount of the Airline's rent and/or the Airline's fees and charges required (as recalculated based on actual costs and revenues), the Authority shall deduct the amount of such overpayment. If the amount of airline rent and/or fees and charges paid by the Airline were less than the amounts required, the Authority shall add the amount of the underpayment.

SECTION 15. TRANSPORTATION SERVICES, NET SURPLUSES ALLOCATION

A. The Authority agrees to allocate, through a credit to rates and charges, up to fifty percent (50%) of the Transportation Services Net Surpluses, if any. An illustrative model for such allocation is set forth as Exhibit G attached hereto and made a part hereof. Airline acknowledges that the amounts used therein are pure estimates and that Exhibit G is for illustrative purposes only.

B. For purposes of this Section "Airport Revenues" means the total of all income and revenue from all sources collected or accrued under generally accepted accounting practices by the Authority in connection with the Airport, including (i) all rates, charges, rentals, fees and any other compensation, regardless of form, and investment income earned by the Authority, except as hereinafter provided to the contrary, (ii) that amount on deposit in the Airport Development Fund which is transferred or credited by the Authority to the Airport Revenue Fund and (iii) PFC Revenues to the extent specifically included in Airport Revenues as provided in Section 2.07(b)(ii) of the Bond Resolution.

C. "Airport Revenues" shall not include:

- (i) proceeds from Bonds issued by the Authority or proceeds from loans obtained by the Authority;
- (ii) condemnation proceeds or insurance proceeds except

insurance proceeds received from rental or business interruption insurance;

(iii) all income and revenue collected and received by the property management department of the Authority;

(iv) revenues derived from any Special Facility including amounts which are assigned as security to liquidate indebtedness incurred to finance such Special Facility;

(v) grants-in-aid or similar payments received from any federal or state entities;

(vi) the proceeds of any passenger facility or analogous charge or fee that may hereafter be levied (whether on the use of the Airport System, on transportation, or otherwise) which are received and retained by the Authority and any investment earnings thereon;

(vii) investment income derived from moneys or securities on deposit in the Construction Fund and investment income derived from any moneys or securities which may be placed in escrow or trust to defease bonds of the Authority, including the Bonds, or to meet the Authority's obligation under any consent decree;

(viii) moneys or securities received by the Authority as gifts or grants;

(ix) any arbitrage earnings which are required to be paid to the U.S. Government pursuant to Section 148 of the Internal Revenue Code of 1986, as amended, and the rulings and regulations promulgated thereunder;

(x) the proceeds of any Support Facility; and

(xi) revenues from any Separate Improvement, including, but not limited to, payments under any contract or agreement with respect to such Separate Improvement.

D. The Authority shall use Airport Revenues first to satisfy any and all conditions, requirements, covenants and agreements prescribed in the Bond Resolution and thereafter to cover the operating and capital costs of the Airport. The adjusted balance after said obligations are met shall constitute GBIA Net Surplus/(Deficit). The GBIA Net Surplus shall be used

to cover the operating and capital costs of other Transportation Services i.e., the Niagara Falls International Airport, the Transportation Centers and the Small Boat Harbor. The remaining balance shall constitute Transportation Services Net Surplus/(Deficit). A Transportation Services Net Surplus shall be subject to allocation as illustrated in Exhibit G and as set forth herein.

E. As illustrated in the second section of Exhibit G, headed "Airline Reserve Funding Analysis:", beginning in FYE99 the Authority shall allocate up to fifty percent (50%) of the Prior Fiscal Year Transportation Services Net Surplus as a credit to rates and charges. The credit in any one Contract Year shall not exceed fifty percent (50%) of the total Airline aggregate charges collected in all prior Contract Years. In no event, would the credit in any Contract Year exceed the ending reserve balance available from the Prior Fiscal Year. If in any Fiscal Year the Authority fails to meet the coverage test prescribed in the Bond Resolution, there shall be no credit to rates and charges in the subsequent Contract Year.

F. As illustrated in the third section of Exhibit G, headed "Restricted Retained Earning Analysis", the Authority agrees to restrict on an annual Fiscal Year basis fifty percent (50%) of a Transportation Services Net Surplus to the extent that such surplus has not been credited to the rates and charges under subsection E of this Section 15. Reductions in the restricted retained earnings shall be limited to disbursements which provide a direct benefit to the airlines, including but not limited to, airside capital investment without a resultant charge, payment of debt service and payment of airside operating expenses.

G. As illustrated in the fourth section of Exhibit G, headed "Unrestricted Retained Earnings Analysis", fifty percent (50%) of a Transportation Services Net Surplus shall be unrestricted and available for any Authority purpose.

SECTION 16. RESERVES

The Airline agrees to the inclusion of the Renewal and Replacement Fund ("R&R Reserve") and the Maintenance and Operation Fund ("M&O Reserve"), hereinafter sometimes collectively referred to as "Reserves", in the rate base commencing Fiscal Year ending March 31, 1998.

The initial M&O Reserve Requirement shall be funded over Contract Years 1997, 1998 and 1999. The initial R&R Reserve Requirement shall be funded over Contract Years 1997, 1998, 1999 and 2000. Incremental changes in the Reserves shall be regularly included in the determination of Rates and Charges each Fiscal Year.

SECTION 17. COVERAGE

If in any given Fiscal Year the Authority fails to meet the coverage test prescribed in the Bond Resolution, the airlines operating at the Airport the subsequent Contract Year shall be obligated to makeup the deficiency through the rate base, with that portion of the rate base agreed to be income to the Authority and expense to the airlines in the Prior Fiscal Year in which the coverage deficiency occurred. As such, the deficiency amount that is put into the following Contract Year's rate base could not be included in revenue for determining whether coverage was met in Current Fiscal Year.

SECTION 18. PLACE OF PAYMENT, LATE PAYMENTS

A. All amounts due from the Airline hereunder shall be paid in lawful money of the United States of America, by check, made payable to Niagara Frontier Transportation Authority, delivered or mailed, postage prepaid to:

Chief Financial Officer
Niagara Frontier Transportation Authority
Post Office Box 5008
Buffalo, New York 14205

or such other place in the United States of America as may be hereafter designated by the Executive Director.

B. Any amount which is not paid within fifteen (15) days of its due date shall bear interest from its due date at a rate of one and one-half percent (1-1/2%) per month.

C. The Authority shall diligently pursue all appropriate remedies to collect all unpaid amounts from all Signatory and non-signatory airlines and any other tenants or users of the Airport which are delinquent. All amounts remaining uncollected forty-five (45) days after the end of a Contract Year, and the interest thereon, shall, if collected, be included in non-airline revenues for the Contract Year in which collected.

SECTION 19. SECURITY DEPOSITS

A. In order to guarantee the faithful performance of the Airline's obligations under this Agreement and the timely payment of all rent and airline fees and charges and unless the Airline has provided regularly scheduled flights to and from the Airport for the eighteen (18) months prior to the effective date of this Agreement (or prior to the assignment of this Agreement to the Airline) without committing an act or omission that would have been an event of default if this Agreement had been in effect during such period, the Authority may require that the Airline provide it on the effective date (or on the assignment of this Agreement to the Airline) with a deposit (or contract bond, irrevocable letter of credit or other security acceptable to Authority) in an amount equal to one-fourth (1/4) of the rent and airline fees and charges that the Authority estimates will be payable by the Airline for the ensuing Fiscal Year (the "Security Deposit"). The Airline may be required to maintain such Security Deposit in effect until the expiration of eighteen (18) consecutive months during which the Airline commits no event of default (including any period prior to the effective date of this Agreement or prior to the assignment of this Agreement to the Airline during which the Airline provided regularly scheduled flights to and from the Airport, and for any such prior period,

committed no act or omission that would have been such an event of default hereunder). In the event that any such Security Deposit shall be for a period of less than the full period required by this Agreement, or if such Security Deposit may be canceled, the Airline shall provide a renewal or replacement Security Deposit for the period following the expiration or cancellation of such Security Deposit previously provided at least thirty (30) days prior to the date on which such previous Security Deposit expires or at least thirty (30) days prior to the effective date of such cancellation.

B. If the Airline shall commit an event of default, the Authority shall have the right: (1) to use such Security Deposit to pay such Airline's rent and/or airline fees and charges then due and payable; or (2) by written notice to the Airline given at any time within thirty (30) days of such event of default, to impose or reimpose on the Airline the requirements of paragraph A of this Section. Within ten (10) days from its receipt of such written notice, the Airline shall provide the Authority with the required Security Deposit and shall thereafter maintain such Security Deposit in effect until the expiration of a period of eighteen (18) consecutive months during which the Airline commits no event of default. The Authority shall have the right to reimpose the requirements of paragraph A of this Section on the Airline each time the Airline commits such an event of default during the term of this Agreement. The Authority's rights under this Section shall be in addition to all other rights and remedies provided to the Authority under this Agreement.

SECTION 20. AUTHORITY'S RIGHT TO CURE AIRLINE DEFAULT

The Authority, after written notice to the Airline, may, but is not obligated to, cure any default on the Airline's part in fulfilling the Airline's covenants and obligations under this Agreement. Any amounts paid or costs incurred by the Authority to cure any such default are hereby agreed and declared to be additional rent. Unless otherwise provided herein, all

additional rent shall be due and payable fifteen (15) days after receipt by the Airline of an invoice. This Section will not apply in the case of a default where the Airline is diligently acting to cure the default; provided that the Airline is proceeding in good faith with reasonable dispatch to cure same.

SECTION 21. RIGHT TO CONTEST NO ABATEMENT OR SET-OFF

A. The payment by the Airline to the Authority, and the acceptance by the Authority from the Airline, of any amount hereunder shall not preclude either the Airline or the Authority from questioning the accuracy of any statement on the basis of which such payment was made, nor preclude the Authority from making any claim against the Airline for any additional amount payable by the Airline hereunder, or preclude the Airline from making any claim against the Authority for credit for any excess amount paid by the Airline hereunder.

B. Notwithstanding the foregoing, the Airline shall not abate, suspend, postpone, set-off or discontinue any payments of rent or fees and charges payable by Airline hereunder.

SECTION 22. CAPITAL IMPROVEMENT PROGRAM

The Capital Improvement Program which is being undertaken by the Authority is more particularly described in Exhibit I to this Agreement. The Authority may in its sole discretion, revise Exhibit I from time to time during the term of this Agreement.

Airline agrees that it will respond in a timely manner to requests by the Authority with respect to commitments and requirements for space in the new Terminal Building which is part of the Capital Improvement Program so that provision can be made for adequate and appropriate arrangements in such new Terminal Building. In the event Airline does not respond within the period of time designated in a written request from the Authority to the Airline for a commitment or indication of Airline's requirements, the Authority shall act on the best available information and Airline agrees to abide by such action and decision of the Authority.

AGREEMENT

- between -

NIAGARA FRONTIER TRANSPORTATION AUTHORITY

- and -

DELTA AIR LINES, INC.

MADE and entered into as of the December 4, 1997, by and between the NIAGARA FRONTIER TRANSPORTATION AUTHORITY, a public authority established by Chapter 717 of the Laws of 1967 of the State of New York, with a place of business at 181 Ellicott Street, in the City of Buffalo, County of Erie and State of New York (hereinafter referred to as the "Authority"), and DELTA AIR LINES, INC., a Delaware Corporation, having an office and place of business at Atlanta, Georgia (hereinafter referred to as the "Airline").

WITNESSETH:

WHEREAS, Authority owns and operates the Greater Buffalo International Airport (hereinafter referred to as the "Airport"), in the County of Erie, State of New York; and

WHEREAS, the Airline is engaged in the business of a scheduled air transportation service with respect to persons, property, cargo, and/or express freight and mail; and

WHEREAS, the Authority is developing new and expanded terminal, parking, and related facilities which it presently anticipates to be available for use and occupancy during calendar year 1997; and

WHEREAS, the Airline desires to lease certain premises and facilities and to obtain certain rights in connection with and on the Airport; and

WHEREAS, the Authority deems it advantageous to itself and to its operation of the Airport to grant and lease unto the

SECTION 23. INDEMNITY AND INSURANCE

The Airline shall defend, indemnify, and hold the Authority and its agents, officers and employees harmless from and against any and all liabilities, losses, suits, claims, judgments, fines or demands arising by reason of injury in tort or contract 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 and actual attorney's fees, court costs, and expert fees), of any nature whatsoever arising out of or incident to the Airline's conduct of its Air Transportation Business under this Agreement and/or the use or occupancy of the Airport or the acts or omissions of the Airline's officers, agents, employees, contractors, subcontractors, licensees, or invitees, regardless of where the injury, death, or damage may occur, except to the extent that such injury, death or damage is caused by the negligence or willful act or omission of the Authority or of its agents, offices and employees. The Authority shall give to the Airline prompt notice of any such claims or actions.

The Airline shall defend, indemnify, and hold the Authority, and its agents, officers, and employees, completely harmless from and against any claim, suit, demand, action, liability, loss, damage, judgment, or fine, and all costs and expenses of whatever kind of nature (including, but not limited to, reasonable and actual attorney's fees, court costs, and expert fees) associated therewith in any way arising from or based upon the violation of any federal, state, or municipal laws, statutes, resolutions, or regulations by the Airline, its agents, employees, contractors, or tenants, in conjunction with the Airline's use and/or occupancy of the Leased Premises or its operations at the Airport.

The Airline further agrees that if a prohibited incursion into the air operations area occurs, or if the Landing Area or sterile area security is breached, by or due to the negligence or willful act or omission of any of the Airline's

employees, agents, contractors, customers or invitees and such incursion or breach results in a civil penalty action against the Authority, the Airline shall reimburse the Authority for all expenses, including reasonable and actual attorney's fees, incurred by the Authority in defending against the civil penalty action and for any civil penalty or settlement amount paid by the Authority as a result of such incursion or breach. The Authority shall notify the Airline of any allegation, investigation, or proposed or actual civil penalty sought for such incursion or breach. Civil penalties and settlement and associated expenses reimbursable under this paragraph include but are not limited to those paid or incurred as a result of violation of FAA Federal Aviation Regulation Part 107, "Airport Security," FAA Federal Aviation Regulation Part 108, "Airplane Operator Security," and FAA Federal Aviation Regulation Part 139, "Certification and Operations: Land Airports Serving Certain Air Carriers."

The Airline agrees that, in the course of its use of any gate facilities at the Airport, the Airline shall in all events indemnify the Authority and hold it harmless from all liability for injury or death to persons or damage to or loss of the Airline's property or the property of others occurring in connection with the Airline's use of said gates arising from jet exhaust, jet "blast," "propeller blast" or "wash" from the Airline's aircraft.

The Airline shall procure and keep in force, during the term of this Agreement, a comprehensive public liability insurance policy covering its operation at the Airport in the amount of not less than one hundred twenty-five million dollars (\$125,000,000) per occurrence for which the Authority shall be named as an additional insured to the extent of Airline's indemnity hereunder. Such policy shall be with a carrier licensed to do business in the state of New York and in a form satisfactory to the General Counsel of the Authority and may be by blanket coverage. Such policy shall be endorsed to provide for cross liability between the assureds. Policies or certificates of required coverage shall be delivered to the

Authority.

Each policy required under this Section shall provide that it may not be materially changed, altered, or canceled by the insurer during its term without first giving at least thirty (30) days' written notice to the Authority.

Before the expiration of any then current policy of insurance, the Airline shall deliver to the Authority evidence showing that such insurance coverage has been renewed. Within fifteen (15) days after the date of written notice from the insurer of cancellation or reduction in coverage, the Airline shall deliver to the Authority a policy or certificate reinstating or otherwise providing the required insurance.

If during the term of this Agreement the Airline fails to obtain or to keep in force insurance policies required under this Agreement, the Authority may notify the Airline of its intent to purchase such insurance for the Airline's account. If the Airline does not deliver evidence of insurance to the Authority before expiration of the current policy, the Authority may obtain such insurance for the account of the Airline and may charge the Airline for the cost of such coverage. The amount of premiums paid for such coverage by the Authority shall be payable by the Airline on receipt of the Authority's billing therefor, with interest at the prime rate announced by a major money center bank plus four percent (4%) per year commencing at the date of payment by the Authority.

The provisions of this Section shall survive the expiration, termination, or early cancellation of this Agreement.

SECTION 24. UTILITIES

Electric service shall be separately sub-metered and paid by Airline to the Authority for the Airline's Leased Premises. Telephone service shall be the responsibility of the Airline. The Airline shall reimburse the Authority for its pro rata share of the cost of utilities which are not separately metered for Airline through the rate base. If requested by the Authority the Airline will contract directly with the public

utility involved. The Authority shall not be responsible for the failure of any utility to provide adequate service to Airline.

SECTION 25. QUIET ENJOYMENT

The Authority, by the execution of this Agreement, acknowledges and recognizes the purposes for which the Leased Premises to the Airline hereunder are to be used by the Airline, namely, that of a Terminal Building in the administration, operation and maintenance of its Air Transportation Business. Except as herein otherwise provided, the Authority shall not by any of its acts unreasonably limit or restrict the Airline from the exercise of any and all things necessary and incident to such purpose. So long as the Airline uses said premises for such purposes, pays the rents, fees and charges due under this Agreement and performs its other obligations hereunder, the Airline shall peaceably and quietly have, hold and enjoy the use of the Leased Premises leased to it for the term of this Agreement.

SECTION 26. INSTALLATION OF IMPROVEMENTS

The Airline shall, at its sole expense, install all fixtures, furnishings, decorations, finishings, equipment and all other improvements which the Airline deems necessary for the use of the Leased Premises and which are not supplied by the Authority pursuant to its obligations under this Agreement. The responsibility for installation of certain improvements related to the CIP are set forth in Exhibit C. The Airline shall make no alterations, additions, improvements or installations in the Leased Premises without obtaining the prior written approval of the Authority. The Airline agrees that during any period of construction it shall abide by the insurance specifications set forth in Exhibit H-1 and H-2 attached hereto and made a part hereof and to cause said specifications to be included in any contracts or subcontracts for the work to be performed. All improvements, alterations, additions, improvements or installations made by the Airline shall comply with all applicable Federal and State laws and regulations.

The Airline shall obtain and pay all fees for building, electrical and plumbing permits and like permits required by any legal authority having jurisdiction, for any improvements or additions requiring construction that the Airline constructs or installs. Title to all decorative work, finishing and decorations that cannot be removed without substantial damage to the building shall vest in the Authority. Notwithstanding the preceding sentence, if the Airline shall install capital improvements approved by the Authority as required under this Section and the Authority shall require the Airline to vacate its Leased Premises prior to the Airline amortizing, on a reasonable basis, the cost of such capital improvements, the Airline shall be entitled to recover such unamortized cost, provided the Airline was not in default under this Agreement at the time the Authority required it to vacate the Leased Premises. The Airline shall not be entitled to recover the unamortized cost of any capital improvement made to the existing East and West Terminal Buildings when those Terminal Buildings are vacated and operations are transferred to the new Terminal Building. All other property, equipment, machinery, fixtures or furnishings installed by the Airline, whether or not attached to the real estate, shall remain the property of the Airline and shall be removable by the Airline during, or at the date of termination of this Agreement or any extension thereof, provided that the Airline shall repair any damage occasioned by such removal, reasonable wear and tear excepted. Alterations or variances from approved plans and specifications shall be submitted to the Authority and shall not be made except with the written consent of the Authority. All alterations of or additions to or changes from plans and specifications as approved by the Authority shall be made at the sole expense of the Airline, unless other arrangements are made therefor. The Airline agrees to give the Authority written notice at a reasonable time, but at least three (3) days, before commencing any construction, alterations or repairs on the Leased Premises, excepting emergency repairs. Construction, alterations or repairs shall be performed so as not

to obstruct the flow of pedestrian or vehicular traffic outside the Airline's Exclusive Use Space, except that the Executive Director may give written permission for such obstruction. Notwithstanding any other provision in this Agreement, the parties acknowledge and agree that if this Agreement is terminated in connection with the bankruptcy or other insolvency of the Airline, the improvements shall not be part of the estate but shall become the property of the Authority.

SECTION 27. MAINTENANCE AND REPAIRS

The Authority agrees to keep, operate, and maintain the Terminal Building in good condition and repair, and to keep, operate, and maintain the public, Joint Use Space and Common Use Space in the Terminal Building in a neat, clean and operating condition to the extent of its obligations hereunder.

Authority agrees to keep, operate and maintain the Terminal Building, its foundations, structure, outside walls, roof and utility systems in good condition and repair, and keep, operate and maintain the public, Joint Use Space and Common Use Space in the Terminal Building, including without limitation, the lobbies, public waiting rooms, baggage claim and baggage make-up areas, passageways, rest rooms, security checkpoint areas, elevators, and escalators, if any, together with all fixtures and furnishings located therein, in a neat, clean and operating condition, replacing all worn out fixtures, furnishings, machinery and equipment as the same may be required and be reimbursed for the same in accordance with the provisions of this Agreement.

The Authority shall maintain and keep in repair the Airport Landing Area, including taxiways, and shall have the right to direct and control (consistent with Federal Aviation Regulations) all activities of the Airline in this regard.

The Airline agrees to maintain the Exclusive and Preferential Leased Premises and all of its fixtures and equipment clean, neat, safe, sanitary and in good order at all times at its own expense. During the period of the operation of

the East and West Terminal Buildings, all waste matter shall be stored in a manner satisfactory to the Authority, and the Airline agrees to arrange for the daily disposal, at its expense, of all waste material. Upon transfer of operation to the New Terminal, all waste material shall be collected and sorted by Airline on a daily basis and transported to the central collection point designated by the Authority. Airline shall place the waste in the appropriate receptacles and represents and warrants to the Authority that it shall not deposit any contaminated or hazardous materials as the same are defined by Federal and State statutes and regulations, in the receptacles and agrees to indemnify and hold harmless the Authority from any liability, claims, costs, and suits including reasonable attorneys fees associated with the breach of this warranty. The Authority shall make arrangements to have the waste removed from the Airport and reserves the right to assess a reasonable charge for these services. All requirements of the County or State Board of Health, or measures in health or sanitary regulation, adopted by the County, State, or any legal authority including recycling mandates, shall be fully met by the Airline, and the Airline upon request shall give access at all reasonable times upon reasonable notice for inspection purposes to any duly authorized representatives of said departments or of the Authority.

Should the Airline fail to perform its repair obligations or its maintenance obligations the Authority shall have the right to enter the Leased Premises, to perform such maintenance, and charge the Airline therefor; provided, however the Authority shall give to the Airline reasonable advance written notice of non-compliance prior to the exercise of this right.

The Authority's and Airline's respective maintenance and repairs responsibilities are more fully set forth in Exhibit K attached hereto and made a part hereof.

SECTION 28. HAZARDOUS MATERIALS

The Airline represents and warrants to the Authority

that the Airline has not and will not engage in the use, storage, generation, manufacture, handling, treatment, disposal or transportation of Hazardous Materials (as defined hereinafter) at, on, from, under, in, or affecting the Leased Premises in any manner which violates Federal, State or local laws, statutes, ordinances, rules, regulations or policies. The Airline shall defend, indemnify, and hold harmless the Authority, its employees, agents, officers and directors, from and against any and all claims, demands, penalties, fines, liabilities, settlements, damages, costs, or expenses of whatever kind of nature (including attorneys' fees and litigation costs), known or unknown, contingent or otherwise, arising out of, or in any way related to, the presence, disposal, release or threatened release of any Hazardous Materials at, on, from, under, in, or affecting the Authority's premises as a result of the Airline's activities at the Airport. Upon the transfer of operations to the New Terminal Building or the event of termination or cancellation of this Agreement, the Airline shall deliver the Leased Premises to the Authority free of any and all Hazardous Materials caused by Airline's operations so that the condition of the Leased Premises conforms with all applicable Federal, State and local laws, statutes, ordinances, rules, regulations and policies. For purposes of this Section, "Hazardous Materials" includes, without limit, any flammable materials, explosives, radioactive materials, petroleum, asbestos, lead paint, hazardous materials, hazardous wastes, hazardous or toxic substances, or related materials as defined or listed in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (42 U.S.C. § 9601, et seq.), the Hazardous Materials Transportation Act, as amended (49 U.S.C. § 1801, et seq.), the Resource Conservation and Recovery Act, as amended (42 U.S.C. § 6901, et seq.), and/or in the regulations adopted and publications promulgated pursuant thereto, and/or any other Federal, State or local environmental law, statute, ordinance, rule, regulation, policy or guidance document. The provisions of this Section shall be in addition to any and all other obligations and

liabilities the Airline may have to the Authority under statute or at common law, and shall survive this Agreement.

Airline shall at its own expense procure, maintain in effect and comply with all conditions of any and all permits, licenses and other governmental and regulatory approvals required for Airline's use of the Leased Premises, including without limitation, discharge of appropriately treated materials or wastes into or through any sanitary or storm, or combined sanitary and storm, sewer serving the Leased Premises. Except as provided in paragraph 5.C.8 of this Section, Airline shall cause any and all discharged Hazardous Materials removed by Airline from the Leased Premises to be removed and transported solely by duly licensed haulers to duly licensed facilities for final disposal of such materials and wastes. Airline shall in all respects handle, treat, deal with and manage any and all Hazardous Materials in, on, under or about the Leased Premises in total conformity with all applicable laws, and prudent industry practices regarding management of such Hazardous Materials. All reporting obligations which are directly related to Airline's operations imposed by Hazardous Materials laws are strictly the responsibility of Airline. Airline shall not take any remedial action in response to the presence of any discharged Hazardous Materials in or about the Leased Premises except in the case of emergencies, nor enter into any settlement agreement, consent decree or other compromise in respect to any claims relating to any discharged Hazardous Materials in any way connected with the Leased Premises, without first notifying the Authority of Airline's intention to do so and affording the Authority ample opportunity to appear, intervene or otherwise appropriately assert and protect the Authority's interest with respect thereto. In addition, at the Authority's request, upon the expiration or termination of this Agreement, Airline shall remove any tanks or fixtures installed by Airline which contain or contained or are contaminated with Hazardous Materials.

Airline shall, upon becoming aware of such, immediately notify the Authority, in writing, of: (i) any enforcement,

cleanup, removal or other governmental or regulatory action instituted, completed or threatened pursuant to any Hazardous Materials laws with respect to Airline's operations at the Airport; (ii) any claim made or threatened by any person against Airline or the Leased Premises relating to damage, contribution, cost, recovery, compensation, loss or injury resulting from or claimed to result from any Hazardous Materials actually handled by Airline; and (iii) any reports made to any environmental agency arising out of or in connection with any Hazardous Materials actually handled by Airline; and (iv) any reports made to any environmental agency arising out of or in connection with any Hazardous Materials actually handled by Airline in, on or removed from the Leased Premises, including any complaints, notices, warnings, reports or asserted violations in connection therewith. Airline shall also supply to the Authority as promptly as possible, and in any event within five (5) business days after Airline first received or sends the same, copies of all claims, reports, complaints, notices, warnings or asserted violations relating in any way to Hazardous Materials actually handled by Airline on the Leased Premises, or Airline's use thereof. Airline shall promptly deliver to the Authority copies of hazardous waste manifests reflecting the legal and proper disposal of all Hazardous Materials removed by Airline or on Airline's behalf from the Leased Premises.

On or immediately prior to the expiration or earlier termination of this Agreement or on or immediately prior to the transfer of operations to the new Terminal Building, the Authority may retain an engineering firm which engineering firm shall prepare an environmental study of the Leased Premises in detail reasonably satisfactory to the Authority and Airline. The Airline agrees to cooperate with said engineering firm in its review of the Leased Premises and preparation of said study.

SECTION 29. DAMAGE OR DESTRUCTION OF PREMISES

If any building of the Authority in which the Airline occupies Exclusive Use Space, Preferential Use Space, Joint Use

Space and Common Use Space hereunder shall be partially damaged by fire, the elements, the public enemy or other casualty so as to materially affect the Airline's use of the Exclusive Use Space, Preferential Use Space, Joint Use Space and Common Use Space therein but not render it untenable, the same shall be repaired with due diligence by the Authority and the rent payable hereunder shall be paid up to the time of such damage and shall henceforth be reduced in proportion to the adverse effect the damage or destruction has inflicted on the Airline's use of such premises.

If the damage (whether to the Airline's area or only to the public area) renders all or a portion of the Airline's Exclusive Use Space, Preferential Use Space, Joint Use Space or Common Use Space in said building unusable for its operations, but is capable of being repaired in sixty (60) days, the same shall be repaired with due diligence by the Authority at its own cost and expense and the rent or charges payable hereunder with respect to the Airline's Exclusive Use Space, Preferential Use Space, Joint Use Space or Common Use Space in such building shall be proportionately paid up to the time of such damage and shall thenceforth proportionately be abated until such time as such building shall be fully restored.

The Authority shall exert its best efforts to provide the Airline with suitable temporary substitute space, if available, at such rent or charges as is deemed necessary and reasonable by the Authority, until such time as the repairs are completed, but in no event greater than that rent or charges paid for the damaged space rendered unusable.

In case any such building is completely destroyed by fire, the elements, the public enemy, or other casualties, or so damaged that it will or does remain untenable for more than sixty (60) days, the Authority has the option of terminating this Agreement or of repairing or reconstructing the building at its own cost and expense. If the Authority elects to rebuild, the rent or charges payable hereunder with respect to the Airline's Exclusive Use Space, Preferential Use Space, Joint Use Space or

Common Use Space in said building shall be proportionately paid up to the time of such damage or destruction and shall thenceforth cease until such time as said building shall be fully restored. If within sixty (60) days after the time of such damage or destruction said building is not repaired or reconstructed for the Airline's use, the Airline may give the Authority written notice of its intention to then cancel this Agreement in its entirety or to cancel, as of the date of such damage or destruction, such part of this Agreement as relates only to said building as well as other premises rendered unnecessary to Airline's operations as a result of the elimination of the damaged or destroyed space. Nothing in this Section shall apply to damages to building, ordinary wear and tear excepted, caused by the negligent or willful acts of the Airline.

Each party agrees to obtain waiver of subrogation endorsements to their respective fire and casualty insurance policies covering the Leased Premises or Terminal Building. Each party hereto hereby agrees if required by said policies to give its insurance provider, and other insurance provider, written notice of the terms of said mutual waivers, and to have said insurance policies properly endorsed, if necessary, to prevent the invalidation of said insurance coverage by reason of said waivers.

This Section shall not apply to any construction activities or temporary disruption in connection therewith in the implementation of the Capital Improvement Program.

SECTION 30. SAFETY OF PASSENGERS

The Airline shall supervise and be responsible for the safety of all of its passengers, guests, invitees and licensees associated with its operations at the airport while in its Exclusive Use Space or Preferential Use Space, during a period of preferential use, including, but not limited to its loading bridges, and on all paths, walkways, and ramp areas used by the passengers, guests, invitees and licensees to move between the

Terminal Building and/or passenger conveyances, and the Airline's aircraft.

SECTION 31. LOADING AND UNLOADING FACILITIES

The Airline may construct, install or attach, at its own cost and expense, passenger walkways of semi-permanent construction and mechanical loading bridges and like and related facilities, structural supports for passenger loading bridges incorporating the use of necessary utility facilities, of a nature and type and at locations first to be approved by the Authority. The Airline, at its own cost and expense, shall at all times during the term of this Agreement keep said improvements in good repair and condition. Airline shall be solely responsible for the compliance of its passenger loading and unloading facilities and devices both those currently existing and those utilized after completion of the Capital Improvement Program with the requirements of any legislation, rules and regulations applicable to such facilities and/or devices.

SECTION 32. RULES AND REGULATIONS

At all times during the term of this Agreement, Airline in connection with its Air Transportation Business at the Airport shall comply with and conform to all applicable and lawful present and future statutes and ordinances, and regulations promulgated thereunder, of all Federal, State, and agencies thereof and other government bodies of competent jurisdiction that apply to or affect, either directly or indirectly, Airline or Airline's operations and activities under this Agreement; provided that airline shall not be required at airlines sole expense to make structural alterations or capital expenditures to the Terminal Building to comply.

The Airline acknowledges that the Authority, as a New York public benefit corporation, possesses the right to promulgate rules and regulations governing the Airport and to amend such rules and regulations from time to time. The Airline shall obey and shall require its officers and employees and any

other persons over whom it has control to obey all Airport Rules and Regulations that may be promulgated and/or amended from time to time by the Authority to insure the safe, orderly and convenient conduct of the public and passengers using the Terminal Building and the Airport to the extent that such rules and regulations do not conflict with the terms of this Agreement. Authority shall, whenever possible, make reasonable efforts to obtain uniform compliance with Authority's rules, regulations and ordinances; however, Authority shall not be liable to Airline for any violation or non-observance of such rules, regulations and ordinances by any user, tenant, concessionaire, other airline, invitee, licensee, or trespasser at the Airport nor shall such violation or non-observance by a user, tenant, concessionaire, other airline, invitee, licensee or trespasser at the Airport constitute a waiver of Airline's obligation to comply with Authority rules, regulations and ordinances.

SECTION 33. ACCESS

Throughout the term of this Agreement, the Airline will permit the Authority, its representatives and designees, at all reasonable times during business hours upon reasonable advance written notice and accompanied by Airline's representative and at any time in an emergency, to enter the Leased Premises to inspect or make any repairs or improvements which the Authority is required to make, to inspect to assure that Airline is complying with the terms of this Agreement, and to do anything in or about the Leased Premises in order to cure failures, omissions or violations of any terms, covenants and conditions of this Agreement on the Airline's part. In every case of such entry, the representative and designees of the Authority shall be entitled to remain in the Leased Premises with men and material for the purpose permitted as aforesaid, until such purposes have been completed, provided that the Authority shall carry out all work on the Leased Premises with reasonable diligence and in a manner so as to minimize any disturbance to the airline's operation.

SECTION 34. CANCELLATION BY AUTHORITY

In the event that this Agreement is cancelled the Authority may then reenter and repossess the Leased Premises. The Authority may, in its sole discretion, cancel this Agreement by giving the Airline sixty (60) days advance written notice of cancellation upon or after the occurrence of any of the following events or conditions (each an "event of default"):

A. Any act other than an act of the Authority that deprives the Airline permanently of the rights, power, and privileges necessary for the proper conduct and operation of its Air Transportation Business.

B. The Airline's failure in the performance of any covenant or agreement herein required to be performed by the Airline, including but not limited to failure to pay rents, fees and charges as required under this Agreement, failure to maintain liability insurance in the amount and form required under this Agreement, or failure when required to do so under this Agreement to provide or maintain a Security Deposit in the amount and form required, and does not remedy such default during a period of thirty (30) days after receipt from the Authority of written notice of default; provided that no notice of cancellation shall be of any force if the Airline remedies the default before receiving the cancellation notice or, if the Airline has within that time taken all reasonable steps to remedy and diligently pursues all action thereafter necessary to remedy the default.

C. The Airline ceases to provide air transportation services at the Airport for a period of thirty (30) consecutive days or abandons or fails to use its Exclusive Use Space for a period of thirty (30) consecutive days, except when such cessation or abandonment is due to fire, earthquake, labor dispute, strike, governmental action, other damage or destruction of facilities, default of the Authority, or other cause beyond the Airline's control.

D. The insolvency of Airline or the appointment of a custodian, receiver or trustee of Airline or its property under

any Federal or State insolvency statute and the failure to have such appointment stayed within thirty (30) days.

E. The conduct of a business by the Airline at the Leased Premises which is not authorized under this Agreement, and Airline does not remedy such default during a period of thirty (30) days after receipt from the Authority of written notice of default.

SECTION 35. CANCELLATION BY AIRLINE

The Airline, in addition to any other right of cancellation herein given to the Airline, or any other rights to which the Airline may be entitled by law or otherwise, may cancel this Agreement and terminate all or any of its obligations hereunder at any time that the Airline is not in default in its payment to the Authority hereunder, by giving the Authority sixty (60) days advance written notice to be served as hereinafter provided, upon or after the happening of any of the following events:

A. Issuance by any court of competent jurisdiction of an injunction substantially preventing or restraining the use of the Airport for Airport purposes, and the remaining in force of such injunction for a period of at least ninety (90) days;

B. The inability of the Airline to use, for a period in excess of sixty (60) days, the Airport or any of the premises, facilities, rights, licenses, services or privileges leased to the Airline hereunder because of any law or any order, rule, regulation or other action or any non-action of any governmental authority other than the Authority, or because of fire, earthquake, other casualty or acts of God or the public enemy;

C. Default by the Authority in the performance of any covenant or agreement herein required to be performed by the Authority and failure of the Authority to remedy such default for a period of thirty (30) days after receipt from the Airline of a written notice to remedy the same; or, if such default cannot reasonably be remedied within thirty (30) days, if the Authority has within that time failed to take all reasonable steps to

remedy, or has failed diligently to pursue all action thereafter necessary to remedy, the default;

D. The assumption by the United States Government or any authorized agency thereof of the operation, control or use of the Airport and facilities, or any substantial part or parts thereof, in such a manner as substantially to restrict the Airline, for a period of at least ninety (90) days, from operating thereon for the carrying of passengers, cargo, property and/or express freight and mail.

E. Any act other than an act of the Airline that deprives the Authority permanently of the rights, power and privileges necessary for the proper conduct and operation of the Airport.

SECTION 36. SURRENDER OF POSSESSION

Upon termination, expiration or earlier cancellation of this Agreement, the Airline will quit and surrender the Leased Premises broom clean in substantially the same condition as when leased, reasonable wear, tear and damage by the elements and fire or other casualty and damage which is the Authority's responsibility to repair (not due to any act or omission of the Airline, its employees, subtenants or guests) excepted.

The Airline shall have the right, upon termination, expiration or cancellation and within thirty (30) days thereafter, to remove all trade fixtures, machinery, equipment, and other personal property installed or placed by it at its expense, in, on, or about the Airport, except that the Airline's right shall be subject to any valid lien that the Authority may have thereon for unpaid rentals or fees. The Airline shall not abandon any of its movable personal property on the premises without the prior written consent of the Authority. Any and all movable personal property not removed by the Airline within the thirty (30) day period shall thereupon, at the option of the Authority, become a part of the land on which it is located, and title thereto shall vest in the Authority. All the Authority property damaged by, or as the result of, Airline's removal of

its property shall be restored by the Airline, at its own expense, to the condition existing prior to such damage.

Not later than ten (10) days after the transfer of operations to the new Terminal Building, the Airline shall quit and surrender the Leased Premises (East and West Terminal Buildings and Terminal Ramp Space) broom clean in substantially the same condition as when leased, reasonable wear and tear and damage by the elements and fire or other casualty and damage which is the Authority's responsibility to repair (not due to any act or omission of the Airline, its employees, subtenants or guests) excepted.

The Airline upon ninety (90) days notice from the Authority shall have the right and obligation to remove, dispose of or relocate at its sole cost and expense all trade fixtures, machinery, equipment, and other personal property, in, on, or about the Leased Premises (East and West Terminal Buildings and Terminal Ramp Space). The Airline shall not abandon any of its trade fixtures, equipment, and other personal property on the Leased Premises (East and West Terminal Buildings and Terminal Ramp Areas). In the event that Airline does not remove said items within the ninety (90) day period, the Authority shall have the right to remove said items at the Airline's expense and Airline agrees to reimburse the Authority for all removal costs and to indemnify and hold harmless the Authority for any and all costs, claims or actions associated with such removal.

SECTION 37. ASSIGNMENT AND SUBLETTING

The Airline shall not assign, transfer, convey, sublet or otherwise dispose of this Agreement or any of the Leased Premises or its right, title or interest therein, or its power to execute the same, or any part thereof without the prior written consent of the Authority, which consent shall not be unreasonably withheld; provided, that the Airline shall have the right to assign this Agreement and any rights and privileges granted to it hereunder to any corporation with which the Airline may merge or consolidate or which may succeed to the business of the Airline

or all or substantially all of the assets of the Airline or to the Federal Government or any agency thereof and the Airline shall have the right to sublet to any or code-sharing affiliate of the Airline, space in the Leased Premises now or hereafter leased to it hereunder as Exclusive Use Space; that due notice of any such assignment shall be given to the Authority within thirty (30) days after any such merger, consolidation or succession. The foregoing right to assign this Agreement to any corporation with which the Airline may merge or consolidate or which may succeed to the business of the Airline does not apply to an assignment, transfer, conveyance, sublet or otherwise disposition of this Agreement if Airline is, or seeks to be, reorganized under a plan of reorganization pursuant to Chapter 11 of the Bankruptcy Code.

No sublease shall release the Airline from its obligations to pay any and all of the rentals and fees provided herein or to perform or provide for the performance of the Airline's other obligations under this Agreement, without specific written consent of the Authority to such relief.

SECTION 38. MISCELLANEOUS

A. Flight Kitchen

If the Airline does not wish to operate its own flight kitchen, Airline agrees to utilize the food service facilities of any in-flight food concessionaire in the Airport, but should such facilities not be provided on the Airport or the quantity, quality or price of the same not meet the standards deemed adequate by the Airline, the Airline may arrange for the preparation and distribution of food to its employees and passengers from other sources, subject to the Authority imposing a reasonable non-discriminatory charge on the firm or firms providing such services.

B. Notices

Notices provided herein shall be sufficient if served personally, sent by certified or registered mail, postage prepaid or by overnight delivery service, in the case of the Authority

to:

Executive Director
Niagara Frontier Transportation Authority
Post Office Box 5008
Buffalo, New York 14205,

and in the case of the Airline, to:

John W. Boatright - Vice President

Delta Air Lines, Inc.
Post Office Box 20700
Properties & Facilities
Dept. 881
Hartsfield Atlanta International Airport
Atlanta, Georgia 30320-6001

or such other respective addresses as the parties may designate to each other in writing from time to time. Notice by certified or registered mail shall be deemed given three (3) days after such notice is deposited in a United States Post Office. Overnight delivery shall be deemed given on the day of delivery.

C. Succession and Assignment

The covenants, conditions and agreements made and entered into hereunder by the parties hereto shall be for the benefit of and shall be binding upon their respective successors and assigns.

D. No Other Promises; No Oral Changes

The parties agree that this Agreement sets forth the entire agreement between the parties and that there are no promises or understandings other than those stated herein. Neither this Agreement nor any provision thereof may be changed, waived, discharged or terminated orally, but only by an instrument in writing signed by all parties by and against which such enforcement of the change, discharge or termination is sought. This Agreement may be amended in writing in whole or in part without further consideration with the mutual consent of the parties.

E. Incorporation of Exhibits and Required Provisions

All exhibits referred to in this Agreement are intended to and are hereby specifically made a part of this Agreement, and the Authority and the Airline incorporate herein by this reference all provisions lawfully required to be contained herein

by any governmental body or agency (other than the Authority).

F. Prior Agreements Superseded

This Agreement supersedes all prior agreements and understandings between the parties relating to the subject matter hereof.

G. Reservation of Rights

All rights not specifically granted to the Airline by this Agreement are reserved to the Authority.

H. Severability

If any clause, article, section, provision, term or condition of this Agreement is held to be unlawful, invalid or unenforceable by a court of competent jurisdiction, the remainder of this Agreement, including the remaining rights and obligations of the Authority and the Airline, shall not be affected.

I. Force Majeure

Except as herein provided, neither the Authority nor the Airline shall be deemed to be in default hereunder if either party is prevented from performing any of the obligations, other than the payment of rentals, fees and charges hereunder, by reason of strikes, boycotts, labor disputes, embargoes, shortages of energy or materials, acts of God, acts of the public enemy, acts of superior governmental authority, weather conditions, riots, rebellion, sabotage, or any other circumstances for which it is not responsible or which are not within its control. Where Force Majeure prevents performance, the nonperforming party shall notify the other party in writing of the existence of the force majeure event, its likely duration, and the party's continuing intention to perform.

J. Subordination to Bond Resolution

This Agreement and all rights granted to the Airline hereunder are expressly subordinated and subject to the lien and provisions of the pledges, transfer, hypothecation or assignment made by the Authority in any prior Bond Resolution, or Bond Resolution hereafter executed by the Authority, to issue Bonds. The Authority expressly reserves the right to enter into such Bond Resolution agreements and to make such pledges and grant

such liens and enter into covenants as it may deem necessary or desirable to secure and provide for the payment of Bonds, including the creation of reserves therefor.

The Airline understands that the Authority is and will be the issuer of Bonds. With respect to Bonds that are now outstanding or may be issued in the future, the interest on which is intended to be excludable from gross income from the holders of such Bonds for Federal income tax purposes under the Internal Revenue Code of 1986, the Airline agrees that it will not act, or fail to act (and will immediately cease and desist from any action, or failure to act) with respect to the use of the Airline's Leased Premises under this Agreement, if the act or failure to act may cause the Authority to be in noncompliance with the provisions of the Internal Revenue Code of 1986 as they may be amended, supplemented, or replaced, or the regulations or rulings issued thereunder, nor will the Airline take, or persist in, any action or omission which may cause the interest on the tax-exempt Bonds not to be excludable from the gross income of the holders thereof for Federal income tax purposes.

Airline hereby acknowledges title to the Leased Premises is solely in the Authority. Airline hereby elects, pursuant to Section 142(b)(1)(i) of the Internal Revenue Code of 1986, as amended, that it will not claim depreciation or investment tax credit for federal income tax purposes with respect to any portion of the properties and facilities now or hereafter leased hereby and with respect to any future property financed with Bonds the interest on which is excludable from gross income pursuant to Section 103 of the Internal Revenue Code of 1986, as amended, unless a written opinion of counsel nationally recognized in matters relating to the issuance of state and local obligations and satisfactory to the Authority is received by the Authority to the effect that such election is not necessary in order to maintain the tax-exempt status of such Bonds. It is further agreed that said election shall be irrevocable and binding upon the Airline and any successors in interest to Airline and that any agreements and any publicly

recorded documents in lieu of such agreements shall state that neither the Airline nor any successor in interest under this Agreement may claim depreciation or investment tax credit with respect to the properties and facilities now or hereafter leased hereunder and financed with Bonds the interest on which is excludable from gross income pursuant to Section 103 of the Internal Revenue Code of 1986 as amended, unless a written opinion of counsel nationally recognized in matters relating to the issuance of state and local obligations and satisfactory to the Authority is received by the Authority to the effect that such election is not necessary in order to maintain the tax-exempt status of such Bonds. This election shall be retained in the records of the Airline and Authority for the entire term of this Agreement.

Airline further agrees that with respect to any properties and facilities financed with Bonds issued after August 15, 1986 hereafter leased hereunder, the term hereof shall not be for a period longer than 80% of the reasonably expected economic life of the facilities and properties financed from the proceeds of Bonds the interest on which is excluded from gross income pursuant to Section 103 of the Internal Revenue Code of 1986, as amended, unless a written opinion of counsel nationally recognized in matters relating to the issuance of state and local obligations and satisfactory to Authority is received by the Authority to the effect such term may be greater.

Airline hereby acknowledges that it has no option or right nor will it acquire any option or right to acquire, directly or indirectly, the properties or facilities financed with Bonds issued after August 15, 1986 now or hereafter leased hereunder and financed from the proceeds of Bonds the interest on which is excludable from gross income pursuant to Section 103 of the Internal Revenue Code of 1986, as amended, at other than the fair market value thereof determined as of the date such option or right is exercised unless a written opinion of counsel nationally recognized in matters relating to the issuance of state and local obligations and satisfactory to Authority is

received by the Authority to the effect that such an option will not affect the tax exempt status of such Bonds.

K. Taxes, Assessments, Licenses And Permit Fees

- (1) The Airline shall pay, but such payment shall not be considered part of Revenue, all taxes (including any possessory interest tax), payment in lieu of taxes, assessments, and charges of a like nature, if any, which at any time during the term of this Agreement may be levied or become a lien by virtue of any levy, assessment, or charge by the Federal Government, the State of New York, the County of Erie (acting in its governmental capacity), any municipal corporation (having jurisdiction over the Airport), any local government entity, any government successor in authority to the foregoing, or any other tax or assessment levying bodies, in whole or in part, upon or in respect to any of the space leased under this Agreement of such facilities of the Airport as are made available for use by Airline hereunder, or upon or in respect to any personal property belonging to the Airline situated on the space leased under this Agreement. Payment of such taxes, other than those levied or imposed upon or in respect to the space leased under this Agreement, assessments, and charges, when and if levied or assessed, shall be made by the Airline directly to the taxing or assessing authority charged with collection thereof.

The Airline shall also pay any license or permit fees which may be due and owing from the Airline to the United States, State, County or other municipal corporation by reason of the Airline's operations under this Agreement.

- (2) The Airline may, at its own expense, contest the amount of validity of any tax or assessment, or

the inclusion of the space leased under this Agreement as taxable or assessable property, directly against the taxing or assessing authority.

- (3) On any termination of this Agreement, all lawful taxes then levied or a lien upon any such property or taxable interest therein shall be paid in full by the Airline forthwith, or as soon as a statement thereof has been issued by the tax collector if termination occurs during the interval between attachment of the lien and issuance of a statement.

L. Liens

The Airline shall cause to be removed promptly any and all liens of any nature arising out of or because of any construction performed by the Airline or any of its contractors or subcontractors upon Exclusive Use Space, Preferential Use Space or Joint Use Space or Common Use Space or arising out of or because of the performance of any work or labor by or for it or them at said premises, reserving the right to contest in court the validity of any such liens. The Airline shall have the right to post an appropriate bond to cover its obligations pursuant to this paragraph.

In the event any person or corporation shall attempt to assert a mechanic's lien against the Leased Premises for improvements made by the Airline, the Airline shall hold the Authority harmless from such claim, including the cost of defense.

M. Headings

The headings of the several articles and sections of this Agreement are inserted only as a matter of convenience and for reference and do not define or limit the scope or intent of any provisions of this Agreement and shall not be construed to alter or affect the meaning of this Agreement.

N. Nonexclusive Rights

It is understood and agreed that nothing herein contained shall be construed to grant to the Airline any exclusive right or privilege within the meaning of Section 308 of the Federal Aviation Act for the conduct of any aeronautical activity on the Airport. The Airline's right to exclusive possession of the Exclusive Use Space leased to the Airline under the provisions of this Agreement shall not constitute such a prohibited exclusive right.

O. Vending Machines

The Airline shall ensure that no amusement, vending (excluding self ticketing machines), public pay phones, or other machines operated by coins, tokens, or credit cards are installed or maintained in or at the Airline's Exclusive Use Space without the prior written permission of the Authority; except that the Airline may install snack and soft drink vending machines in the portion of Airline's Leased Premises not accessible to the public for sole use of the Airline's officers, employees and agents. Vending machines shall not be within the view of the general public and all vending machine locations are subject to the prior written approval of the Authority. Airline shall be responsible for the cost of any electrical or other work necessary to accommodate any vending machines it installs pursuant to this provision.

P. Public Address System

The Airline agrees that the use of the Authority's public address system will be in accordance with the Authority's public address system policy, a copy of which is available at the office of the Airport Manager. The Airline shall not install, cause to be installed, or use any other public address system at the Terminal Building without the prior written approval of the Authority.

Q. Removal of Disabled Aircraft

The Airline shall promptly remove any of its disabled aircraft from any part of the Airport (including, without limitation, runways, taxiways, aprons, and gate positions) and

place any such disabled aircraft in such storage areas as may be designated by the Executive Director or Airport Manager. The Airline may store such disabled aircraft only for such length of time and on such reasonable terms and conditions as may be established by the Authority. If the Airline fails to remove any of its disabled aircraft promptly, the Executive Director may, but shall not be obligated to, cause the removal of such disabled aircraft; provided, however, the obligation to remove or store such disabled aircraft shall not be inconsistent with federal laws and regulations and the Airline agrees to reimburse the Authority for all costs of such removal, and the Airline further hereby releases the Authority from any and all claims for damage to the disabled aircraft or otherwise arising from or in any way connected with such removal by the Authority unless caused by the recklessness of the Authority.

R. Nonliability Of Authority's And Airline's Officers, Agents and Employees

No commissioner, director, officer, agent, or employee of either party shall be charged personally or held contractually liable by or to the other party under any provision of this Agreement or because of any breach of this Agreement or because of execution or attempted execution of this Agreement.

S. No Third Party Right of Action

Each of the parties to this Agreement has entered into it solely for its own benefit, and this Agreement does not grant to any third party (except an assignee or a successor party of the Airline or the Authority) a right to claim damages or bring any proceeding against either the Airline or the Authority because of any breach of this Agreement.

T. Work Undertaken by Airline; Liens and Encumbrances

The Airline will not undertake any construction, renovation, replacement or repair of any facilities in or portion of the Leased Premises without the written approval by the Authority, which approval shall not be unreasonably withheld. Except as otherwise provided herein, all such construction,

renovation, replacement or repair shall be at the sole expense of the Airline. All such construction, renovation, replacement or repair shall be performed in a first class workman like manner and conform to plans and specifications approved in writing by the Authority. No such construction, renovation, replacement or repair shall interfere with the operation of the Airport unless specifically authorized and approved in writing by the Authority.

The Airline shall keep the Leased Premises free and clear of all liens and encumbrances arising out of the use and occupancy of the Leased Premises by Airline.

U. Fees and Charges to Non-signatory Airlines.

The provisions of this subsection are intended to reflect the long term benefits to the Airport from this Agreement and the higher administrative and overhead costs of the Authority with respect to the activities of non-signatory airlines.

The Airline is not permitted to sublet its Leased Premises, in whole or in part, or to enter into any arrangement allowing a non-signatory airline to share its Leased Premises while any of the gates at the new Terminal Building remain available for leasing without the Authority's consent. Provided, however, that any non-signatory airline, which as of November 1, 1996 is operating as an approved sublessee or under an approved joint use agreement with an Airline, will be allowed to continue that relationship after the transition to the new Terminal Building even if there is a gate available for rental in the new terminal.

If there is a gate at the new Terminal Building that is available for leasing and an airline desires to use it either for its exclusive use or on a per flight or some other limited use basis without becoming a Signatory Airline, the Authority agrees to impose Joint Use Space and Common Use Space charges and landing fees on said non-signatory airline that are 125% of those imposed under the terms of this Agreement. Charter flights will be charged a landing fee of 125% of the signatory landing fee.

If there are no gates available for lease at the new Terminal Building and the Authority consents to allow the Airline

to sublet its Leased Premises in whole or in part, or to enter into any arrangement allowing a non-signatory Airline to share its Leased Premises, then said non-signatory airline subleasing space or having entered into a joint use agreement with the Airline shall pay the signatory landing fee for scheduled passenger flights and a landing fee of 125% of the signatory landing fee for charter flights.

Air Carriers operating at the Air Cargo facilities shall be charged signatory rates and charges.

V. Covenant Not To Grant More Favorable Terms.

The Authority agrees not to enter into a lease, contract or other agreement with another certified air carrier providing similar services as airline at the Airport upon terms and conditions more favorable than those herein granted to Airline.

W. Operation by Authority.

The Authority agrees, subject to the other terms and conditions of this Agreement, that it will with reasonable diligence, prudently operate, develop, improve and keep in good repair the Airport, and appurtenances, facilities and services now or hereafter connected therewith in a manner at least equal to a standard or rating for similarly sized airports as established by the FAA.

SECTION 39. LEASE MADE IN STATE OF NEW YORK

This Agreement shall be deemed to be made in and shall be construed in accordance with the laws of the State of New York. To the extent allowed by law, the venue for any action arising out of or related to this Agreement shall be Erie County, New York.

SECTION 40. NO WAIVER OF RIGHTS

The failure of the Authority or the Airline to insist upon a strict performance of any of the terms, conditions and covenants herein shall not be deemed a waiver of any right to require strict performance or to enforce this Agreement in the event of breach or default in the terms, conditions and covenants

herein contained.

SECTION 41. COMPLIANCE WITH FEDERAL LAWS AND REGULATIONS

A. Federal Nondiscrimination

Without limiting the generality of any of the provisions of this Agreement, the Airline, for itself, its successors in interest, and assigns, as a part of the consideration hereof hereby covenants and agrees that it shall be bound by and comply with the applicable Federal nondiscrimination provisions, and shall insert the required provisions in any lease or other agreement by which it grants a right or privilege to any person, firm, or corporation to render accommodations and/or services to the public on the Leased Premises.

The Airline shall furnish its accommodations and/or services on a fair, equal, and not unjustly discriminatory basis to all users thereof, and it shall charge fair, reasonable, and not unjustly discriminatory prices for each unit or service. The Airline may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers. Non-compliance with this Section shall constitute a material breach hereof. In the event of such noncompliance, the Authority shall have the right to terminate this Agreement without liability therefor, or at the election of the Authority or the United States, either or both shall have the right to judicially enforce such provision.

The Airline assures the Authority that the Airline will comply with applicable law as it may be amended regarding an affirmative action program as required by FAA Regulations, Title 14, Code of Federal Regulations, Part 152, Subpart E, entitled Nondiscrimination in Airport Aid Program, or otherwise approved by the FAA, to ensure that no person shall, on the grounds of race, creed, color, national origin, or sex, be excluded from participation in any employment activities covered by that it will require that its covered suborganizations provide assurances to the Airline that they similarly will undertake affirmative action programs and that they will require assurances

from their suborganizations, as required by Title 14, Code of Federal Regulations, Part 152, Subpart E, to the same effect.

The Airline covenants and agrees that no person shall be excluded from participation in, denied the benefits of, or otherwise discriminated against in the performance of this Agreement on the grounds of race, color, national origin or sex, as provided in Part 23 of Title 49 of the Code of Federal Regulations entitled Participation of Minority Business Enterprise in Department of Transportation Programs.

In the event of a breach by the Airline of any of the assurances or covenants in this Section, the Authority shall have the right to terminate this Agreement, and to reenter and repossess the Leased Premises, and to hold the same as if this Agreement had never been made or issued, but not without the express prior concurrence or direction of the U.S. Department of Transportation or the FAA following suitable review, if any, of such breach and affording the Airline a reasonable opportunity to rectify the same, if appropriate.

The Airline for itself and its successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that in the event facilities are constructed, maintained, or otherwise operated on the said property described in this Agreement for a purpose for which a DOT program or activity is extended or for another purpose involving the provision of similar services or benefits, the Airline shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.

The Airline for itself and its successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that: (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of the Leased

Premises, (2) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that the Airline shall use the premises in compliance with all other requirements imposed by or pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.

B. Federal Sponsor's Assurances

To the extent and in the event that the Authority requests funds under the provisions of the Airport and Airway Improvement Act of 1982, as amended by the Airport and Airway Safety and Expansion Act of 1987, or the Aviation Safety and Noise Abatement Act of 1979, both parties agree that the assurances required to be submitted by a public agency sponsor and user under such public law are deemed incorporated into this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused their corporate seals to be hereunto affixed and these presents to be signed by their duly authorized officers, the day and year first above written.

Dated:

NIAGARA FRONTIER TRANSPORTATION
AUTHORITY

By: 
Executive Director

Dated:

DELTA AIR LINES, INC.

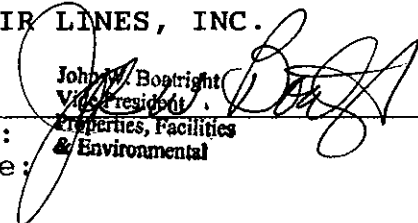
By: 
Name: John W. Boatright
Title: Vice President, Properties, Facilities & Environmental

EXHIBIT B-1

LEASED PREMISES

West Terminal

Airline Tenants	Square Feet
USAir	37,057
Northwest	5,627
Delta	9,371
Joint Use	<u>11,017</u>
Total Airlines	63,072
Total Public, Administrative, Mechanical and Concession Areas	<u>73,906</u>
Total Airline Public, Administrative, Mechanical and Concession Areas West Terminal	<u>136,978</u>

Terminal Ramp Area	Linear Feet
USAir	863
Delta	320
Northwest	<u>160</u>
Total Ramp Area	<u>1,343</u>

East Terminal

Airline Tenants	
American	18,416
United	18,737
Continental	7,630
Joint Use	<u>14,899</u>
Total Airlines	59,682
Total Public, Administrative and Mechanical and Concession Areas	<u>71,808</u>
Total Airline, Public, Administrative, Mechanical and Concession Areas East Terminal	<u>131,490</u>

Terminal Ramp Area	Linear Feet
American	450
United	350
Continental	<u>272</u>
Total Ramp Area	<u>1,072</u>

EXHIBIT B-2

(This Exhibit is included in the pocket file on the right side of this file folder)

DRAWINGS: **SA1 - ARRIVALS AND APRON LEVEL DATED 3/12/97**
 SA2 - DEPARTURES AND CONCOURSE LEVEL DATED 3/12/97
 SA3 - RAMP AREA SPACE ALLOCATION PLAN DATED 3/14/97

**DELTA AIRLINES
BNIA TERMINAL SQUARE FOOTAGE**

UPPER LEVEL

EXCLUSIVE

- HOLDROOM (G15•G16)	3,685		
- TICKET COUNTER	1,826		
- CART STORAGE	<u>139</u>	5,650	5511

JOINT USE (20/80)

- ELEVATOR (DL•AA•G11)	76		
- OVERSIZED BAG ELEV (DL•US•NW)	87		
- CURB CHECKIN (DL•US•NW)	707		
- WALKWAY (DL•US•NW)	441		
- STAIRWAY (DL•AA•G11)	<u>233</u>	1,544	

COMMON USE

- STAIRWAY-E (NFTA•DL•NW•US•AA•CO•UA)	<u>443</u>	<u>443</u>	7,637	7498
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LOWER LEVEL

EXCLUSIVE

- BAGGAGE SERVICE AREA	332		
- BAGGAGE MAKE-UP	1,623		
- OPS AREA	<u>2,031</u>	3,986	

JOINT USE (20/80)

- BAG MK-UP/CLM (DL•AA•CO•UA•US•NW)	38,041		
- ELEVATOR (DL•AA)	174		
- ELEVATOR-MR (DL•AA)	51		
- OVERSIZED BAG ELEV (DL•US•NW)	186		
- STAIRWAY (DL•AA•G11)	<u>488</u>	38,940	

COMMON USE

- HALLWAY-R (NFTA•DL•CO•AA•UA•NW)	3,889			
- STAIRWAY-E (NFTA•DL•NW•US•AA•CO•UA)	<u>212</u>	<u>4,101</u>	<u>47,027</u>	<u>54,664</u>

RAMP AREA (G15•G16) - 456 LF

**UNITED AIRLINES
BNIA TERMINAL SQUARE FOOTAGE**

UPPER LEVEL

EXCLUSIVE

- HOLDROOM (G8•G10)	3,603		
- TICKET COUNTER	<u>2,083</u>	5,686	

JOINT USE (20/80)

- ELEVATOR (UA•CO•G10)	76		
- OVERSIZED BAG ELEV (UA•AA•CO)	88		
- WALKWAY (UA•AA•CO)	308		
- CURB CHECKIN (UA•AA•CO)	707		
- STAIRWAY (UA•CO•G10)	<u>247</u>	1,426	

COMMON USE

- HALLWAY (NFTA•CA1•AA•UA•CO)	153		
- STAIRWAY-E (NFTA•UA•CO•AA•DL•US•NW)	<u>443</u>	<u>596</u>	7,708

LOWER LEVEL

EXCLUSIVE

- BAGGAGE SERVICE AREA	216		
- BAGGAGE MAKE-UP	2,436		
- OPS AREA (8 & 10)	1,303	3,955	

JOINT USE (20/80)

- BAG MK-UP/CLM (UA•NW•DL•US•AA•CO)	38,041		
- OVERSIZED BAG ELEV (UA•AA•CO)	76		
- ELEVATOR (UA•CO•G10)	173		
- ELEVATOR-MR (UA•CO•G10)	53		
- STAIRWAY (UACO•G10)	<u>529</u>	38,872	

COMMON USE

- HALLWAY-R (NFTA•CO•AA•DL•UA•NW)	3,889		
- ELEVATOR-MR (NFTA•CA-1•AA•UA•CO)	107		
- STAIRWAY-E (NFTA•UA•CO•AA•DL•US•NW)	<u>212</u>	<u>4,208</u>	<u>47,035</u>
			<u>54,743</u>

RAMP AREA (G8•G10) - 279 LF

**USAIR
BNIA TERMINAL SQUARE FOOTAGE**

UPPER LEVEL

EXCLUSIVE

- HOLDROOM (G1•G 2)	3,859		
- ELEVATOR (G2)	75		
- HOLDROOM (G3•G4)	3,783		
- CLUB	2,891		
- HOLDROOM (G5)	1,884		
- TICKET COUNTER	3,125		
- STAIRWAY (G1•G2•G3•G5)	1,122		
- SECURITY ROOM	<u>291</u>	17,030	

JOINT USE (20/80)

- OVERSIZED BAG ELEV (US•DL•NW)	87		
- WALKWAY (US•DL•NW)	441		
- CURB CHECKIN (US•DL•NW)	<u>707</u>	1,235	

COMMON USE

- STAIRWAY-E (NFTA•US•DL•NW•CO•AA•UA)	<u>443</u>	<u>443</u>	18,708
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LOWER LEVEL

EXCLUSIVE

- BAGGAGE SERVICE AREA	818		
- BAGGAGE MAKE-UP	3,695		
- OPS AREA	12,127		
- ELEVATOR (G2)	137		
- STAIRWAY (G1•G2•G3•G5)	1,159	17,936	

JOINT USE (20/80)

- BAG MK-UP/CLM (US•NW•DL•AA•UA•CO)	38,041		
- OVERSIZED BAG ELEV (US•DL•NW)	<u>186</u>	38,227	

COMMON USE

- STAIRWAY-E (NFTA•US•DL•NW•CO•AA•UA)	<u>212</u>	<u>212</u>	<u>56,375</u>	<u>75,083</u>
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RAMP AREA (G1 - G5) - 967 LF

**NORTHWEST AIRLINES
BNIA TERMINAL SQUARE FOOTAGE**

UPPER LEVEL

EXCLUSIVE

- HOLDROOM (G6)	1,905		
- TICKET COUNTER	1,271		
- STAIRWAY (G6)	246		
- ELEVATOR (G6)	<u>73</u>	3,495	

JOINT USE (20/80)

- OVERSIZED BAG ELEV (NW•US•DL)	87		
- WALKWAY (NW•US•DL)	441		
- CURB CHECKIN (NW•US•DL)	<u>707</u>	1,235	

COMMON USE

- STAIRWAY-E (NFTA•NW•DL•US•AA•CO•UA)	<u>443</u>	<u>443</u>	5,173
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LOWER LEVEL

EXCLUSIVE

- BAGGAGE SERVICE AREA	195		
- BAGGAGE MAKE-UP	1,237		
- OPS AREA	1,502		
- STAIRWAY (G6)	257		
- ELEVATOR (G6)	<u>293</u>	3,484	

JOINT USE (20/80)

- BAG MK-UP/CLM (NW•DL•US•UA•AA•CO)	38,041		
- OVERSIZED BAG ELEV (NW•US•DL)	<u>186</u>	38,227	

COMMON USE

- HALLWAY-R (NFTA•NW•DL•UA•CO•AA)	3,889		
- STAIRWAY-E (NFTA•NW•DL•US•AA•CO•US)	<u>212</u>	<u>4,101</u>	<u>45,812</u>
			<u>50,985</u>

RAMP AREA (G6) - 137 LF

**CONTINENTAL AIRLINES
BNIA TERMINAL SQUARE FOOTAGE**

UPPER LEVEL

EXCLUSIVE

- HOLDROOM (G12•G14)	3,862		
- TICKET COUNTER	<u>1,823</u>	5,685	

JOINT USE (20/80)

- OVERSIZED BAG ELEV (CO•AA•UA)	88		
- CURB CHECKIN (CO•AA•UA)	707		
- ELEVATOR (CO•UA•G10)	76		
- WALKWAY (CO•AA•UA)	308		
- STAIRWAY (CO•UA•G10)	<u>247</u>	1,426	

COMMON USE

- HALLWAY(NFTA•CA1•CO•AA•UA)	153		
- STAIRWAY-E (NFTA•CO•UA•AA•US•DL•NW)	<u>443</u>	<u>596</u>	7,707

LOWER LEVEL

EXCLUSIVE

- BAGGAGE SERVICE AREA	336		
- BAGGAGE MAKE-UP	1,555		
- OPS AREA (G12•G14)	<u>2,801</u>	4,692	

JOINT USE (20/80)

- BAG MK-UP/CLM (CO•AA•UA•US•DL•NW)	38,041		
- OVERSIZED BAG ELEV (CO•AA•UA)	76		
- ELEVATOR (CO•UA•G10)	173		
- ELEVATOR-MR (CO•UA•G10)	53		
- STAIRWAY (CO•UA•G10)	<u>529</u>	38,872	

COMMON USE

- HALLWAY-R (NFTA•CO•AA•DL•UA•NW)	3,889		
- ELEVATOR-MR (NFTA•CA-1•AA•UA•CO)	107		
- STAIRWAY-E (NFTA•CO•US•AA•US•DL•NW)	<u>212</u>	<u>4,208</u>	<u>47,772</u>
			<u>55,479</u>

RAMP AREA (G12•G14) - 414 LF

**AMERICAN AIRLINES
BNIA TERMINAL SQUARE FOOTAGE**

UPPER LEVEL

EXCLUSIVE

- HOLDROOM (G11)	1,855		
- TICKET COUNTER	<u>1,829</u>	3,684	

JOINT USE (20/80)

- ELEVATOR (AA•DL•G11)	76		
- OVERSIZED BAG ELEV (AA•UA•CO)	88		
- WALKWAY (AA•UA•CO)	308		
- CURB CHECKIN (AA•UA•CO)	707		
- STAIRWAY (AA•DL•G11)	<u>233</u>	1,412	

COMMON USE

- HALLWAY (NFTA•CA-1•AA•UA•CO)	153		
- STAIRWAY-E (NFTA•AA•CO•UA•US•NW•DL)	<u>443</u>	<u>596</u>	5,692

LOWER LEVEL

EXCLUSIVE

- BAGGAGE SERVICE AREA	278		
- BAGGAGE MAKE-UP	1,906		
- OPS AREA	<u>2,062</u>	4,246	

JOINT USE (20/80)

- BAG MK-UP/CLM (AA•CO•UA•US•DL•NW)	38,041		
- OVERSIZED BAG ELEV (AA•UA•CO)	76		
- ELEVATOR (AA•DL•G11)	174		
- ELEVATOR-MR (AA•DL•G11)	51		
- STAIRWAY (AA•DL•G11)	<u>488</u>	38,830	

COMMON USE

- HALLWAY-R (NFTA•NW•UA•CO•DL•AA)	3,889		
- ELEVATOR-MR (NFTA•CA-1•AA•UA•CO)	107		
- STAIRWAY-E (NFTA•AA•CO•UA•US•NW•DL)	<u>212</u>	<u>4,208</u>	<u>47,284</u>
			<u>52,976</u>

RAMP AREA (G11) - 165 LF

**FIRST AMENDMENT TO USE AND LEASE
AGREEMENT**

This Amendment to Use and Lease Agreement is made this 21st day of Jan, 2008, between the Niagara Frontier Transportation Authority, a public benefit corporation established by Chapter 717 of the Laws of 1967 of the State of New York, (hereinafter referred to as "Authority"), and ^{FOR NFTA} ~~Delta Airlines~~, Inc., a Delaware Corporation, (hereinafter referred to as "Airline"). _{AIR LINES}

INITIAL
[Signature]

WHEREAS, NFTA and Airline have heretofore entered into a certain ^{AIRPORT} Use and Lease Agreement ^{EFFECTIVE} dated July 1, 1998 (the "Agreement") pursuant to which the Authority granted Airline certain rights and leased unto Airline certain premises and facilities in connection with Airline's air transportation business; and

INITIAL
[Signature]

WHEREAS, parties wish to extend the term of the Agreement and amend and/or supplement certain terms and conditions of the Agreement; and

NOW THEREFORE, in consideration of the premises and of the mutual terms, covenants and conditions herein contained, the Authority and Airline do hereby agree as follows:

1. All capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Agreement.

2. **Definitions.** Section 1 of the Agreement is hereby amended by deleting definition number 41 in its entirety and replacing it with the following:

"Terminal Building" means the terminal building as it now exists together with the associated concourses and satellites and as shown on Exhibit A, as it may be reconstructed, modified, changed, developed or replaced either temporarily or permanently.

3. **Term and Holding Over.**

Section 3.A. of the Agreement is amended by deleting the year 2002 and substituting in its place the year 2007.

4. **Transfer of Operations.**

Section 4 of the Agreement is amended by deleting said section in its entirety.

5. **Rights and Limits on Rights of Use.**

Section 5 of the Agreement is hereby amended by deleting the last two full sentences of subsection C.(3).

6. **Terminal Ramp Fees.**

Section 9 of the Agreement is hereby amended by deleting subsection C in its entirety and replacing it with the following language:

The total amount of the Terminal Ramp Fees shall equal ten percent (10%) of the total requirement of the Landing Area expenses including Maintenance and Operating Expenses, Debt Service, and Coverage, plus deicing/anti-icing fluid collection charges, contractor administration fee and depreciation on the capital improvements for the collection system net of the pro rata share of the Air Cargo Ramp. The fluid collection charge component of the Terminal Ramp Fee shall be adjusted at the end of each Contract Year to account for Airline's actual total gallons of 100% applied deicing/anti-icing fluid for the requisite Contract Year. In the event that the reconciliation shows that Airline either overpaid or underpaid for a given Contract Year, the readjusted fluid collection charge shall be refunded in the form of a credit to Airline or paid to the Authority within thirty days from the date of the reconciliation statement whichever the case may be. The Terminal Ramp Fee, net of the deicing/anti-icing fluid collection charges, contractor administration fee and depreciation on the capital improvements for the collection system, shall be deducted from the Landing Area Total Requirement.

7. **Loading and Unloading Facilities.**

Section 31 is hereby amended by adding the following new paragraph:

This paragraph applies if Airline uses an Authority owned jetbridge at its assigned gate position(s). Airline, at its own cost and expense, shall at all times during the Term of this Agreement keep said jetbridge in a clean and good condition. Airline shall be responsible for the repair and maintenance of the jetbridge and shall perform such preventative maintenance to the jetbridge as recommended by the manufacturer. Airline is also responsible for the cost of any damage, repair or maintenance to the jetbridge that results from Airline's failure to operate the jetbridge in accordance with manufacturer's instructions or specifications or the misuse or negligent operation of the jetbridge by Airline and/or its employees, licensees, contractors, subtenants, affiliates and code-sharing users. Airline shall return and surrender the Authority owned jetbridge to the Authority upon the termination, cancellation or upon the relocation of Airline's assigned gate position in the condition that existed at the time the Airline commences use of the jetbridge, reasonable wear and tear excepted. Airline agrees to pay as Additional Rent, provided that other than PFC or federal or state grant funds were used for the purchase and installation of the jetbridge, for the use of the jetbridge the monthly amount set forth on Exhibit D-2.

8. **Transportation Services, Net Surpluses Allocation.** Section 15 of the Agreement is hereby amended by deleting the last full sentence of subsection A. Said Section is further amended by deleting the language "As illustrated in the third section of Exhibit G, headed "Restricted Retained Earning Analysis," from the first and second lines of subsection F and capitalizing the word "the" to begin the amended subsection. Said Section is further amended by deleting the language "As illustrated in the fourth section of Exhibit G, headed "Unrestricted Retained Earning Analysis," from the first and second lines of subsection G and capitalizing the word "Fifty" to begin the amended subsection

9. **Indemnity and Insurance.** Section 23 of the Agreement is hereby amended by adding the following language at the end of the fifth full paragraph:

If any motor vehicles are used in Airline's operations at BNIA and such motor vehicles are required by New York State law to be insured, then Airline shall procure and keep in force during the Term of this Agreement, auto liability insurance covering bodily injury and property damage with a minimum combined single limit of \$2,000,000. Airline shall procure and keep in force during the Term of this Agreement Workers' Compensation Insurance and other employee benefits insurance that Airline is required by law to provide."

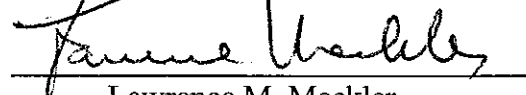
10. **Exhibits.** The Agreement is hereby amended by deleting Exhibits A, B, C, D, E, F, G, I, J and K in their entirety and replacing said Exhibits with Exhibits marked A, B, D, E, F, G, I, J, and K attached hereto and made a part hereof. Exhibit C is being reserved for future use.

11. **Effectiveness and Ratification.**

This Amendment to Agreement provided herein shall be effective as of June 29, 2002. Except as expressly provided herein, the remainder of the Agreement shall be unaffected hereby and shall otherwise remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed This Amendment on the day and year first above-written.

**NIAGARA FRONTIER
TRANSPORTATION AUTHORITY**

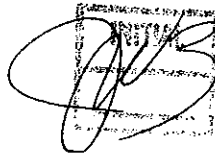


BY: Lawrence M. Meckler

TITLE: Executive Director

AIR LINES

DELTA AIRLINES, INC.



BY: _____

TITLE: John W. Boatright

Vice President

Corporate Real Estate & Sourcing Strategy

STATE OF NEW YORK)

COUNTY OF ERIE)

On the _____ day of _____ in the year 2002 before me, the undersigned, a notary public in and for said state, personally appeared LAWRENCE M. MECKLER, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity and that by his signature on the instrument, the individual or the person upon behalf of which the individual acted executed the instrument.

STATE OF NEW YORK)

COUNTY OF ERIE)

On the _____ day of _____ in the year 2002 before me, the undersigned, a notary public in and for said state, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s) or the person upon behalf of which the individual(s) acted, executed the instrument.

**SECOND AMENDMENT TO USE AND LEASE
AGREEMENT**

This Second Amendment to Use and Lease Agreement (this "Amendment") is made this 31st day of October, 2007, between the Niagara Frontier Transportation Authority, a public benefit corporation established by Chapter 717 of the Laws of 1967 of the State of New York, (hereinafter referred to as "Authority"), and Delta Air Lines, Inc., a Delaware Corporation, (hereinafter referred to as "Airline").

WHEREAS, NFTA and Airline have heretofore entered into a certain Airport Use and Lease Agreement effective July 1, 1997 as amended by that certain First Amendment to Use and Lease Agreement dated January 21, 2003 (the "Agreement") pursuant to which the Authority granted Airline certain rights and leased unto Airline certain premises and facilities in connection with Airline's air transportation business; and

WHEREAS, parties wish to extend the term of the Agreement and amend and/or supplement certain terms and conditions of the Agreement; and

NOW THEREFORE, in consideration of the premises and of the mutual terms, covenants and conditions herein contained, the Authority and Airline do hereby agree as follows:

1. All capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Agreement.

2. **DEFINITIONS** Section 1 of the Agreement is hereby amended by deleting definitions number 16 and number 19 in their entirety and replacing said definitions with the following:

"Contract Year" means the stub period of July 1, 2007 through March 31, 2008, and each year thereafter the period of April 1 to March 31.

"Current Fiscal Year" means the last Fiscal Year commenced prior to the beginning of the stub Contract Year of July 1, 2007 through March 31, 2008.

3. **TERM and HOLDING OVER**

Section 3.A of the Agreement is amended by deleting June 30, 2007 and substituting in its place March 31, 2013.

4. **RIGHTS and LIMITS ON RIGHTS OF USE**

Section 5.C(3) of the Agreement is hereby amended by deleting the words "Federal Aviation Regulation Part 107, "Airport Security" or any successor document, or the Airport's FAA-approved security plan" and substituting in their place the words "Transportation Security Administration, 49 CFR Parts 1540 and 1542 or the Airport's Security Plan".

5. **RENT**

Section 7 of the Agreement is hereby amended by adding the language shown below in bold and underlined type to the first sentence of subsection C of said Section:

" The rental rate per square foot for Exclusive Use Space, Preferential Use Space, Joint Use Space, and Common Use Space shall be recalculated **upon the Substantial Completion Date of any**

premises and annually thereafter on July 1st **for the stub Contract Year and April 1st for each Contract Year thereafter** subject to this Agreement, all in accordance with Exhibit D.”

6. **LANDING FEE**

Section 8 of the Agreement is hereby amended by adding the language shown below in bold and underlined type to the subsections B and C of said Section:

B. The Landing Fee Rate for any Contract Year shall be that amount determined (to the nearest one-tenth (1/10) of one cent (\$.001) per each one thousand pounds (1,000 lbs.) by dividing the cost of the Landing Area for the Current Fiscal Year **for the stub Contract Year and for each Contract Year thereafter the Fiscal Year** calculated pursuant to Paragraph C of this Section, by the total estimated Maximum Certificated Gross Landed Weight in thousand-pound units of all aircraft of all Signatory Airlines landed in Revenue Aircraft Arrivals at the Airport during the Current Fiscal Year **for the stub Contract Year and for each Contract Year thereafter the Fiscal Year**.

C. The cost of the Landing Area for each Contract Year shall be an amount equal to the excess of the capital and operating requirement chargeable to the Landing Area, including without limitation, Maintenance and Operating Expenses, Debt Service and Coverage allocable to the Landing Area, for the Current Fiscal Year **for the stub Contract Year and for each Contract Year thereafter the Fiscal Year** over Revenues of the Landing Area for the Current Fiscal Year **for the stub Contract Year and for each Contract Year thereafter for the Fiscal Year** calculated as in Exhibit E to the Agreement.

Section 8 of the Agreement is further amended by adding to said Section the phrase “of the stub Contract Year and for each Contract Year thereafter the Fiscal Year” after the words Current Fiscal Year in the last line of subsection D.

7. **INFORMATION ON AIRLINE OPERATIONS**

Section 11.A of the Agreement is amended by deleting March 1st and substituting in its place November 1st.

8. **ADJUSTMENT OF AIRLINE RENT, FEES AND CHARGES**

Section 13 of the Agreement is hereby amended by deleting the word “Current” in each place it appears in said Section.

9. **YEAR END ADJUSTMENT OF AIRLINE RENT, FEES AND CHARGES**

Section 14 of the Agreement is hereby amended by adding the language shown below in bold and underlined text to subsection A of said Section.

A. On or before May 31, **2007**, the Authority shall recalculate and adjust rent and airline fees and charges in effect during the Prior Fiscal Year to be effective July 1st **of the stub Contract Year**. **On or before March 31, 2008 and each year thereafter, the Authority shall recalculate and adjust rent and airline fees and charges in effect during the prior Contract Year to be effective April 1st of each Contract Year**. The Authority’s adjustment shall be based on the calculation procedures established in this Agreement, but shall use actual costs, revenues, Leased Premises and Revenue Aircraft Arrivals. Airline rent, fees and charges shall be set forth and supported by a document known as the “Statement of Airlines’ Actual Rent and Annual Fees and Charges.”

10. **COVERAGE**

Section 17 of the Agreement is hereby amended by deleting the word "Fiscal" in each place it appears in said Section and substituting in each place the word "Contract".

11. **LOADING AND UNLOADING FACILITIES**

Section 31 is hereby amended by deleting the words "set forth on Exhibit D-2" in the last line of the last paragraph of said Section, which was added by the First Amendment to Agreement, and substituting in its place the words "of \$3,544".

12. **EXHIBITS**

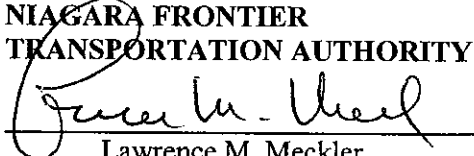
The Agreement is hereby amended by deleting Exhibits D-1, D-2 and F in their entirety and replacing Exhibits D-1 and F with the Exhibits marked D-1 and F attached hereto and made a part hereof. Exhibit D-2 is reserved for future use.

13. **EFFECTIVE AND RATIFICATION**

This Amendment to Agreement provided herein shall be effective as of June 29, 2007. Except as expressly provided herein, the remainder of the Agreement shall be unaffected hereby and shall otherwise remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed This Amendment on the day and year first above-written.

**NIAGARA FRONTIER
TRANSPORTATION AUTHORITY**


BY: Lawrence M. Meckler
TITLE: Executive Director


DELTA AIR LINES, INC.

BY: [Signature]
TITLE: Director - Corporate Real Estate

Buffalo Niagara International Airport

TERMINAL RENTAL RATE

Terminal Exp (Dir & Ind)	
Terminal Operating Exp Reserve	
Terminal Invest Earn on Operating Rsv Fund	
Terminal Depreciation	
Terminal Capital Expenditures	
Terminal Invest Earn on R&R Rsv Fund	
TOTAL EXPENDITURES	
Amortization of Capital Charges	
Bond Debt Service	
Entitlements	
TOTAL REQUIREMENT	
LESS: Unassigned Gate Credit - PFC Investment	
LESS: Passenger Facility Charges	
LESS: Revenue Offsets	
ADJUSTED REQUIREMENT	
LESS: Prior Year Adjustment	
NET NEW TERMINAL RQMNT	
NEW TML SPC	400,995

TERMINAL RENTAL RATE

Signatory A/L Leased Space	154,845
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EXHIBIT D-1

Buffalo Niagara International Airport

TERMINAL RAMP FEE

TERMINAL RAMP TOTAL (10% landing fee reqmt and glycol oper and capital costs)	
TENANT LINEAR FEET	3,680

TERMINAL RAMP FEE

TENANT LEASED LINEAR FEET	3,089
TML RAMP REV FOR LNDG FEE	

EXHIBIT F

EXHIBIT C

CIP - NEW PASSENGER TERMINAL SCHEDULE OF AIRLINE/AUTHORITY RESPONSIBILITIES

A schedule of the systems and work to be performed by either the Authority or Airline is as follows:

FIDS/BIDS AND DYNAMIC GRAPHICS: (Flight Information Display System/Baggage Information Display System)

FIDS will be central system that each Airline will be able to access via an input device provided by the Authority. The Authority will provide all public area monitors capable of displaying arrival/departure information at several locations in the Terminal. Airline will be able to slave off of the system if it requires FIDS and/or additional page(s) information in its exclusive areas which include ATO, operations, clubs, lost and found, bag make-up, holdroom and curbside check-in. No provisions have been made for TV monitors in the backwalls at ticket counter.

BIDS will be a stand alone system that will provide carousel information in the baggage claim area. The Authority will provide the system.

DYNAMIC GRAPHICS will be provided at several locations throughout the Terminal and will cover all public area requirements. All dynamic graphic requirements in the holdrooms will be the responsibility of the Airline.

BAGGAGE EQUIPMENT:

Outbound baggage equipment will be furnished, installed, owned and maintained by Airline.

Inbound baggage equipment will be furnished, installed, owned and maintained by Authority.

DOORS/LOCKS

Equipment and hardware necessary to maintain terminal security to meet FAR Part 107 provided by the Authority.

SECURITY CHECKPOINT/EQUIPMENT

Airline shall provide the security equipment and staffing.

HOLDROOM SEATING

Holdroom seating will be uniform and specified by the Authority. Authority shall furnish, install, own and maintain holdroom seating.

AIRLINE INTERIOR WORK

Airline is responsible for interior fitout and installation of equipment and furnishings.

CARPETS

The Authority will furnish, install, own and maintain carpeting in the holdrooms.

Airline to furnish, install, own and maintain flooring in its office areas.

TICKET COUNTERS

The Authority will design and provide the ticket counter shells. Airline shall furnish, install, own and maintain the ticket counter inserts.

HOLDROOM COUNTERS/BACKSCREENS

Holdroom check-in counters, backscreens and jetway podiums will be provided by the Airlines and approved by the Authority.

JETWAYS

Jetway foundations shall be installed by the Authority with an anchor bolt pattern #7 and at elevations shown on the conformed Terminal drawings. Foundations were designed to support a 68/141 apron drive jetway. Airline shall furnish, install, own and maintain jetways.

HEATING AND COOLING

All heating and cooling units, framing, and duct mains to the perimeter of each block of exclusive space provided by the Authority. Diffusers provided by the Airline. This system will be tied into the building Authority energy management system by the Airline.

WATER

Water service with valves provided to each block of exclusive space by the Authority. All interior lines provided by the Airline.

SANITARY SEWER

Sewer lines will be provided to underside of each block of exclusive space by the Authority. Tie-ins, grease traps (where applicable) and floor drains provided by the Airline. All interior lines and vents provided by the Airline. Roof penetrations provided by the Authority.

ELECTRIC POWER

Either 480V or 208 V power provided by the Authority to a meter accessible panel with breaker(s) sized to meet demands of Airline. Meter, stepdown transformers where required, interior conduit and wiring provided by the Airline. All wiring and cable shall be labeled and bundled.

FIRE PROTECTION

All mains to be provided by the Authority. Laterals, drops and final locations of heads by the Airline.

VENTILATION/EXHAUST/FIRE SUPPRESSION

All specialized systems necessary for ventilation, exhaust, fire suppression provided by the Airline. Roof framing and penetrations provided by the Authority.

NATURAL GAS

All gas mains, laterals and valves provided to each block of exclusive space by the Authority. If required, all meters installed by the Airline.

ROOFING SYSTEM

All roofing to be provided by the Authority.

TELEPHONE

All main trunk telephone lines provided by the Authority to the main telephone room. Conduit and raceway to secondary telephone closets provided by the Authority. Secondary telephone wiring provided by the Airline. Telephone system hardware, wiring, jacks and boxes provided by the Airline. All wiring and cable shall be labeled and bundled.

ARCHITECTURAL

Exterior

All exterior building skin, doors with lock sets and windows provided by the Authority.

EAST TERMINAL RENTAL RATE

Terminal Exp (Dir & Ind)	_____
Terminal Operating Exp Reserve	_____
Terminal Invest Earn on Operating Reserve Fund	_____
Terminal Depreciation	_____
Terminal Capital Expenditures	_____
Terminal Portion of R&R Fund	_____
Terminal Invest Earn on R&R Reserve Fund	_____
TOTAL EXPENDITURES	_____
Land Rental for Terminal Area	_____
Terminal Capital Charges	_____
Series 1994 Bond Project Debt Service	_____
Grants to Reimb the Series 1994 Bonds	_____
Defeasance Reimb for S1994B Bonds	_____
TOTAL REQUIREMENT	_____
LESS: Revenue Offsets	_____
LESS: Passenger Facility Charges	_____
ADJUSTED REQUIREMENT	_____
LESS: Prior Year Adjustment	_____
NET TERMINAL RQMNT	_____
TML SPC *	131,490
AVRG TML RNTL RATE	_____
SIGNATORY A/L LEASED SPACE *	59,682

* Square footage as of current year July 1, 1996 - June 30, 1997

WEST TERMINAL RENTAL RATE

Terminal Exp (Dir & Ind)	
Terminal Operating Exp Reserve	
Terminal Invest Earn on Operating Reserve Fund	
Terminal Depreciation	
Terminal Capital Expenditures	
Terminal Portion of R&R Fund	
Terminal Invest Earn on R&R Reserve Fund	
TOTAL EXPENDITURES	
Land Rental for Terminal Area	
Terminal Capital Charges	
Series 1994 Bond Project Debt Service	
Grants to Reimb the Series 1994 Bonds	
Defeasance Reimb for S1994B Bonds	
TOTAL REQUIREMENT	
LESS: Revenue Offsets	
LESS: Passenger Facility Charges	
ADJUSTED REQUIREMENT	
LESS: Prior Year Adjustment	
NET TERMINAL RQMN	
TML SPC *	136,978
AVRG TML RNTL RATE	
SIGNATORY A/L LEASED SPACE *	63,072

* Square footage as of current year July 1, 1996 - June 30, 1997

NEW TERMINAL RENTAL RATE

Terminal Exp (Dir & Ind)	_____
Terminal Operating Exp Reserve	_____
Terminal Invest Earn on Operating Reserve Fund	_____
Terminal Depreciation	_____
Terminal Capital Expenditures	_____
Terminal Portion of R&R Fund	_____
Terminal Invest Earn on R&R Reserve Fund	_____
TOTAL EXPENDITURES	_____
Land Rental for Terminal Area	_____
Terminal Capital Charges	_____
Series 1994 Bond Project Debt Service	_____
Grants to Reimb the Series 1994 Bonds	_____
Defeasance Reimb for S1994B Bonds	_____
TOTAL REQUIREMENT	_____
LESS: Revenue Offsets	_____
LESS: Passenger Facility Charges	_____
ADJUSTED REQUIREMENT	_____
LESS: Prior Year Adjustment	_____
NET TERMINAL RQMNT	_____
TML SPC *	275,898
<hr/>	
AVRG TML RNTL RATE	_____
<hr/>	
SIGNATORY A/L LEASED SPACE * (Includes Signatory Common Use Space)	122,170

* Projected square footage effective November 3, 1997

LANDING FEE RATE

Direct Landing Area Expenses	_____
Ind Lndg Area Exp Except ARFF	_____
Allocated ARFF Expenses	_____
Direct Maint Facility Expenses	_____
Indirect Maint Facility Expenses	_____
Portion of Maint Alloc to Roads	_____
Operating Expense Reserve	_____
Landing Area Depreciation	_____
Maint Facility Depreciation	_____
ARFF Depreciation	_____
Lndg Area Capital Expenditures	_____
Maint Fac Capital Expenditures	_____
Lndg Area Portion of R&R Fund	_____
Maint Fac Portion of R&R Fund	_____

TOTAL EXPENDITURES

Cost of Acreage w/in Lndg Area	_____
Niagara Falls Intl Operating Loss	_____
Landing Area Capital Charges	_____
Maint Facility Capital Charges	_____
Series 1994 Bond Oth Cap Proj Dbt Svc	_____
Debt Service Coverage	_____

TOTAL REQUIREMENT

LESS: Terminal Ramp Fee	_____
Revenue Offsets *	_____

ADJUSTED REQUIREMENT

LESS: % Alloc to General Aviat (12%)	_____
LESS: Prior Year Adjustment	_____

NET LANDING FEE RQMNT

TOTAL NON-PREMIUM BASED LANDED WEIGHT (000's lbs)	_____
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LANDING FEE RATE

NON-PREMIUM BASED SIGNATORY A/L LANDED WEIGHT (000's lbs)	_____
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CARGO LANDED WEIGHT (000's lbs)	_____
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* Includes: Ground Rentals - Other Tenants, Miscellaneous Income, Premium Based Non-Signatory Landing Fees, Remote Parking Area Fees

TERMINAL RAMP FEE	
10% OF LNDG FEE TOTAL RQMNT	_____
TENANT LINEAR FEET *	<u>2,718</u>
<i>TERMINAL RAMP FEE</i>	
TENANT LEASED LINEAR FEET *	<u>2,418</u>
TML RAMP REV FOR LNDG FEE	_____

* Projected linear footage effective November 3, 1997

EXHIBIT G

Transportation Services Net Surplus Allocation

Fiscal Year Ending March 31,	1996	1997	1998	1999	2000	Estimated 2001
Revenue Analysis						
From 5-Year Plan Dated 1/18/95						
GBIA Net Surplus/(Deficit)	4,328,934	4,815,301	3,093,551	3,176,014	3,003,881	
Other Transportation Services Surpluses/(Deficits):						
Niagara Falls Int'l Airport	(1,990,481)	(1,353,296)	(1,303,706)	(733,968)	(697,187)	
Small Boat Harbor	65,860	(97,499)	108,611	(17,344)	86,499	
Transportation Centers	(565,811)	(1,338,033)	(487,552)	(718,126)	(332,237)	
Other Trans. Svcs. Subtotal	(2,490,432)	(2,788,828)	(1,682,647)	(1,469,438)	(942,925)	
Trans. Svcs. Net Surplus/(Deficit)	1,838,502	2,026,473	1,410,904	1,706,576	2,060,956	2,000,000
Airline						
Reserve Funding Analysis						
Beginning Balance Available	0	0	0	539,830	1,044,719	275,081
Operating Reserve Charges*	0	0	1,090,611	1,209,261	117,735	123,494
R&R Reserve Charges*	0	0	154,671	148,916	143,105	158,059
Operating Reserve (Credits)**	0	0	(705,452)	(853,288)	(858,867)	(123,494)
R Reserve (Credits)**	0	0	0	0	(171,611)	(433,140)
Ending Balance Available	0	0	539,830	1,044,719	275,081	0
Restricted						
Retained Earnings Analysis						
Beginning Balance Available	0	0	0	0	0	0
Starting in FYE 1998						
50% of T.S. Net Surp./(Deficit)	0	0	705,452	853,288	1,030,478	1,000,000
Less:(Credits to Airlines)	0	0	(705,452)	(853,288)	(1,030,478)	(556,634)
Annual Additions to Restr. R.E.	0	0	0	0	0	443,366
Available for Disbursement	0	0	0	0	0	443,366
Airline Benefit (Disbursements)	0	0	0	0	0	0
Ending Balance Available	0	0	0	0	0	443,366
Unrestricted						
Retained Earnings Analysis						
Beginning Balance Available	0	0	628,155	2,039,059	3,745,635	5,806,591
100% of T.S. Net Surp./(Deficit)	1,838,502	2,026,473				
50% of T.S. Net Surp./(Deficit)	0	0	705,452	853,288	1,030,478	1,000,000
Plus: Credits to Airlines	0	0	705,452	853,288	1,030,478	556,634
Annual Add'ns to Unrestricted	1,838,502	2,026,473	1,410,904	1,706,576	2,060,956	1,556,634
Available for Disbursement	1,838,502	2,026,473	2,039,059	3,745,635	5,806,591	7,363,225
Non-Airport (Disbursements)	(1,838,502)	(1,398,318)	0	0	0	0
Ending Balance Available	0	628,155	2,039,059	3,745,635	5,806,591	7,363,225

*Assumes Commencement of Charges at 4/1/97

**Credit applied to contract year following that in which surplus occurred

NIAGARA FRONTIER TRANSPORTATION AUTHORITY
INSURANCE SPECIFICATIONS
NON AIR SIDE PROJECTS

ARTICLE 6 Insurance

- 6.1 The Contractor agrees to procure and maintain at its expense during the term of the Agreement insurance of the kinds and in the amounts hereafter required, with insurance companies, authorized to do business in New York State, covering all operations under this Agreement, whether performed by it or its subcontractors. The policies shall provide for a 30 day notice to the Authority prior to termination, cancellation or change.
- 6.2 Prior to the execution of the Agreement, the Contractor shall supply the Authority, by delivering to the Manager, Engineering Administration, 181 Ellicott St., Buffalo, New York 14205, a certificate(s) of insurance providing evidence of insurance coverage for the Contractor for the following coverages:
- 6.2.1 Commercial General Liability Insurance including coverage for property damage, bodily injury, personal injury and completed operations with a single limit of at least \$1,000,000 per occurrence with a \$2,000,000 aggregate. The certificate shall name the Authority as an additional insured.
- 6.2.2 Protective liability insurance issued to and covering the liability of the Authority and all employees of the Authority, both officially and personally, with respect to all operations under this Agreement by the Contractor of any subcontractors, including omissions and supervisory acts of the Niagara Frontier Transportation Authority and its employees, with a single limit of \$2,000,000 per occurrence and a \$2,000,000 aggregate.
- 6.2.3 If any motor vehicle is used in the Work, Auto Liability Insurance covering bodily injury and property damage with a minimum combined single limit of \$1,000,000. The certificate shall name the Authority as an additional insured.

6.2.4 Workers' Compensation and Employer's Liability in accordance with the applicable laws of the State of New York.

6.2.5 Excess Liability/Umbrella Form, \$2,000,000.

6.3 Prior to commencing the Work, the Contractor shall supply the Authority with a certificate of insurance providing evidence of insurance coverage for the Contractor for Builder's Risk/Installation Floater "All Risk" insurance protecting the Contractor, the Authority and subcontractors from losses resulting from, but not limited to natural disasters, fire, extended coverage perils, vandalism, malicious mischief or collapse during the course of construction. The policy shall name the Authority, the Contractor, and the Contractor's subcontractors as insureds.

The amount of such insurance shall be not less at any time than the total value of the work in place on site, in transit or in storage off site and the loss under such policies shall be made payable to the Authority and/or Contractor or other insured, as their respective interests may appear. The policy shall cover all property to be used in, or incidental to, the fabrication and/or erection and/or completion of the project. It shall include all materials, machinery equipment and supplies intended to become part of such property and false work, temporary trestles and similar structures. It shall not include tools, equipment and any other property not a part of or destined to become part of the project. The Authority should be advised of the amount, if any, of a deductible on the policy.. In no case should the deductible amount exceed \$5,000.

6.4 The Authority and the Contractor agree to waive all rights against each other for damages to the extent covered by the insurance, except for such rights they may have to the proceeds of such insurance held by the Authority as trustee. The Contractor shall require similar reciprocal waivers by all subcontractors and sub-subcontractors. This policy shall recognize such waivers of recovery by an appropriate Waiver of Subrogation Clause Endorsement, excluding any subrogation of rights granted under New York Law to the contrary notwithstanding.

- 6.5 Copies of any required policies shall be provided to the Authority upon request.
- 6.6 Prior to the commencement of work by any subcontractor, the Contractor shall supply the Authority with a certificate(s) of insurance providing evidence of insurance coverage for each subcontractor for the following coverages:
- 6.6.1 Commercial General Liability Insurance including coverage for property damage, bodily injury, personal injury and completed operations with a single limit of at least \$1,000,000 per occurrence with a \$2,000,000 aggregate. The certificate shall name the Authority as an additional insured.
- 6.6.2 If any motor vehicle is used in the Work, Auto Liability Insurance covering bodily injury and property damage with a minimum combined single limit of \$1,000,000. The certificate shall name the Authority as an additional insured.
- 6.6.3 Workers' Compensation and Employer's Liability in accordance with the applicable laws of the State of New York.
- 6.6.4 Excess Liability/Umbrella Form, \$2,000,000.
- 6.6.5 The insurance coverages provided by subcontractors shall be written with insurance companies authorized to do business in New York State. The policies shall provide for a 30 day notice to the Authority prior to termination, cancellation or change.

**NIAGARA FRONTIER TRANSPORTATION AUTHORITY
INSURANCE SPECIFICATIONS
AIR SIDE PROJECTS**

ARTICLE 6 Insurance

- 6.1 The Contractor agrees to procure and maintain at its expense during the term of the Agreement insurance of the kinds and in the amounts hereafter required, with insurance companies, authorized to do business in New York State, covering all operations under this Agreement, whether performed by it or its subcontractors. The policies shall provide for a 30 day notice to the Authority prior to termination, cancellation or change.
- 6.2 Prior to the execution of the Agreement, the Contractor shall supply the Authority, by delivering to the Manager, Engineering Administration, 181 Ellicott St., Buffalo, New York 14205, a certificate(s) of insurance providing evidence of insurance coverage for the Contractor for the following coverages:
- 6.2.1 Commercial General Liability Insurance including coverage for property damage, bodily injury, personal injury and completed operations with a single limit of at least \$1,000,000 per occurrence with a \$2,000,000 aggregate. The certificate shall name the Authority as an additional insured.
- 6.2.2 Protective liability insurance issued to and covering the liability of the Authority and all employees of the Authority, both officially and personally, with respect to all operations under this Agreement by the Contractor of any subcontractors, including omissions and supervisory acts of the Niagara Frontier Transportation Authority and its employees, with a single limit of \$5,000,000 per occurrence and a \$5,000,000 aggregate.
- 6.2.3 If any motor vehicle is used in the Work, Auto Liability Insurance covering bodily injury and property damage with a minimum combined single limit of \$1,000,000. The certificate shall name the Authority as an additional insured.

6.2.4 Workers' Compensation and Employer's Liability in accordance with the applicable laws of the State of New York.

6.2.5 Excess Liability/Umbrella Form, \$14,000,000.

6.3 Prior to commencing the Work, the Contractor shall supply the Authority with a certificate of insurance providing evidence of insurance coverage for the Contractor for Builder's Risk/Installation Floater "All Risk" insurance protecting the Contractor, the Authority and subcontractors from losses resulting from, but not limited to natural disasters, fire, extended coverage perils, vandalism, malicious mischief or collapse during the course of construction. The policy shall name the Authority, the Contractor, and the Contractor's subcontractors as insureds.

The amount of such insurance shall be not less at any time than the total value of the work in place on site, in transit or in storage off site and the loss under such policies shall be made payable to the Authority and/or Contractor or other insured, as their respective interests may appear. The policy shall cover all property to be used in, or incidental to, the fabrication and/or erection and/or completion of the project. It shall include all materials, machinery equipment and supplies intended to become part of such property and false work, temporary trestles and similar structures. It shall not include tools, equipment and any other property not a part of or destined to become part of the project. The Authority should be advised of the amount, if any, of a deductible on the policy.. In no case should the deductible amount exceed \$5,000.

6.4 The Authority and the Contractor agree to waive all rights against each other for damages to the extent covered by the insurance, except for such rights they may have to the proceeds of such insurance held by the Authority as trustee. The Contractor shall require similar reciprocal waivers by all subcontractors and sub-subcontractors. This policy shall recognize such waivers of recovery by an appropriate Waiver of Subrogation Clause Endorsement, excluding any subrogation of rights granted under New York Law to the contrary notwithstanding.

- 6.5 Copies of any required policies shall be provided to the Authority upon request.
- 6.6 Prior to the commencement of work by any subcontractor, the Contractor shall supply the Authority with a certificate(s) of insurance providing evidence of insurance coverage for each subcontractor for the following coverages:
 - 6.6.1 Commercial General Liability Insurance including coverage for property damage, bodily injury, personal injury and completed operations with a single limit of at least \$1,000,000 per occurrence with a \$2,000,000 aggregate. The certificate shall name the Authority as an additional insured.
 - 6.6.2 If any motor vehicle is used in the Work, Auto Liability Insurance covering bodily injury and property damage with a minimum combined single limit of \$1,000,000. The certificate shall name the Authority as an additional insured.
 - 6.6.3 Workers' Compensation and Employer's Liability in accordance with the applicable laws of the State of New York.
 - 6.6.4 Excess Liability/Umbrella Form, \$3,000,000.
 - 6.6.5 The insurance coverages provided by subcontractors shall be written with insurance companies authorized to do business in New York State. The policies shall provide for a 30 day notice to the Authority prior to termination, cancellation or change.

EXHIBIT I

There are fourteen (14) different projects in the Capital Improvement Program (“CIP”). The CIP includes a new fifteen (15) gate terminal and associated apron areas, the acquisition and demolition of the Airways Hotel and Buffalo Airport Center; demolition of the East and West Terminals and the American Airlines Hangar; the construction of a 1,300 car parking structure, Circulatory Roads System and At-Grade parking, and Safety Improvements to Runway 14/32.

EXHIBIT J-1
**LANDING FEE RATE
COST CENTERS**

GBIA COST CENTERS

DIRECT

LANDING AREA
MAINTENANCE FACILITIES

INDIRECT

ADMINISTRATIVE & GENERAL

INDIRECT COST CENTERS

AIRCRAFT RESCUE FIREFIGHTING OFFICERS
TRANSIT POLICE - GBIA

MAIN OFFICE ADMINISTRATIVE & GENERAL

NFTA COST CENTERS

EXECUTIVE BRANCH
AFFIRMATIVE ACTION BRANCH
GENERAL COUNSEL BRANCH
ENGINEERING BRANCH
BUSINESS DEVELOPMENT BRANCH
TRANSPORTATION SERVICES BRANCH
HUMAN RESOURCES BRANCH
FINANCE & ADMINISTRATION BRANCH

INDIRECT BUSINESS CENTER

NFIA - 50% OF TOTAL DEFICIT

EXHIBIT J-2
**TERMINAL RENTAL RATE
COST CENTERS**

GBIA COST CENTERS

DIRECT

EAST TERMINAL
WEST TERMINAL
NEW TERMINAL

INDIRECT

ADMINISTRATIVE & GENERAL

INDIRECT COST CENTERS

AIRCRAFT RESCUE FIREFIGHTING OFFICERS
TRANSIT POLICE - GBIA

MAIN OFFICE ADMINISTRATIVE & GENERAL

NFTA COST CENTERS

EXECUTIVE BRANCH
AFFIRMATIVE ACTION BRANCH
GENERAL COUNSEL BRANCH
ENGINEERING BRANCH
BUSINESS DEVELOPMENT BRANCH
TRANSPORTATION SERVICES BRANCH
HUMAN RESOURCES BRANCH
FINANCE & ADMINISTRATION BRANCH

Responsibility of Authority and Airline for Maintenance and Repairs of the Terminal

	Airline				Outbound Baggage Makeup (4)	Operations Areas	Unenclosed Areas	Aircraft Aprons	Hold Rooms	Loading Bridges(3)	Security Checkpoint Space	Inbound	
	Ticket Counters	Ticket Offices and Offices	Offices and Ticket Offices	Baggage Makeup (4)								Baggage & Makeup Claim	Tug Drives
1. Air Conditioning(1)													
a. Maintenance	NFTA	NFTA	NFTA	NFTA	NFTA	N/A	N/A	NFTA	NFTA	A	NFTA	NFTA	N/A
b. Operation	NFTA	NFTA	NFTA	NFTA	NFTA	N/A	N/A	NFTA	NFTA	A	NFTA	NFTA	N/A
c. Chilled Air Distribution	NFTA	NFTA	NFTA	NFTA	NFTA	N/A	N/A	NFTA	NFTA	A	NFTA	NFTA	N/A
2. Heating (1)													
a. Maintenance	NFTA	NFTA	NFTA	NFTA	NFTA	N/A	N/A	NFTA	NFTA	A	NFTA	NFTA	N/A
b. Operation	NFTA	NFTA	NFTA	NFTA	NFTA	N/A	N/A	NFTA	NFTA	A	NFTA	NFTA	N/A
c. Warm Air Distribution	NFTA	NFTA	NFTA	NFTA	NFTA	N/A	N/A	NFTA	NFTA	A	NFTA	NFTA	N/A
3. Lighting													
a. Bulb Replacement(2)	NFTA	NFTA	NFTA	NFTA	NFTA	NFTA	NFTA	NFTA	NFTA	A	NFTA	NFTA	NFTA
b. Maintenance(2)	NFTA	NFTA	NFTA	NFTA	NFTA	NFTA	NFTA	NFTA	NFTA	A	NFTA	NFTA	NFTA
4. Electrical Service													
a. Maintenance (1)	NFTA	NFTA	NFTA	NFTA	NFTA	NFTA	NFTA	NFTA	NFTA	NFTA	NFTA	NFTA	NFTA
b. FIDS/BIDS	A	A	A	A	A	N/A	N/A	A	A	N/A	N/A	N/A	N/A
c. Telephone System (1)	NFTA	NFTA	NFTA	NFTA	NFTA	NFTA	NFTA	NFTA	NFTA	N/A	NFTA	NFTA	N/A
d. Data Cable (1)	A	A	A	A	A	N/A	N/A	A	A	N/A	NFTA	NFTA	N/A
5. Water (1)													
a. Distribution	N/A	NFTA	NFTA	NFTA	NFTA	N/A	N/A	NFTA	N/A	N/A	N/A	NFTA	NFTA
b. Fixtures	N/A	A	A	A	A	N/A	N/A	A	N/A	N/A	N/A	NFTA	NFTA

A - Airline

NFTA - Niagara Frontier Transportation Authority

1. Airline shall be responsible for any connecting fixtures or services installed by Airline; otherwise the NFTA is responsible
2. Airline shall be responsible for any light fixtures installed by Airline; otherwise the NFTA is responsible.
3. Includes preconditioned air.

4. Airline will own and maintain the outbound baggage makeup system in the New Terminal . NFTA owns and maintains the outbound baggage system in the East and West Terminal Buildings.

5. Limited to vehicle snow plow removal and vehicle broom operations.

NOTE: All areas not part of Airlines leased premises shall be the Authority's responsibility; provided, however, Authority shall not be responsible for any systems or services installed by Airline, or systems and services installed by Authority, but modified by Airline, unless otherwise agreed to by the parties hereto. Airlines reserve the right request work by NFTA, with no markup.

Responsibility of Authority and Airline for Maintenance and Repairs of the Terminal

	Airline											
	Ticket Counters	Ticket Offices	Outbound Baggage Makeup (4)	Operations Areas	Unenclosed Areas	Aircraft Aprons	Hold Rooms	Loading Bridges(3)	Security Checkpoint Space	Inbound Baggage & Makeup Claim	Tug Drives	Elevators Stairways
6. Sewage (1)												
a. Distribution	N/A	NFTA	N/A	NFTA	N/A	NFTA	N/A	N/A	NFTA	NFTA	NFTA	N/A
b. Fixtures	N/A	A	N/A	A	N/A	NFTA	N/A	N/A	NFTA	NFTA	NFTA	N/A
7. Maintenance												
a. Other than Structure	A	A	A	A	NFTA	NFTA	A	A	NFTA	NFTA	NFTA	NFTA
b. Structure	NFTA	NFTA	NFTA	NFTA	NFTA	NFTA	NFTA	A	NFTA	NFTA	NFTA	NFTA
c. Exterior	NFTA	N/A	NFTA	NFTA	NFTA	N/A	NFTA	A	NFTA	NFTA	NFTA	NFTA
d. Markings	N/A	N/A	N/A	N/A	N/A	A	N/A	A	N/A	NFTA	NFTA	NFTA
8. Custodial Services												
a. Cleaning	A	A	A	A	A	NFTA(5)	A	A	NFTA	NFTA	NFTA	NFTA
b. Waste Disposal	A	A	A	A	A	A	A	A	NFTA	NFTA	NFTA	NFTA
9. Window Cleaning												
a. Exterior	N/A	NFTA	N/A	NFTA	N/A	N/A	NFTA	A	NFTA	NFTA	NFTA	NFTA
b. Interior	N/A	A	N/A	A	N/A	N/A	A	A	NFTA	NFTA	NFTA	NFTA
10. Seating	N/A	N/A	N/A	N/A	N/A	N/A	NFTA	N/A	NFTA	NFTA	N/A	N/A
11. Flooring/Carpeting	A	A	A	A	N/A	N/A	NFTA	A	NFTA	NFTA	N/A	NFTA

A - Airline

NFTA - Niagara Frontier Transportation Authority

1. Airline shall be responsible for any connecting fixtures or services installed by Airline; otherwise the NFTA is responsible
2. Airline shall be responsible for any light fixtures installed by Airline; otherwise the NFTA is responsible.
3. Includes preconditioned air.

4. Airline will own and maintain the outbound baggage makeup system in the New Terminal. NFTA owns and maintains the outbound baggage system in the East and West Terminal Buildings.

5. Limited to vehicle snow plow removal and vehicle broom operations.

NOTE: All areas not part of Airlines leased premises shall be the Authority's responsibility; provided, however, Authority shall not be responsible for any systems or services installed by Airline, or systems and services installed by Authority, but modified by Airline, unless otherwise agreed to by the parties hereto. Airlines reserve the right request work by NFTA, with no markup.

**THIRD AMENDMENT TO USE AND LEASE
AGREEMENT**

This Third Amendment to Use and Lease Agreement (this "Amendment") is made this ^{23rd} day of June, 2014, between the Niagara Frontier Transportation Authority, a public benefit corporation established by Chapter 717 of the Laws of 1967 of the State of New York, (hereinafter referred to as "Authority"), and Delta Air Lines, Inc., a Delaware Corporation, (hereinafter referred to as "Airline").

WHEREAS, NFTA and Airline have heretofore entered into a certain Airport Use and Lease Agreement effective July 1, 1997 as amended by that certain First Amendment to Use and Lease Agreement dated January 21, 2003 and Second Amendment to Use and Lease Agreement dated October 31, 2007 (the "Agreement") pursuant to which the Authority granted Airline certain rights and leased unto Airline certain premises and facilities in connection with Airline's air transportation business; and

WHEREAS, parties held over the Agreement for an additional Contract Year and now wish to extend the term of the Agreement and amend and/or supplement certain terms and conditions of the Agreement; and

NOW THEREFORE, in consideration of the premises and of the mutual terms, covenants and conditions herein contained, the Authority and Airline do hereby agree as follows:

1. **DEFINITIONS**

Section 1, Paragraph 39 of the Agreement is hereby deleted and replaced with the following:

39. "**Signatory Airline**" means Airline and any other air carrier engaged in Air Transportation Business at the Airport which has executed an agreement with the Authority substantially similar to this Agreement covering the use and occupancy of facilities at the Airport.

All capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Agreement.

2. **TERM and HOLDING OVER**

Section 3, subsection A, of the Agreement is amended to ratify the hold over period of April 1, 2013 through March 31, 2014 and by deleting March 31, 2013 and substituting in its place March 31, 2019 and by adding the following new paragraphs at the end of Section 3, subsection A:

The Authority calculated a Terminal Rental rate equal to \$40.21 per square foot under the assumption the Airlines would reimburse the Authority for the lease of actual space assigned to the Airlines plus the terminal ticket lobby (approximately 20,605 square feet not previously charged to the Airlines) as Joint Use Space during the holdover period of April 1, 2013 through March 31, 2014. Instead, the Airlines paid \$43.00 per square foot for the lease of actual space

assigned to the Airlines without the inclusion of the Joint Use terminal ticket lobby which resulted in a revenue shortfall for the holdover period in the amount of \$377,480 ("Holdover Period Revenue Shortfall"). The Authority and the Airlines agree to share this revenue shortfall equally.

In furtherance of the foregoing, each Airline will reimburse the Authority its pro rata share [based on the Joint Use Formula] of \$188,740, which amount is equal to one-half of the Holdover Revenue Shortfall and Airline shall pay its pro rata share of such amount owed within one hundred twenty (120) days of the Airline's receipt of an invoice from the Authority for the payment so such amount.

3. **LANDING FEE**

Section 8, subsection D, of the Agreement as previously amended reads as follows:

D. The cost of the Landing Area used as a basis for calculation of the Landing Fee shall take into account recovery from General Aviation users of twelve percent (12%) of the Landing Area capital and operating requirement, Terminal Ramp Fees as defined in Section 9A below, and inclusion of one-half (1/2) of any combined operating and capital deficits budgeted to be incurred at the Niagara Falls International Airport for the Current Fiscal Year of the stub Contract Year and for each Contract Year thereafter the Fiscal Year.

Section 8 of the Agreement is hereby amended by deleting subsection D in its entirety and replacing the language of subsection D with the following language:

D. The cost of the Landing Area used as a basis for calculation of the Landing Fee shall take into account recovery from General Aviation users of twelve percent (12%) of the Landing Area capital and operating requirement, Terminal Ramp Fees as defined in Section 9A below, and inclusion of the lesser of 50% of the combined operating and capital deficits incurred at Niagara Falls International Airport (NFIA) for each Fiscal Year during the Term or maximum capped Fiscal Year contribution amounts as listed below:

• Fiscal Year 2014/2015	\$1,690,859
• Fiscal Year 2015/2016	\$ 750,000
• Fiscal Year 2016/2017	\$ 750,000
• Fiscal Year 2017/2018	\$ 500,000
• Fiscal Year 2018/2019	\$ 500,000

The determination as to what amount is lesser for NFIA will be performed after the close of each Fiscal Year and in accordance with Section 14 of the Agreement. In the event that the Airlines overpaid for NFIA during a Fiscal Year, then the over payment will be credited to the next ensuing Fiscal Year's rates and charges as provided for in Section 14 of the Agreement. The NFTA will include a review of the operating and capital budget for NFIA at the annual Airlines rates and charges meeting. The NFTA will make reasonable efforts to reduce the operating deficit at NFIA.

4. **STATEMENT OF AIRLINES' ESTIMATED ANNUAL RENT, FEES AND CHARGES, PAYMENT OF AIRLINES' FEES AND CHARGES**

Section 12, subsection C, of the Agreement is amended by adding the following language at the end of the subsection C:

Airline is responsible for the payment of Landing Fees and any other charges and fees associated with its Affiliates (as defined in Section 15) and will report those flights and pay the Landing Fees associated with those flights directly to the Authority.

5. **TRANSPORTATION SERVICES, NET SURPLUSES ALLOCATION**

Section 15 of the Agreement (entitled "Transportation Services, Net Surpluses Allocation") is deleted in its entirety.

6. **AFFILIATES**

A new Section 15 is added to the Agreement as follows:

A. "Affiliate" shall mean any air transportation company that (i) is a parent or subsidiary of a Signatory Airline, or (ii) operates at the Airport under a trade name of the Signatory Airline and uses the Signatory Airline's two-letter designator code for its flights serving the Airport, or (iii) operates at the Airport using a trade name of a parent or subsidiary of the Signatory Airline and uses the two-letter designator code of such parent or subsidiary for its flights serving the Airport.

B. Airline shall designate its Affiliate(s) in writing and shall serve as financial guarantor solely for rentals, landing fees and other fees incurred by any such Affiliate at the Airport while operating as Airline's designated Affiliate hereunder. Airline may at any time give the Authority sixty (60) days prior written notice that such an air transportation company otherwise meeting the definition of an "Affiliate" hereunder shall no longer be considered an Affiliate of Airline for purposes of this Agreement, and any guaranty by Airline of Affiliate's rentals, landing fees and other fees shall terminate and be ineffective as to any amounts incurred by such air transportation company after the effective date of termination of "Affiliate" status. An Affiliate shall enter into a separate operating agreement with the Authority and shall secure its own aviation insurance for liability purposes.

C. During such period of time that an air transportation company is an Affiliate of Airline in accordance with the terms hereof, such Affiliate (1) shall have the same rights to use Airline's Leased Premises and the Airport as Airline; (2) shall be charged at the same landing fee rates as Airline without payment of any non-signatory premiums; and (3) shall not be counted as a separate air transportation company from Airline for purposes of allocating the per capita portion of any cost allocation formula, but such Affiliate's passengers shall be counted as enplaned passengers of Airline for purposes of any enplanement-based portion of such formula.

7. **RESERVES**

Section 16 of the Agreement is amended by adding the following new paragraph at the end of Section 16:

In the event the required balance in the Reserves is less than \$698,067, incremental changes in the annual Reserves balances will be excluded in the determination of Rates and Charges. The Authority provided credits to Rates and Charges totaling \$698,067 including \$53,013 during Fiscal Year 2001 and \$645,054 during Fiscal Year 2013 for amounts previously included in contribution requirements within Rates and Charges.

8. **INDEMNITY and INSURANCE**

Section 23 of the Agreement is hereby amended by deleting the words and numbers "one hundred twenty-five million dollars (\$125,000,000)" from the fifth paragraph of Section 23 and substituting in their place the words and numbers "five hundred million dollars (\$500,000,000)".

9. **COMPLIANCE WITH FEDERAL LAWS AND REGULATION**

Section 41, subsection A, of the Agreement is hereby amended by inserting the words "sex, age and disability" in the seventh line of the third paragraph, inserting the words "creed, age and disability" in the fourth line of the fourth paragraph, and inserting the words "creed, sex, age and disability" in the fourth line of paragraph 7 of subsection A.

Section 41, subsection B, of the Agreement is hereby amended by deleting subsection B in its entirety and replacing the language of subsection B with the following language:

B. The Agreement is subject and subordinate to the provisions of any existing or future agreements between the United States Government and the Authority 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 and the imposition and use of PFCs for the development of the Airport, including but not limited to PFC Assurances 5 and 7 which are incorporated herein by reference.

Section 41 of the Agreement is further amended by adding a new subsection C with the following language:

C. **Nondiscrimination on the Basis of Disability in Air Travel**

Airline agrees to operate and furnish its accommodations and services in compliance with the Air Carrier Access Act of 1986, as amended, and its implementing regulations set forth in Title 14, Code of Federal Regulations, Part 382, entitled Nondiscrimination on the Basis of Disability in Air Travel, or otherwise approved by FAA, to ensure that no passengers will be discriminated on the basis of disability and will make aircraft, facilities, and services accessible and take steps to accommodate passengers with a disability as provided for in the referenced statute and implementing regulations.

10. **EXHIBITS**

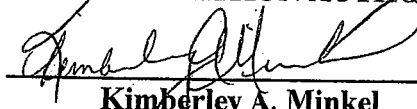
The Agreement is hereby amended by deleting Exhibits A, B, D-1, F and G in their entirety and replacing Exhibits A, B, D-1, and F with the Exhibits marked A, B, D-1 and F attached hereto and made a part hereof. Exhibit G is reserved for future use.

11. **EFFECTIVE AND RATIFICATION**

This Amendment to Agreement provided herein shall be effective as of April 1, 2014. Except as expressly provided herein, the remainder of the Agreement shall be unaffected hereby and shall otherwise remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed This Amendment on the day and year first above-written.

**NIAGARA FRONTIER
TRANSPORTATION AUTHORITY**



Kimberley A. Minkel
Executive Director

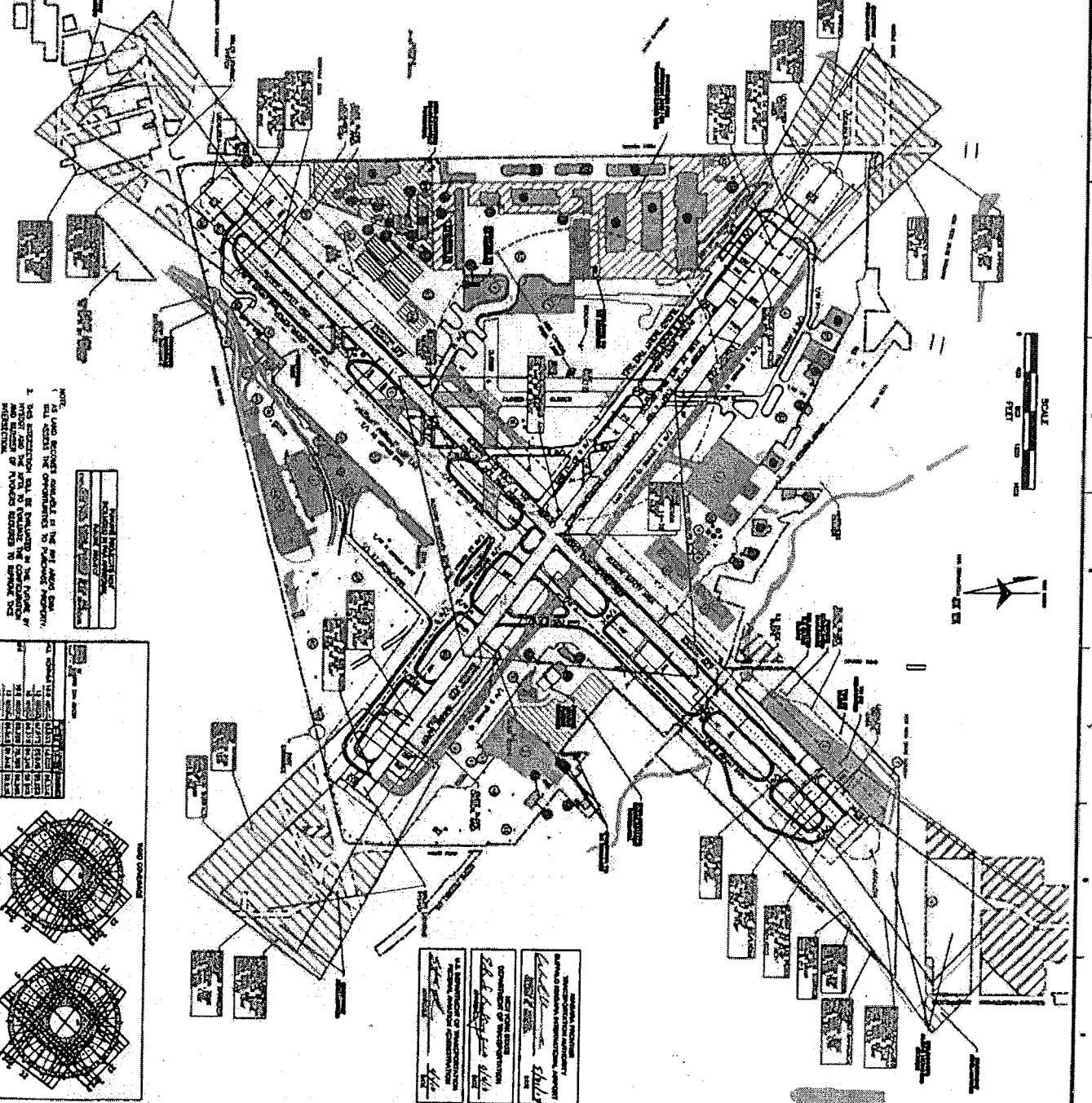
DELTA AIR LINES, INC.

BY: 
TITLE: James M Masoero
General Manager, Corporate Real Estate

NO.	REVISION	DATE	BY	CHKD.
1	ISSUED FOR PERMITTING	08/15/2011	J. L. ...	J. L. ...
2	ISSUED FOR PERMITTING	08/15/2011	J. L. ...	J. L. ...
3	ISSUED FOR PERMITTING	08/15/2011	J. L. ...	J. L. ...

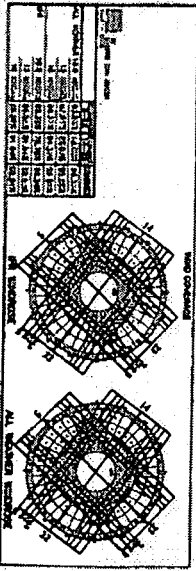
NO.	REVISION	DATE	BY	CHKD.
1	ISSUED FOR PERMITTING	08/15/2011	J. L. ...	J. L. ...
2	ISSUED FOR PERMITTING	08/15/2011	J. L. ...	J. L. ...
3	ISSUED FOR PERMITTING	08/15/2011	J. L. ...	J. L. ...

NO.	REVISION	DATE	BY	CHKD.
1	ISSUED FOR PERMITTING	08/15/2011	J. L. ...	J. L. ...
2	ISSUED FOR PERMITTING	08/15/2011	J. L. ...	J. L. ...
3	ISSUED FOR PERMITTING	08/15/2011	J. L. ...	J. L. ...



NOTE:
 1. ALL UNDESIGNED AREAS ARE TO BE DESIGNED AND CONSTRUCTED BY THE OWNER.
 2. THE DESIGN OF THE AIRPORT IS BASED ON THE ASSUMPTIONS AND CONDITIONS LISTED ON SHEET CT103-1.
 3. THE DESIGN OF THE AIRPORT IS BASED ON THE ASSUMPTIONS AND CONDITIONS LISTED ON SHEET CT103-2.

NO.	REVISION	DATE	BY	CHKD.
1	ISSUED FOR PERMITTING	08/15/2011	J. L. ...	J. L. ...



STATE OF MISSISSIPPI
 DEPARTMENT OF TRANSPORTATION
 AIRPORT DEVELOPMENT
 AIRPORT LAYOUT PLAN
 AIRPORT LAYOUT PLAN
 AIRPORT LAYOUT PLAN

BUFILED INDIANA
 Mechanical Johnson
 ARCHITECTS

SUSTAINABLE AIRPORT LAYOUT PLAN UPDATE

CT103

1 of 2

**AMERICAN / US AIRWAYS
TERMINAL SQUARE FOOTAGE
GATES 2A, 4, 6 and 8 (formerly US AIR) and Gate 11 (formerly AE)**

UPPER LEVEL

EXCLUSIVE	
- HOLDROOM (G4) (formerly US Air)	1,802.7
- HOLDROOM (G5) (formerly US Air)	1,802.8
- HOLDROOM (G6) (formerly US Air)	1,979.8
- CLUB (formerly US Air)	2,891.3
- TICKET COUNTER (formerly US Air)	2,186.2
- ELEC (G5) (formerly US Air)	80.8
- ELEVATOR (G5) (formerly US Air)	247.2
- HOLDROOM (G2A) (new lease by former US Air)	1,349.9
- ELEVATOR (G2A) (new lease by former US Air)	332.2
- HOLDROOM ELEVATOR AREA (G2A) (new lease by former US Air)	148.2
- HOLDROOM (G11) (formerly AE)	1,855.6
- TICKET OFFICE CONVEYOR (formerly AE)	101.6
- TICKET COUNTER (formerly AE)	1,124.8
	<u>15,909.5</u>
JOINT USE (2008)	
- TICKET LOBBY (ALL)	26,241.2
- OVERSIZED BAG ELEV (AUS-DL-JB) (formerly US)	87.4
- WALKWAY (AUS-DL-JB) (formerly US)	368.7
- ELEVATOR (G14) (AUS - UA) (formerly AE)	75.8
- OVERSIZED BAG ELEVATOR (AUS - UA - SW) (formerly AE))	87.5
- WALKWAY (AUS - UA - SW) (formerly AE)	237.9
- STAIRWAY (G-14) (AUS - UA) (formerly AE)	233.3
	<u>26,321.8</u>
COMMON	
- WALKWAY (NFTA - AUS-CA1 - SW-UA) (formerly AE)	152.6
- ELEVATOR (G4) (US - NFTA) (formerly US)	74.6
- STAIRWAY (G4) (formerly US)	236.3
- STAIRWAY (ALL)	443.1
	<u>906.6</u>
TOTAL UPPER LEVEL	<u><u>43,137.8</u></u>

LOWER LEVEL

EXCLUSIVE	
- BAGGAGE SERVICE OFFICE (formerly US AIR)	818.2
- BAGGAGE MAKE-UP (formerly US AIR)	914.4
- OPS AREA (formerly US AIR)	1,235.0
- OPS AREA (formerly US AIR)	878.2
- OPS AREA (formerly US AIR)	31.6
- OPS AREA (formerly US AIR)	901.7
- ELEVATOR (G6) (formerly US AIR)	258.9
- ELEVATOR (G2) (new leased Gate)	471.8
- BAGGAGE SERVICE OFFICE (formerly AE)	278.3
- OPS AREA (formerly AE)	999.8
	<u>6,683.9</u>
JOINT USE (2008)	
- BAG MK-UP/CLUB(ALL)	48,048.9
- BAG MK-UP AUTOMATIC BAGGAGE (ALL)	23,692.7
- BAG MK-UP SECURITY CONTROL (ALL)	1,042.0
- OVERSIZED BAG ELEV (AUS-UA-SW) (formerly AE)	76.0
- ELEVATOR (G14) (AUS-UA) (formerly AE)	173.6
- ELEVATOR AIR (G14) (AUS-UA) (formerly AE)	60.7
- STAIRWAY (G-14) (AUS-UA) (formerly AE)	487.7
- OVERSIZED BAG ELEV (AUS-DL-JB) (formerly US AIR)	186.0
	<u>73,757.6</u>
COMMON	
- HALLWAY & RESTROOMS (NFTA-AUS-CA1-UA-JB-TSA) (formerly A)	3,391.5
- ELEVATOR (B50) (NFTA-AUS-CA1-SW-UA) (formerly AE)	107.5
- VESTIBULE (G11)(NFTA-AUS) (formerly AE)	111.1
- BAGGAGE MAKE-UP CAROUSEL #4 (NFTA-AUS) (formerly AE)	786.6
- CORRIDOR (G4)(NFTA-AUS) (formerly US AIR)	170.0
- STAIRWAY (G4) (NFTA-AUS) (formerly US AIR)	260.1
- ELEVATOR (G4) (NFTA-AUS) (formerly US AIR)	226.3
- RESTROOMS / HALLWAY (G4) (NFTA-AUS) (formerly US AIR)	1,884.0
- STAIRWAY (ALL)	212.0
	<u>7,109.1</u>
TOTAL LOWER LEVEL	<u><u>87,650.6</u></u>
TOTAL SQUARE FOOTAGE	<u><u>130,888.6</u></u>

* - Indicates potential space or portion of space to be returned via merger of American and US Airway

RAMP AREA (G2A, G4-G6) - LINEAR FEET	
Gate 2a (new lease)	178.0
Gate 4 (formerly US Air)	169.0
Gate 5 (formerly US Air)	115.0
Gate 6 (formerly US Air)	191.0
Gate 11 (formerly AE)	144.0
Total	<u>797.0</u>

**DELTA AIRLINES
TERMINAL SQUARE FOOTAGE
GATES 20, 22, 23, and 25**

UPPER LEVEL

EXCLUSIVE

- HOLDROOM (G23, G25)	4,019.4	
- STAIR (G22)	293.3	
- ELEVATOR (G22)	122.6	
- HOLDROOM (G20)	1,425.0	
- HOLDROOM (G22)	1,380.4	
- TICKET COUNTER	<u>1,419.1</u>	8,659.8

JOINT USE (20/80)

- TICKET LOBBY	25,241.2	
- OVERSIZED BAG ELEV (DL-AUS-JB)	87.4	
- WALKWAY (DL-AUS-JB)	<u>358.7</u>	25,687.3

COMMON

- STAIRWAY-E (ALL)	443.1	
- ELEV(DL-CA1)	74.1	
- STAIRWAY(DL-CA1-NFTA)	<u>250.4</u>	767.6

TOTAL UPPER LEVEL 35,114.7

LOWER LEVEL

EXCLUSIVE

- BAGGAGE SERVICE AREA	331.7	
- STAIR (G22)	313.4	
- ELEVATOR (G22)	220.5	
- BAGGAGE MAKE-UP CAROSEL	930.3	
- OPS AREA	<u>2,431.4</u>	4,227.3

JOINT USE (20/80)

- BAG MK-UP/CLM(ALL)	48,048.9	
- BAG MK-UP AUTOMATIC BAGGAGE (ALL)	23,692.7	
- BAG MK-UP SECURITY CONTROL (ALL)	1,042.0	
- OVERSIZED BAG ELEV (DL-AUS-JB)	<u>186.0</u>	72,969.6

COMMON

- HALLWAY-R (NFTA-CA1-DL-SW)	4,376.9	
- RESTROOMS (NFTA-CA1-DL-SW)	1,014.3	
- STAIRWAY-W (ALL)	212.0	
- STAIRWAY (NFTA-CA1-DL)	138.9	
- ELEVATOR MECH ROOM (NFTA-CA1-DL)	74.6	
- STAIRHALL (NFTA-CA1-DL)	<u>898.2</u>	6,714.9

TOTAL LOWER LEVEL 83,911.8

TOTAL SQUARE FOOTAGE 119,026.5

RAMP AREA (G23, G25) - LINEAR FEET	341.0
RAMP AREA (G20) - LINEAR FEET	154.0
RAMP AREA (G22) - LINEAR FEET	<u>189.0</u>
TOTAL	<u>684.0</u>

JETBLUE AIRLINES

**TERMINAL SQUARE FOOTAGE
GATE 7, 8**

UPPER LEVEL

EXCLUSIVE

- TICKET COUNTER	982.8	
- WALKWAY	54.8	
- HOLDROOM - G8	1,904.9	
- HOLDROOM - G7	1,883.7	
- STAIRWAY (G8)	248.1	
- ELEVATOR (G8)	73.2	
- STAIRWAY/ELEVATOR (G7)	248.6	
- CURB CHECKIN (JB)	184.8	
	<hr/>	5,578.9

JOINT USE

- TICKET LOBBY	25,241.2	
- OVERSIZE BAG ELEVATOR (JB,A/US,DL)	87.4	
- WALKWAY (JB,A/US,DL)	358.7	
	<hr/>	25,687.3

COMMON

- STAIRWAY (ALL)	443.1	
	<hr/>	443.1

TOTAL UPPER LEVEL 31,709.3

LOWER LEVEL

EXCLUSIVE

- OPS AREA	1,490.5	
- BAGGAGE MAKE-UP	914.4	
- STORAGE	439.6	
- STORAGE (Gate 3)	2,170.5	
- STAIRWAY (G8)	258.9	
- ELEVATOR (G8)	292.9	
- STAIRWAY/ELEVATOR (G7)	257.4	
- BAGGAGE SERVICE AREA	205.5	
- STORAGE	428.3	
	<hr/>	6,456.0

JOINT USE

- BAG MK-UP/CLM(ALL)	48,048.9	
- BAG MK-UP/CLM AUTOMATIC BAGGAGE (ALL)	23,892.7	
- BAG MK-UP/CLM SECURITY CONTROL (ALL)	1,042.0	
- OVERSIZE BAG ELEVATOR (JB,A/US,DL)	186.0	
	<hr/>	72,969.6

COMMON

- HALLWAY & RESTROOMS (NFTA; A/US;CA1; JB; UA;TSA)	3,381.5	
- STOREROOM PASSAGEWAY (CA1,JB)	424.4	
- STAIRWAY (ALL)	212.0	
	<hr/>	4,017.9

TOTAL LOWER LEVEL 83,443.5

RAMP AREA (G7) - LINEAR FEET	130.0
RAMP AREA (G8) - LINEAR FEET	133.0
TOTAL	<hr/> <u>263.0</u>

Update 3/20/14

**SOUTHWEST AIRLINES
TERMINAL SQUARE FOOTAGE
Gate 15, 16 and 18**

UPPER LEVEL

EXCLUSIVE

- HOLDROOM (G16, G18)	4,603.8	
- HOLDROOM (G15)	2,364.2	
- TICKET COUNTER	1,975.3	
- TICKET COUNTER	155.0	
- TICKET COUNTER	190.7	
- ELEVATOR G-20 (SW)	75.1	
- STAIRWAY G-20 (SW)	252.4	
	9,616.5	

JOINT USE (20/80)

- TICKET LOBBY	25,241.2	
- OVERSIZED BAG ELEV (SW-AUS-UA)	87.5	
- WALKWAY (SW-AUS-UA)	237.9	
	25,566.6	

COMMON

-WALKWAY (NFTA-CA1-AUSA-UA-SW)	152.6	
- ELEVATOR/STAIRWAY (G15) (SW - NFTA)	324.2	
- CURBSIDE CHECK-IN (SW - VACANT)	707.5	
- STAIRWAY (ALL)	443.1	
	1,627.4	

TOTAL UPPER LEVEL

36,810.5

LOWER LEVEL

EXCLUSIVE

- BAGGAGE SERVICE AREA	514.7	
- BAGGAGE MAKE-UP	969.7	
- ELEVATOR G20 (SW)	258.6	
- STAIRWAY G20 (SW)	844.4	
- OPS AREA (FORMERLY DNC)	623.7	
- OPS AREA (incl ICE ROOM SPACE FROM CO)	4,002.7	
	7,213.8	

JOINT USE (20/80)

- BAG MK-UP/CLM(ALL)	48,048.9	
- BAG MK-UP/CLM(ALL)	23,692.7	
- BAG MK-UP/CLM SECURITY CONTROL (ALL)	1,042.0	
- OVERSIZED BAG ELEV (SW-AUS-UA)	76.0	
	72,859.6	

COMMON

- HALLWAY-R (NFTA-CA1-DL-SW)	4,376.9	
- RESTROOMS(NFTA-CA1-DL-SW)	1,014.3	
- STAIRWAY (G15) (SW-NFTA)	521.2	
- ELEVATOR(G15) (SW-NFTA)	153.9	
- ELEVATOR(G15) (SW-NFTA)	91.7	
-ELEVATOR MR (NFTA;CA1;AUS;UA;;SW)	107.5	
-STAIRWAY (ALL)	212.0	
	6,477.5	

TOTAL LOWER LEVEL

86,550.9

TOTAL SQUARE FOOTAGE

123,361.4

RAMP AREA (G15) - LINEAR FEET	138.0
RAMP AREA (G16) - LINEAR FEET	137.0
RAMP AREA (G18) - LINEAR FEET	140.0
Total	415.0

**UNITED AIRLINES
TERMINAL SQUARE FOOTAGE
Gate 10, 12 and 14**

UPPER LEVEL

EXCLUSIVE

- HOLDROOM (G10-G12)	3,602.5	
- HOLDROOM (G14)	2,322.6	
- TICKET COUNTER	1,555.1	
- ELEVATOR (G12)	75.8	
- STAIRWAY (G12)	<u>247.2</u>	
		7,803.2

JOINT USE (20/80)

- TICKET LOBBY	25,241.2	
- OVERSIZED BAG ELEV (UA-AUS-SW)	87.5	
- ELEVATOR (AUS - UN)	75.8	
- STAIRWAY (AUS - UN)	233.3	
- WALKWAY (UA-AUS-SW)	<u>237.9</u>	
		25,875.7

COMMON

- HALLWAY (NFTA-AUS-CA1-SW-UA)	152.6	
- STAIRWAY (ALL)	<u>443.1</u>	
		<u>595.7</u>

TOTAL UPPER LEVEL

34,274.6

LOWER LEVEL

EXCLUSIVE

- BAGGAGE SERVICE AREA	335.8	
- OPS AREA (12& 10)	1,694.0	
- ELEVATOR (G12)	172.6	
- ELEVATOR-MR (G12)	72.3	
- BAGGAGE MAKE-UP CAROSEL	914.4	
- STAIRWAY	<u>384.2</u>	
		3,573.3

JOINT USE (20/80)

- BAG MK-UP/CLM(ALL)	48,048.9	
- BAG MK-UP/CLM(ALL)	23,692.7	
- BAG MK-UP/CLM SECURITY CONTROL (ALL)	1,042.0	
- ELEVATOR (AUS - UN)	173.6	
- ELEVATOR-MR (AUS - UN)	50.7	
- STAIRWAY (AUS - UN)	487.7	
- OVERSIZED BAG ELEV (UA-AUS-SW)	<u>76.0</u>	
		73,571.6

COMMON

- HALLWAY & RESTROOMS (NFTA-JB-AUS-UA-CA1-TSA)	3,381.5	
- ELEVATOR-MR (NFTA-CA1-AUS-UA-SW)	107.5	
- STAIRWAY (ALL)	<u>212.0</u>	
		<u>3,701.0</u>

TOTAL LOWER LEVEL

80,845.9

TOTAL SQUARE FOOTAGE

115,120.5

RAMP AREA (G10-G12) - LINEAR FEET

281.0

RAMP AREA (G14) - LINEAR FEET

133.0

Total

414.0

**NIAGARA FRONTIER TRANSPORTATION AUTHORITY
BUFFALO NIAGARA INTERNATIONAL AIRPORT**

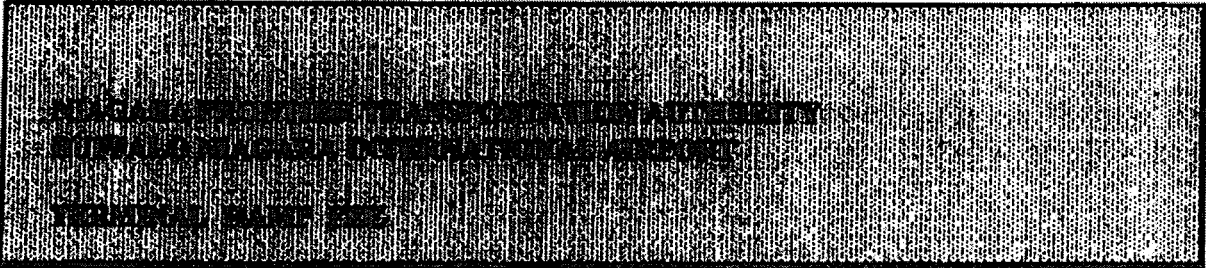
TERMINAL RENTAL RATE

Terminal Exp (Dir & Ind)	\$
Terminal Operating Exp Reserve	
Terminal Invest Earn on Operating Rsv Fund	
Terminal Depreciation	
Terminal Capital Expenditures	
Terminal Invest Earn on R&R Rsv Fund	_____
TOTAL EXPENDITURES	\$
Amortization of Capital Charges	
Bond Debt Service	
Entitlements	_____
TOTAL REQUIREMENT	\$
LESS: Unassigned Gate Credit - PFC Investment	
LESS: Passenger Facility Charges	
LESS: Revenue Offsets	_____
ADJUSTED REQUIREMENT	\$
LESS: Prior Year Adjustment	_____
NET NEW TERMINAL RQMNT	\$
NEW TML SPC	_____ 448,916

TERMINAL RENTAL RATE \$ _____

Signatory A/L Leased Space _____ 184,235

EXHIBIT D-1



TERMINAL RAMP TOTAL (10% landing fee rmt and capital costs)	\$ _____
TOTAL LINEAR FEET	_____ 3,683
TERMINAL RAMP FEE	\$ _____
TENANT LEASED LINEAR FEET	_____ 2,573
TML RAMP REV FOR LNDG FEE	\$ _____

EXHIBIT F