

**FIRST AMENDMENT
TO
THE TERMINAL FACILITIES LEASE
AND LICENSE AGREEMENT**

THIS FIRST AMENDMENT TO THE TERMINAL FACILITIES LEASE AND LICENSE AGREEMENT (this "Amendment") is made as of _____, 2014 ("Execution Date") between the CITY OF LOS ANGELES, acting by and through the Board of Airport Commissioners of its Department of Airports, as landlord and licensor (the "Landlord"), and SOUTHWEST AIRLINES, CO., as tenant and licensee (the "Tenant") and shall be effective on the Execution Date. Certain terms used in this Amendment and not defined elsewhere in the text of this Amendment, are used with the meanings specified in the Terminal Facilities Lease and License Agreement (LAA-8757) dated March 13, 2013 between the Landlord and the Tenant (the "Lease").

RECITALS

WHEREAS, the Tenant and the Landlord entered into a Lease for space in the Terminal;

WHEREAS, some or all of the Terminal 1 Renovations may be financed through a credit facility; and

WHEREAS, the parties desire to amend the Lease in order to allow for the assignment of the Tenant's right to receive the Landlord's payments to the Tenant for the purchase of the Terminal 1 Renovations described in Sections 1.4.3 of the Lease.

NOW, THEREFORE, in consideration of the mutual agreements contained in this Amendment, the Landlord and the Tenant agree with each other as follows:

AGREEMENT

1. Section 1.1.3(a)(ii) of the Lease shall be amended to replace the phrase "Section 1.1.2(a)(i)" with the phrase "Section 1.1.3(a)(i)."
2. The following new paragraph shall be added at the end of Section 1.2.1 of the Lease as follows:

"The Tenant and the Landlord acknowledge that during the Term the Demised Premises may be adjusted as described below due to the concourse expansion project and Section

19.10.1. Upon and subject to the conditions and limitations set forth in this Lease, the Landlord hereby leases to the Tenant, and the Tenant hereby rents from the Landlord, the additional Demised Premises as described and delineated below:

(a) On the Concourse Expansion Date, the Demised Premises as described and delineated in Exhibit A-1 and Exhibit A-2 shall be increased by approximately 9,600 square feet to include the concourse expansion. The “Concourse Expansion Date” means the first day of the month following the close-out of the concourse expansion project and the beneficial use by the Tenant of the concourse expansion. The Landlord shall issue a letter to the Tenant identifying the Concourse Expansion Date and shall amend Exhibit A-1 and Exhibit A-2, subject to City Attorney approval as to form, with an appropriate adjustment in rental charges without the prior approval or later ratification of the Board or City Council.

(b) If a common-use Gate in the Terminal is converted to a preferential-use Gate pursuant to Section 19.10.1, on the Common Use Gate Conversion Date, the Demised Premises as described and delineated in Exhibit A-1 and Exhibit A-2 shall be increased by approximately 2,800 square feet to include the holdroom adjacent to the common-use Gate that is converted to a preferential-use Gate pursuant to Section 19.10.1. The “Concourse Expansion Date” means the first day of the month following the conversion of a common-use Gate in the Terminal to a preferential-use Gate pursuant to Section 19.10.1. The Landlord shall issue a letter to the Tenant identifying the Common Use Gate Conversion Date and shall amend Exhibit A-1 and Exhibit A-2, subject to City Attorney approval as to form, with an appropriate adjustment in rental charges without the prior approval or later ratification of the Board or City Council.”

3. Section 1.4.1 of the Lease shall be amended and restated in its entirety as follows:

“1.4.1. Generally.

The Landlord acknowledges that the Tenant shall make various renovations to the Terminal (such renovations, the “Terminal 1 Renovations”) during the Term, which renovations shall be subject to Section 4 of this Lease. In addition to the requirements of Section 4, the Tenant shall also provide with its request for consent for the Terminal 1 Renovations pursuant to Section 4, detailed drawings, plans and cost estimates, which shall include all estimated soft and hard costs, of each of the Terminal 1 Renovations. A summary list, including the Tenant’s cost estimates, of the Terminal 1 Renovations as of the Settlement Execution Date is attached hereto as Schedule 1 – Attachment A. The Tenant shall provide to the Landlord a detailed scope of the Terminal 1 Renovations within the later of: (i) June 15, 2013, or (ii) ninety (90) days after the execution of the Lease by the Landlord. The Landlord and the Tenant agree that the Tenant shall pay for

any and all costs associated with the Terminal 1 Renovations, subject to purchase as provided below.

As of the First Amendment Date, the Tenant has advised the Landlord that it may make additional renovations to the Terminal (such renovations, the “Additional Scope Renovations”) during the Term if such renovations can be financed, which renovations shall be subject to Section 4 of the Lease. In addition to the requirements of Section 4, the Tenant shall also provide with its request for consent for the Additional Scope Renovations pursuant to Section 4, detailed drawings, plans and cost estimates, which shall include all estimated soft and hard costs, of each of the Additional Scope Renovations. A summary list, including the Tenant’s cost estimates, of the Terminal 1 Renovations including the Additional Scope Renovations is attached hereto as Schedule 1 – Attachment A-2. The Landlord and the Tenant agree that the Tenant shall pay for any and all costs associated with the Additional Scope Renovations, subject to purchase as provided below.

The Tenant acknowledges that long term construction in the terminals at the Airport would cause inconvenience and disruption to the traveling public. Therefore, the Tenant agrees to complete all Terminal 1 Renovations, excluding the connector and canopy between the Terminal and Terminal 2, within forty-two (42) months (“Initial Construction Deadline”) of the Settlement Execution Date; provided, however, that such requirement to complete the Terminal 1 Renovations within the aforementioned time frame may be extended by the Executive Director by up to eighteen (18) months if: (i) the Tenant demonstrates, in writing to the Executive Director, the need for such an extension due to extraordinary financial issues affecting the aviation industry as a whole, which may be evidenced, among other things, by a significant decline in passenger traffic at the Airport, and the Executive Director, in his or her sole discretion, concurs with such need, including the Tenant’s evidence of such need, and provides the Tenant with a written approval of such extension, or (ii) the Tenant demonstrates, in writing to the Executive Director, the need for such an extension due to delays in the relocation of U.S. Airways from the Terminal that are beyond the reasonable control of the Tenant and the Executive Director, in his or her sole discretion, concurs with such need, including the Tenant’s evidence of such need, and provides the Tenant with a written approval of such extension, or (iii) one or more Force Majeure events delays progress of the Terminal 1 Renovations. Notwithstanding the foregoing, the forty-two (42) month Initial Construction Deadline shall be extended to sixty (60) months (“Amended Construction Deadline”) if (x) the Tenant provides written notice to the Landlord that financing has been obtained for the Additional Scope Renovations, and (y) the Tenant commences construction of the Additional Scope Renovations prior to the Initial Construction Deadline. The Executive Director shall have the ability to authorize the completion of all Terminal 1 Renovations by up to eighteen (18) months beyond the Amended Construction Deadline if one of the conditions set forth in (i), (ii) or (iii) of this paragraph are satisfied.

4. A new Section 1.4.1(g) shall be added after Section 1.4.1(f) of the Lease as follows:

“(g) Financing of the Terminal 1 Renovations.

(i) Some or all of the construction of the Terminal 1 Renovations, including the Additional Scope Renovations, may be financed by a Credit Facility (as defined herein) obtained through (i) a lender or lending institution, (ii) a special purpose entity, or (iii) the Regional Airports Improvement Corporation or a similar entity.

(ii) The Tenant has advised the Landlord that some or all of the construction of the Terminal 1 Renovations may be financed by using the Regional Airports Improvement Corporation or similar financing entity (the “Borrower”). The Landlord and the Tenant agree to the following with respect to any financing agreement with the Borrower for the construction of the Terminal 1 Renovations (which shall also be applicable to the Additional Scope Renovations, if the construction of the Additional Scope Renovations are also financed by the Borrower):

a. The Borrower may obtain funds pursuant to a credit facility (the “Credit Facility”) provided by a group of banking or financial institutions (the “Lenders”). The Borrower and the initial administrative and collateral agents for the Lenders (the “Lender Agents”) shall be subject to the written approval of the Executive Director, which approval shall not be unreasonably withheld, delayed or conditioned.

b. The Tenant shall have the right to assign, which assignment shall not constitute an assignment of the Lease for purposes of Section 16.1, the Tenant’s rights to receive the payments from the Landlord for the purchase of the T1 Non-Proprietary Airline Renovations and the T1 Non-Proprietary Terminal Renovations contemplated in Sections 1.1.3(a)(ii), 1.4.3(b) and Section 1.4.3(c) (the “Landlord Payments”) to the Borrower.

c. The Borrower shall have the right to assign, which assignment shall not constitute an assignment of the Lease for purposes of Section 16.1, the Landlord Payments to a trustee acting for the benefit of the Lenders (the “Trustee”) and grant a security interest therein to the Lender Agents.

d. The Tenant may execute any and all instruments in connection with the Credit Facility, and the principal instruments (i.e., the agency agreement between the Borrower and the Tenant, the credit and security agreement between the Borrower and the Lenders, and the trust agreement between the Borrower and the Trustee) shall be subject to the prior review and written approval of the Executive Director for the sole purpose of ensuring conformance with this Lease,

which approval shall not be unreasonably withheld; *provided, however*, that the Tenant covenants that such principal instruments shall include the following covenants and representations by the Tenant and the Borrower:

1. The Tenant shall indemnify the Borrower and the Trustee, as applicable, and their successors, assigns, members, officers, agents and employees from, and defend the same against, any and all claims, liens, liability, expenses (including attorneys' fees) losses and judgments arising from (i) death or personal injury or from the loss, damage or destruction of property of any person whomsoever resulting from any acts, omissions or negligence of the Tenant, its officers, agents or employees with respect to its or their use of, occupancy of, or operation in, on or about the Terminal 1 Renovations, and (ii) the Credit Facility.

2. The Tenant and the Borrower agree that title to any Terminal 1 Renovations financed by the Borrower shall be in the Tenant; *provided, however*, that title to any completed T1 Non-Proprietary Airline Renovations Component and T1 Non-Proprietary Terminal Renovations Component financed by the Borrower shall vest in the Landlord upon the payment of the Landlord Payments for such component to either (A) the Tenant, if the Landlord Payments are not assigned, (B) the Borrower, if the Tenant assigns the Landlord Payments to the Borrower, or (C) the Trustee, if the Borrower is the assignee of the Landlord Payments and the Borrower assigns the Landlord Payments to the Trustee. Notwithstanding the foregoing, the Tenant and the Borrower agree that title to any Terminal 1 Renovations (whether the construction for such renovations are completed or not) financed by the Borrower shall vest in the Landlord upon the termination of the Lease if the Lease is terminated for any reason.

3. If the Lease is terminated pursuant to Section 1.1.3(a)(i) of the Lease, and the Tenant has commenced construction on a T1 Non-Proprietary Airline Renovations Component and/or a T1 Non-Proprietary Terminal Renovations Component financed by the Borrower under the Credit Facility but has not completed the construction for such component(s) (the "Uncompleted Terminal 1 Renovations") the Landlord shall purchase from the Tenant the Uncompleted Terminal 1 Renovations pursuant to Section 1.1.3(a)(ii) as amended by this Amendment.

4. Notwithstanding any other provision of the Lease, the Borrower, Trustee or Lenders shall not have any right to commence construction of any T1 Non-Proprietary Airline Renovations Component and/or a T1 Non-Proprietary Terminal Renovations Component.

e. The Landlord agrees that the financing documents may include the following: the Tenant shall assign the Landlord Payments to the Borrower, and the Borrower in turn shall assign the Landlord Payments to the Trustee, and the Tenant, the Borrower, and the Trustee shall provide written notice to the Landlord of such assignments (a "Direction") and in such Direction provide the following information: (1) a list of the Terminal 1 Renovations that will be financed by the Borrower, and (2) direction from the Tenant and the Borrower to the Landlord to make any Landlord Payments for the Terminal 1 Renovations that will be financed by the Borrower to the Trustee upon the terms and conditions of the Lease. The Landlord will make payment only in accordance with the terms of the Direction and will not accept further payment instruction in respect of the Landlord Payments from the Tenant or the Borrower unless accompanied by the written direction of the Lenders acting through the applicable Lender Agents.

f. In the event the Landlord Payments are assigned, except as expressly provided in this Section 1.4.1(g), the Landlord shall not be bound, nor shall the terms, conditions and covenants of this Lease nor the rights and remedies of City hereunder be in any manner limited, restricted, modified or affected, by reason of the terms or provisions of the instruments in connection therewith.

g. The Landlord agrees that any notice requirements pursuant to the Lease to the Tenant for the termination of the Lease will also be provided to the Borrower, the Trustee and the Lenders.

h. At the request of the Tenant, the Executive Director shall enter into a written agreement pursuant to this Section 1.4.1(g) (the "Consent to Financing") with the Tenant whereby (1) the Executive Director acknowledges that all or some of the T1 Non-Proprietary Airline Renovations and the T1 Non-Proprietary Terminal Renovations may be financed through a financing arrangement with the Borrower, (2) the Executive Director approves of the appointment of the Borrower to assist in the financing as described herein, (3) unless previously approved, the Executive Director approves the Lender Agents and the Credit Facility instruments, each as provided above, (4) the specific terms of the Direction are described, and (5) the parties address such other incidental matters as are required by Section 1.4.1(g)(ii)(h)(1) through (4) above."

5. A new Section 1.4.1(h) shall be added after Section 1.4.1(g) as follows:

“The Tenant shall include in its construction contracts for the Terminal 1 Renovations that in the event of termination of the Lease, the Landlord shall have the right, in its sole discretion, to have the Tenant’s construction contracts for the uncompleted Terminal 1 Renovations assigned to the Landlord.”

6. The following new paragraph shall be added at the end of Section 1.4.3(b)(i) as follows:

“Notwithstanding the foregoing, if the Additional Scope Renovations are financed by a Credit Facility, the aggregate amount of the T1 Non-Proprietary Airline Renovations Component Acquisition Cost for all T1 Non-Proprietary Airline Renovations Components, including principal and interest, payable by the Landlord to the Tenant shall not exceed Two Hundred Seventy-Four Million Four Hundred Two Thousand Dollars (\$274,402,000).”

7. A new Section 1.4.3(c)(iv) shall be added after Section 1.4.3(c)(iii) as follows:

“(iv) On April 2, 2013, the Board authorized the Executive Director to exercise the option to purchase renovations from the Tenant pursuant to Section 1.4.3(c)(i)(A) above. Accordingly, as of April 2, 2013, Section 1.4.3(c)(ii) is null and void.”

8. A new Section 1.4.3(c)(v) shall be added after Section 1.4.3(c)(iv) as follows:

“(v) T1 Non-Proprietary Terminal Renovations Additional Scope. The Tenant has advised the Landlord that it may construct the Additional Scope Renovations if financing is obtained for such renovations. The Landlord shall have the option to purchase the Additional Scope Renovations that are part of the T1 Non-Proprietary Terminal Renovations (such Additional Scope Renovations, the “T1 Non-Proprietary Additional Scope Terminal Renovations”) at any time during the term of the Lease.

- (A) Prior to Additional Scope First Option Date.

(1) If the Landlord wishes to exercise its option under Section 1.4.3(c)(v) by the Additional Scope First Option Date, the Executive Director, subject to Board approval, shall provide written notice of its intent to purchase the T1 Non-Proprietary Additional Scope Terminal Renovations and shall pay the Tenant the undisputed amount of the T1 Non-Proprietary Additional Scope Terminal Renovations Acquisition Cost according to Section 1.4.3(c)(v)(A)(2) below. The total amount the T1 Non-Proprietary Terminal Renovations Additional Scope Acquisition Cost shall not exceed Sixty-Seven Million Nine Hundred Seven Thousand Dollars (\$67,907,000).

(2) If the Landlord has exercised its option pursuant to Section 1.4.3(c)(v), the Landlord shall pay the Tenant, within sixty (60) days of each T1 Non-Proprietary Terminal Renovations Component Completion Date which includes any T1 Non-Proprietary Additional Scope Terminal Renovations, the amount of such T1 Non-Proprietary Additional Scope Terminal Renovations Component Acquisition Cost in addition to the T1 Non-Proprietary Terminal Renovations Component Acquisition Cost. The estimated cost for each T1 Non-Proprietary Terminal Renovations Component, including the T1 Non-Proprietary Additional Scope Terminal Renovations, is set forth on Schedule 1 – Attachment A-2. Upon payment of any portion of the T1 Non-Proprietary Terminal Renovations Acquisition Cost, title to the T1 Non-Proprietary Terminal Renovations, in its entirety, shall vest in the Landlord.

(B) After the Additional Scope First Option Date.

(1) If the Landlord does not exercise its option under Section 1.4.3(c)(v) by the Additional Scope First Option Date, on the Additional Scope First Option Date the Landlord shall issue to the Tenant a rental credit (the “T1 Non-Proprietary Additional Scope Terminal Renovations Rental Credit”) in the undisputed amount of the T1 Non-Proprietary Renovations Additional Scope Terminal Renovations Acquisition Cost, which rental credit shall be applied against any Landing Fee and amounts due to the Landlord from the Tenant for the use of space in terminals at the Airport; provided, however, that the total amount of the T1 Non-Proprietary Additional Scope Terminal Renovations Rental Credit shall not exceed Seventy-Three Million Eight Hundred Thirteen Thousand Dollars (\$73,813,000). The T1 Non-Proprietary Additional Scope Terminal Renovations Rental Credit shall be issued in equal installments over the period from the Additional Scope First Option Date to the end of the Term and shall include annualized accrued interest at four percent (4%) on the outstanding principal that is unpaid as of such issuance date.

(2) Notwithstanding Section 1.4.3(c)(v)(B)(1), the Landlord shall always have the option to purchase the T1 Non-Proprietary Additional Scope Terminal Renovations at any time during the term of the Lease. If the Landlord wishes to exercise its option under Section 1.4.3(c)(v) after the Additional Scope First Option Date, the Executive Director, subject to Board approval, shall provide written notice of its intent to purchase the T1 Non-Proprietary Additional Scope Terminal Renovations and shall pay the Tenant an amount equal to the remaining unused T1 Non-Proprietary Additional Scope Terminal Renovations Rental Credit (such unused amount, the “Post-Construction T1 Non-Proprietary Additional Scope Terminal Renovations Acquisition Cost”). Upon the payment of the Post-Construction T1 Non-Proprietary Additional Scope Terminal Renovations Acquisition Cost, title to the T1 Non-Proprietary Additional Scope Terminal Renovations shall vest in the Landlord.

(C) Disputes. Notwithstanding the foregoing, the Landlord shall have the right to dispute the amount of the T1 Non-Proprietary Additional Scope Terminal

Renovations Component Acquisition Cost. To the extent that the Landlord disputes a portion of the T1 Non-Proprietary Additional Scope Terminal Renovations Component Acquisition Cost, or there is insufficient documentation with respect thereto, the Landlord shall so notify the Tenant prior to the First Option Date and shall have the right to withhold any disputed amounts until such amounts have been verified and documented to the reasonable satisfaction of the Landlord. The Landlord shall also submit to the Tenant an explanation of the disputed amount or the required documentation prior to the Additional Scope First Option Date. The Tenant shall respond within thirty (30) days and the Landlord and the Tenant shall meet to resolve any disputes or documentation issues within thirty (30) days of the Tenant's response."

9. The first sentence of Section 9.1.1(a)(ii) of the Lease shall be amended and restated in its entirety as follows:

"If the Tenant fails to operate the Baggage Handling Systems in a reasonable and nondiscriminatory manner, then the Executive Director, without further action of the Board or City Council, and following 90 days notice to the Tenant, shall have the right to terminate the lease of the Baggage Handling Systems and Sections 3.2.1(a), 3.2.1(b)(ii) and 3.2.1(c) shall no longer be effective upon the termination of the lease of the Baggage Handling Systems."

10. A new Section 19.10.1 shall be added after Section 19.10 of the Lease as follows:

"Notwithstanding the foregoing, (a) if the Tenant meets or exceeds the Interim T1 Preferential-Use Requirement within forty-eight (48) months ("Interim Use Requirement Period") from the Settlement Execution Date and (b) there is a common use Gate in the Terminal, then Landlord shall convert one (1) common-use Gate in the Terminal to a preferential-use Gate for the Tenant. The Executive Director may extend the Interim Use Requirement Period in his or her sole discretion."

11. The following definitions in Section 24 of the Lease shall be amended and restated in its entirety as follows:

"Base Rent" means the rental payable for the use of the Demised Premises in monthly installments as provided in Section 3. As of the Commencement Date, the Base Rent is the Terminal Buildings Charge.

"Interest Costs" means, with respect to any Terminal 1 Renovations (including the U.S. Airways relocation), (a) with respect to any Terminal 1 Renovations not financed by a Credit Facility pursuant to Section 1.4.1(g) above, imputed project interest costs calculated as simple interest at a rate of four percent (4%) from the date of expenditure by the Tenant to the projected date of either issuance of a rental credit or payment for an

acquisition, and (b) with respect to any Terminal 1 Renovations financed by a Credit Facility pursuant to Section 1.4.1(g) above, the actual interest and substantiated financing costs or charges incurred by the Tenant or Borrower, as applicable, pursuant to the terms of the Credit Facility allocable to a T1 Non-Proprietary Airline Renovations Component and/or a T1 Non-Proprietary Terminal Renovations Component, which interest costs shall cease to accrue after the second anniversary of the termination date of the Lease.

“T1 Non-Proprietary Airline Renovations” means the T1 Non-Proprietary Renovations located in the Terminal as identified in Schedule 1 – Attachment A or Schedule 1-Attachment A-2 if the Tenant proceeds with the Additional Scope Renovations.

“T1 Non-Proprietary Airline Renovations Component” means one of the seven (7) components of the T1 Non-Proprietary Airline Renovations located in the Terminal as identified in Schedule 1 – Attachment A or Schedule 1-Attachment A-2 if the Tenant proceeds with the Additional Scope Renovations.

“T1 Non-Proprietary Terminal Renovations” means the T1 Non-Proprietary Renovations located in the Terminal as identified in Schedule 1 – Attachment A or Schedule 1-Attachment A-2 if the Tenant proceeds with the Additional Scope Renovations.

“T1 Non-Proprietary Terminal Renovations Component” means one of the ten (10) components of the T1 Non-Proprietary Terminal Renovations located in the Terminal as identified in Schedule 1 – Attachment A or Schedule 1-Attachment A-2 if the Tenant proceeds with the Additional Scope Renovations.

12. The following new definitions shall be added to Section 24 of the Lease as follows:

“Actively Unloaded” shall have the meaning given to it in the T1 Scheduling Protocols, the Airport-Wide Scheduling Protocols or the Interim T1 Scheduling Protocols if it is effective.

“Additional Scope First Option Date” means ninety (90) days after the T1 Non-Proprietary Terminal Renovations Component Completion Date of the first completely constructed T1 Non-Proprietary Terminal Renovations Component that includes any Additional Scope Renovations.

“Arriving Flight” means a scheduled revenue aircraft operation Actively Unloaded at the Terminal.

“Arriving Seats” means the actual number of available seats on an Arriving Flight.

“Departing Flight” for purposes of the Interim T1 Preferential-Use Requirement means a scheduled revenue aircraft operation Actively Loaded at the Terminal that takes off at the Airport.

“Departing Seats” for purposes of the Interim T1 Preferential-Use Requirement means the actual number of available seats on a Departing Flight.

“First Amendment Date” means the Execution Date as defined in the First Amendment to the Terminal Facilities Lease and License Agreement between the Tenant and the Landlord.

“Interim T1 Preferential-Use Requirement” means the average number of Departing Seats and Arriving Seats per day per Gate of 2,200 total seats.

“T1 Non-Proprietary Additional Scope Terminal Renovations Acquisition Cost” means the actual expenses incurred by the Tenant for the T1 Non-Proprietary Additional Scope Terminal Renovations, including the Interest Costs incurred for the T1 Non-Proprietary Additional Scope Terminal Renovations, as verified by the Landlord.

13. Miscellaneous.

13.1. It is understood and agreed by and between the parties that, except as specifically provided herein, this Amendment shall not, in any manner, alter, change, modify or affect any of the rights, privileges, duties or obligations of either of the parties under the Lease, as amended, and except as expressly amended herein, all of the terms, covenants and conditions of the Lease, as amended, shall remain in full force and effect.

13.2. This Amendment shall be binding upon the parties hereto and their respective heirs, personal representatives, successors and assigns.

13.3. This Amendment may be executed in a number of identical counterparts, each of which for all purposes is deemed an original, and all of which constitute collectively one agreement. Facsimile signatures may be utilized.

[signature page follows]

IN WITNESS WHEREOF, the Landlord and the Tenant have respectively executed this Lease as of the day and year first above written.

LANDLORD:

APPROVED AS TO FORM:

CITY OF LOS ANGELES

Michael N. Feuer,
City Attorney

By: _____
Executive Director
Department of Airports

Date: 5/27/14

By: [Signature]
Deputy/Assistant City Attorney

TENANT:

ATTEST:

SOUTHWEST AIRLINES CO.

By: [Signature]
Name: Mark Shaw
Title: VP General Counsel

By: [Signature]
Name:
Title:
Bob Montgomery
Vice President - Airport Affairs

[Corporate Seal]

Schedule 1 - Attachment A-2**Summary of Proposed Terminal 1 Renovations**

Scope Component	Description
1. Relocations	The relocation of US Airways to Terminal 3, including the relocation of other parties in Terminal 3 as necessary.
2. West Ticketing – Arrivals Level	The renovation of the arrivals level on the west side of the ticketing building, including installation of new baggage claim devices, replacement of MEP systems and building finishes and a voluntary seismic upgrade.
3. Pump Room	Modify the existing Pump Room and construct a new Pump Room to align the functionality of Terminal 1 systems with the capabilities afforded by the new Central Utility Plant.
4. West Ticketing – Departure and Mezzanine Levels	The renovation of the departure and mezzanine levels on the west side of the ticketing building, including new ticket counters, replacement of MEP systems and building finishes, a voluntary seismic upgrade and roof replacement. Install a new curbside canopy and make building façade improvements.
5. Inline Checked Baggage Inspection System and Facilities	The installation of a new inline baggage screening system. Also includes the renovation of the east side of the arrivals level of the ticketing building to enable the installation of the inline baggage system and a voluntary seismic upgrade.
6. Temporary Baggage System	The installation of a temporary baggage screening system to enable the removal of the EDS machines from the ticketing lobby.
7. East Ticketing – Departure and Mezzanine Levels	The renovation of the departure and mezzanine levels on the east side of the ticketing building, including the expansion of the building, replacement of MEP systems and building finishes, a voluntary seismic upgrade and roof replacement to provide for a new security screening checkpoint. Install a new curbside canopy and make building façade improvements.
8. Concourse – North	Renovate the entire concourse, replacing and upgrading MEP systems, completing a voluntary seismic upgrade and replacing the roof. Expand the north half of the concourse to provide a reconfigured layout to holdrooms and concessions. Reconfigure support space on the lower level to accommodate relocated functions as the result of the ticketing and security checkpoint work.

Schedule 1 - Attachment A-2

Summary of Proposed Terminal 1 Renovations

Scope Component	Description
9. Concourse – South	Renovate the entire concourse, replacing and upgrading MEP systems, completing a voluntary seismic upgrade and replacing the roof. Expand the north half of the concourse to provide a reconfigured layout to holdrooms and concessions. Reconfigure support space on the lower level to accommodate relocated functions as the result of the ticketing and security checkpoint work.
10. Information Technology	Installation of a terminal wide premise distribution system and paging system.
11. Gate Systems, Gates 9 & 10	Reconfiguration of the aircraft parking to accommodate full B737-800W parking at 13 gates, including new apron paving, striping and fuel hydrant pit relocations. Replacement of all passenger loading bridges, 400Hz, pre-conditioned air and potable water equipment. Upgrade the battery chargers for GSE. Install a new fire water loop under the apron to the building.
12. Gate Systems, Gates 11A & 11B	Reconfiguration of the aircraft parking to accommodate full B737-800W parking at 13 gates, including new apron paving, striping and fuel hydrant pit relocations. Replacement of all passenger loading bridges, 400Hz, pre-conditioned air and potable water equipment. Upgrade the battery chargers for GSE. Install a new fire water loop under the apron to the building.
13. Gate Systems, Gates 13 through 18B	Reconfiguration of the aircraft parking to accommodate full B737-800W parking at 13 gates, including new apron paving, striping and fuel hydrant pit relocations. Replacement of all passenger loading bridges, 400Hz, pre-conditioned air and potable water equipment. Upgrade the battery chargers for GSE. Install a new fire water loop under the apron to the building.
14. Gate Systems, Gates 12A & 12B	Reconfiguration of the aircraft parking to accommodate full B737-800W parking at 13 gates, including new apron paving, striping and fuel hydrant pit relocations. Replacement of all passenger loading bridges, 400Hz, pre-conditioned air and potable water equipment. Upgrade the battery chargers for GSE. Install a new fire water loop under the apron to the building.
15. Curbside Canopy	Construction of a canopy over the departures curb between Terminals 1 and 2.
TOTAL PROJECTED COST	\$525,948,000

Schedule 1 - Attachment A-2
Southwest Renovations

In general, the Southwest Renovations are the improvements that are:

- (a) Branded.
- (b) Unique to SOUTHWEST's specific operational needs, such that it is not reasonable to assume that another airline could use the improvement without modification.
- (c) Specialty lighting, finishes and other architectural elements specifically selected by SOUTHWEST.
- (d) Interior construction of all exclusive lease spaces.

Specifically, the Southwest Renovations include, but are not limited to:

Scope Component	Description
1. West Ticketing – Arrivals Level	Interior build out of a new Southwest Airlines baggage service office. All branded signage and displays. Relocation of Southwest baggage service operations.
2. West Ticketing – Departure and Mezzanine Levels	New ticket counter and curbside millwork, signage and equipment. Interior build out of new Southwest Airlines demised premises. All branded signage and displays. Relocation of Southwest ticketing operations.
3. East Ticketing – Departure and Mezzanine Levels	Interior build out of new Southwest Airlines demised premises. All branded signage and displays. Relocation of Southwest operations.
4. Concourse	New gate millwork and equipment. Interior build out of new Southwest Airlines demised premises. All branded signage and displays. Relocation of Southwest operations.
5. Gate Systems	Upgrade the battery chargers for Southwest electric GSE. Revised gate striping.
TOTAL PROJECTED COST	\$16,147,000

Schedule 1 – Attachment A-2
T1 Relocations

In general, the T1 Relocations are the improvements that are:

- (a) Necessary for the relocation of other tenants and functions to support the Terminal 1 Renovations.

Specifically, the T1 Relocations include, but are not limited to:

Scope Component	Description
1. Relocations	The relocation of US Airways to Terminal 3, including the relocation of other parties in Terminal 3 as necessary.
TOTAL PROJECTED COST	\$14,657,000

Schedule 1 – Attachment A-2
T1 Airline Renovations

In general, Airline Renovations are improvements that are:

- (a) Usable by any airline operating in Terminal 1.
- (b) To the parts of the building classified as “airline.”
- (c) In cases of base building infrastructure, the portion of the improvement allocated to Airline is based on the ratio of Airline to Public space in Terminal 1.

The specific components are listed below.

Scope Component	Description
1. West Ticketing – Arrivals Level	The renovation of the arrivals level on the west side of the ticketing building, including installation of new baggage claim devices, replacement of MEP systems and building finishes and a voluntary seismic upgrade.
2. Pump Room	Modify the existing Pump Room and construct a new Pump Room to align the functionality of Terminal 1 systems with the capabilities afforded by the new Central Utility Plant.
3. West Ticketing – Departure and Mezzanine Levels	The renovation of the departure and mezzanine levels on the west side of the ticketing building, including new ticket counters, replacement of MEP systems and building finishes, a voluntary seismic upgrade and roof replacement. Install a new curbside canopy and make building façade improvements.
4. Inline Checked Baggage Inspection System and Facilities	The installation of a new inline baggage screening system. Also includes the renovation of the east side of the arrivals level of the ticketing building to enable the installation of the inline baggage system and a voluntary seismic upgrade.
5. Temporary Baggage System	The installation of a temporary baggage screening system to enable the removal of the EDS machines from the ticketing lobby.
6. East Ticketing – Departure and Mezzanine Levels	The renovation of the departure and mezzanine levels on the east side of the ticketing building, including the expansion of the building, replacement of MEP systems and building finishes, a voluntary seismic upgrade and roof replacement to provide for a new security screening checkpoint. Install a new curbside canopy and make building façade improvements.

Schedule 1 – Attachment A-2
T1 Airline Renovations

Scope Component	Description
7. Concourse – North	Renovate the entire concourse, replacing and upgrading MEP systems, completing a voluntary seismic upgrade and replacing the roof. Expand the north half of the concourse to provide a reconfigured layout to holdrooms and concessions. Reconfigure support space on the lower level to accommodate relocated functions as the result of the ticketing and security checkpoint work.
8. Concourse – South	Renovate the entire concourse, replacing and upgrading MEP systems, completing a voluntary seismic upgrade and replacing the roof. Expand the north half of the concourse to provide a reconfigured layout to holdrooms and concessions. Reconfigure support space on the lower level to accommodate relocated functions as the result of the ticketing and security checkpoint work.
9. Information Technology	Installation of a terminal wide premise distribution system and paging system.
10. Gate Systems, Gates 9 & 10	Reconfiguration of the aircraft parking to accommodate full B737-800W parking at 13 gates, including new apron paving, striping and fuel hydrant pit relocations. Replacement of all passenger loading bridges, 400Hz, pre-conditioned air and potable water equipment. Upgrade the battery chargers for GSE. Install a new fire water loop under the apron to the building.
11. Gate Systems, Gates 11A & 11B	Reconfiguration of the aircraft parking to accommodate full B737-800W parking at 13 gates, including new apron paving, striping and fuel hydrant pit relocations. Replacement of all passenger loading bridges, 400Hz, pre-conditioned air and potable water equipment. Upgrade the battery chargers for GSE. Install a new fire water loop under the apron to the building.
12. Gate Systems, Gates 13 through 18B	Reconfiguration of the aircraft parking to accommodate full B737-800W parking at 13 gates, including new apron paving, striping and fuel hydrant pit relocations. Replacement of all passenger loading bridges, 400Hz, pre-conditioned air and potable water equipment. Upgrade the battery chargers for GSE. Install a new fire water loop under the apron to the building.

Schedule 1 – Attachment A-2
T1 Airline Renovations

Scope Component	Description
13. Gate Systems, Gates 12A & 12B	Reconfiguration of the aircraft parking to accommodate full B737-800W parking at 13 gates, including new apron paving, striping and fuel hydrant pit relocations. Replacement of all passenger loading bridges, 400Hz, pre-conditioned air and potable water equipment. Upgrade the battery chargers for GSE. Install a new fire water loop under the apron to the building.
TOTAL PROJECTED COST	\$274,402,000

Schedule 1 – Attachment A-2
T1 Terminal Renovations

In general, Terminal Renovations are the improvements that are:

- (a) Expansion of the overall building footprint and envelope.
- (b) To the public areas of the building.
- (c) In cases of base building infrastructure, the portion of the improvement allocated to the Terminal is based on the ratio of Airline to Public space in Terminal 1.

The specific components are listed below.

Scope Component	Description
1. West Ticketing – Arrivals Level	The renovation of the arrivals level on the west side of the ticketing building, including installation of new baggage claim devices, replacement of MEP systems and building finishes and a voluntary seismic upgrade.
2. Pump Room	Modify the existing Pump Room and construct a new Pump Room to align the functionality of Terminal 1 systems with the capabilities afforded by the new Central Utility Plant.
3. West Ticketing – Departure and Mezzanine Levels	The renovation of the departure and mezzanine levels on the west side of the ticketing building, including new ticket counters, replacement of MEP systems and building finishes, a voluntary seismic upgrade and roof replacement. Install a new curbside canopy and make building façade improvements.
4. Inline Baggage System and Facilities	The installation of a new inline baggage screening system. Also includes the renovation of the east side of the arrivals level of the ticketing building to enable the installation of the inline baggage system and a voluntary seismic upgrade.
5. East Ticketing – Departure and Mezzanine Levels	The renovation of the departure and mezzanine levels on the east side of the ticketing building, including the expansion of the building, replacement of MEP systems and building finishes, a voluntary seismic upgrade and roof replacement to provide for a new security screening checkpoint. Install a new curbside canopy and make building façade improvements.

Schedule 1 – Attachment A-2
T1 Terminal Renovations

Scope Component	Description
6. Concourse – North	Renovate the entire concourse, replacing and upgrading MEP systems, completing a voluntary seismic upgrade and replacing the roof. Expand the north half of the concourse to provide a reconfigured layout to holdrooms and concessions. Reconfigure support space on the lower level to accommodate relocated functions as the result of the ticketing and security checkpoint work.
7. Concourse – South	Renovate the entire concourse, replacing and upgrading MEP systems, completing a voluntary seismic upgrade and replacing the roof. Expand the north half of the concourse to provide a reconfigured layout to holdrooms and concessions. Reconfigure support space on the lower level to accommodate relocated functions as the result of the ticketing and security checkpoint work.
8. Information Technology	Installation of a terminal wide premise distribution system and paging system.
9. Curbside Canopy	Construction of a canopy over the departures curb between Terminals 1 and 2.
TOTAL PROJECTED COST	\$220,742,000