

**SECOND AMENDMENT
AIRLINE OPERATING AGREEMENT AND TERMINAL
BUILDING LEASE**

between

**City Of Manchester, New Hampshire
Department Of Aviation**

and

Airline

April 2013

THIS SECOND AMENDMENT TO THE AIRLINE OPERATING AGREEMENT AND TERMINAL BUILDING LEASE (hereinafter "Amendment"), made and entered into this ____ day of _____, 20____, by and between the City of Manchester, Department of Aviation, a municipal corporation of the State of New Hampshire (hereinafter "City"), and _____, a corporation organized under the laws of the State of _____, and registered to do business in the State of New Hampshire (hereinafter "Airline");

WITNESSETH:

WHEREAS, City controls, operates, and manages an airport known as Manchester-Boston Regional Airport, located in the City of Manchester and the Town of Londonderry, State of New Hampshire (herein after "Airport"); and

WHEREAS, Airline is engaged in the business of Air Transportation; and

WHEREAS, City and Airline are parties to the Airline Operating Agreement and Terminal Building Lease dated July 1, 2005, as amended (hereinafter "Agreement"); and

WHEREAS, City and Airline desire to extend the term of the Agreement, and amend certain terms and provisions of the Agreement as set forth in this Amendment; and

WHEREAS, City and Airline respectively, have the power and authority to enter into this Amendment;

NOW, THEREFORE, for and in consideration of the Rentals and Fees and the mutual covenants, agreements, and conditions contained in the Agreement and this Amendment, City and Airline hereby agree to extend the term and modify those provisions of the Agreement as specifically set forth in this Amendment as follows:

A. All capitalized terms contained in this Amendment which are not defined in this Amendment shall have the respective meaning ascribed to them in the Agreement, unless defined otherwise herein;

B. Article 2 (Term) of the Agreement is hereby deleted in its entirety and replaced with the following:

2.01 Term. This Agreement shall be effective at 12:00 a.m. July 1, 2005 and shall terminate at 11:59 p.m. on June 30, 2020, subject to early termination as provided for in this Agreement.

C. Article 1, Section 1.01, the definition of "Amortization" is deleted in its entirety and replaced by the following:

Amortization shall mean the repayment of costs, amortized at the then current CITY cost of borrowed funds when a capital investment is made in substantially equal annual installments over the estimated useful lives of the expenditures, for capital expenditures at the Airport funded by the CITY out of the Capital Improvement Account. Effective FY 2014, all outstanding amortization shall be recalculated at an interest rate of 4.0%. Any payments made by the City

to defease outstanding Series 2008 Bonds shall be amortized at the same interest rate as the loan.

D. Anything contained in the Agreement to the contrary notwithstanding, the following provisions of the Agreement shall be modified as follows:

1. A new Article 4, Section 4.13 is hereby created:

One-Time Space Adjustment. Notwithstanding anything to the contrary in this Amendment or in the Agreement, Airline shall have the right, at its option, exercisable by written notice to City not later than May 1, 2015, to be effective on and as of July 1, 2015, to reduce its leased Preferential Use Space by any amount, up to 100% of its total leased Preferential Use Space, as specified by Airline.

2. Effective July 1, 2015, Exhibits H1, I1, J1, K1, L1 and M1 may be modified and replaced with revised Exhibits H2, I2, J2, K2, L2 and M2 and made a part of this Amendment. As of July 1, 2015, Airline agrees to lease Preferential Use spaces from the City as illustrated in revised Exhibits H2, I2, J2, K2, L2 and M2.

3. A new Article 13, Section 13.01(C) is hereby created:

(C) In the event Airline, at its option, submits written notice to City not later than May 1, 2015, to be effective on and as of July 1, 2015, to terminate the Agreement (as amended) entirely as to Airline.

4. A new Article 13, Section 13.02(N) is hereby created:

(N) In the event that the Signatory Airlines cumulatively reduce their Preferential Use Premises by more than 10% under the provisions of Article 4, Section 4.13. In the event the City chooses to utilize its option to terminate under this Article 13, Section 13.02(N), the City shall provide Airline no less than thirty (30) days' notice of the termination.

IN WITNESS WHEREOF, this Amendment is executed and effective as of the dates set forth below. Except as expressly amended herein, all terms and provisions of the Agreement shall remain unchanged and in full force and effect.

CITY OF MANCHESTER
DEPARTMENT OF AVIATION

By: _____
Mark Brewer, Airport Director

Attest

Date

AIRLINE

By: _____

Attest

Print Name

Title

Date