

AMENDED AND RESTATED MEMORANDUM
OF UNDERSTANDING
BETWEEN
Allegiant Air, LLC
AND
SANFORD AIRPORT AUTHORITY

Received
FEB 23 2011
A/R Dept.

THIS AMENDED AND RESTATED MEMORANDUM OF UNDERSTANDING (this "Amended MOU") dated 2/01/2011 and executed by Allegiant Air, LLC with principal offices at 8360 South Durango Drive, Las Vegas, NV 89113 ("AAY"), and Sanford Airport Authority with principal offices at 1200 Red Cleveland Blvd., Sanford, FL 32773 ("SAA").

WITNESSETH

WHEREAS, AAY is a Part 121 Scheduled Air Carrier and travel company principally in the business of selling and organizing travel involving air transportation; and

WHEREAS, SAA is the operator of record charged with the general oversight of Orlando Sanford International Airport ("Airport" or "SFB"); and

WHEREAS, AAY and SAA (together, "the Parties") previously entered into that certain Memorandum of Understanding (the "Original MOU") dated as of 3/07/05 which established a mutually beneficial relationship whereby AAY uses the Airport over a ten (10) year period subject to the terms and conditions contained therein; and

WHEREAS, the Parties desire to revise certain obligations of the Original MOU and now wish to amend and restate in its entirety the Original MOU;

NOW, THEREFORE, in consideration of the mutual covenants and promises stated herein and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, the Parties agree as follows:

ARTICLE I – USE OF SFB

AAY agrees to use SFB as its primary airport for scheduled passenger services and facilities associated with AAY's flights to Orlando for a ten (10) year period commencing on February 1, 2011; provided, in the event that during such 10-year period it becomes necessary for competitive or other reasons for AAY to cease to use SFB as its primary airport for the purposes stated in this Article I, the rates and charges established in this Amended MOU shall cease to apply, and shall be replaced by SFB's then-effective standard rates and charges, effective as of the first day of the calendar month immediately following AAY's cessation of use of SFB as its primary Orlando airport.

ARTICLE II – GENERAL ISSUES

- SAA will pursue making RWY 18-36 available for AAY VFR arrivals as soon as possible. In addition, SAA will pursue the extension of RWY 18-36 to 8,000' with ILS as soon as practically possible.
- AAY currently has the right to install its own fuel storage facility, but would need to negotiate a ground lease with SAA.
- Cost of AAY employee badges is \$45 if a ten (10) year background check is required, and \$21 per badge if it is not required.
- SAA will waive its Landing Fee for six (6) months for each specific new market that results in net growth in the total scheduled service markets served by AAY from SFB. Currently the 32nd market served by AAY from SFB would be the first route to qualify.

ARTICLE III – FACILITIES

- 1,120 square feet of office space located at the north end of the cargo building will be provided by SAA
 - Rates as follows:
 - Years 1-4 \$10.00 per square foot per annum
 - Years 5-10 \$17.00 per square foot pre annum
 - Lease can be terminated at any time by AAY with 180 days advance written notice with no further obligation.
 - Utilities are included in the use of this space at no additional charge to AAY.
- 15,240 square feet of space in the cargo building, for offices, including restrooms, and maintenance spares receiving, inventory and storage.
 - This space will be air conditioned and will have ramp access via a roll-up door and access to loading docks.
 - Rates as follows:
 - Years 1&2 \$4.00 per square foot per annum
 - Years 3&4 \$5.00 per square foot per annum
 - Years 5&6 \$6.00 per square foot per annum
 - Years 7&8 \$7.00 per square foot per annum
 - Years 9&10 \$8.00 per square foot per annum
 - Costs include: up to 350 employee parking spaces in close proximity.
 - The potential to park an additional 200 cars in proximity exists.
 - Lease of 3 aircraft parking positions; 2 in front of cargo building and a 3rd located as reasonably close as possible. 2 additional parking spots are currently under lease. AAY is granted the right of first refusal to lease any additional aircraft parking positions that may come available.

- o Aircraft parking positions will permit power in-power out to any extent possible, therefore avoiding requirement of a pushback.
 - o Lease can be terminated at any time by AAY with 180 days advance written notice with no further obligation.
- AAY agrees to lease Building No. 146 providing hangar space of 14,400 square feet and ramp space of 5.45 acres +/-
 - o Rates as follows:
 - Years 1 & 2 \$2.00 per square foot per annum
 - Years 3 & 4 \$2.12 per square foot per annum
 - Years 5 & 6 \$2.25 per square foot per annum
 - Years 7 & 8 \$2.39 per square foot per annum
 - Years 9 & 10 \$2.53 per square foot per annum

ARTICLE IV – COST AND LONG TERM PREDICTABILITY

- Effective April 1, 2011, SAA agrees to amend “Attachment 1” of the Participating and Non-Participating Airport Use Agreements to roll-back a previous increase of the following fees:
 - o Public Safety Fee (PSF): reduced from \$0.50 to \$0.25 per enplaned passenger of which Participating Carriers receive a 50% discount.
 - o Landing Fee: reduced from \$1.35 to \$1.07 per 1000 pounds of which Participating Carriers receive a 50% discount.
- SAA fees (excluding PFC’s,) are limited to a potential increase of up to 3% per year effective February 1, 2012.
- The PFC is capped at \$4.00 for years 1 through 5 of this Amended MOU.

ARTICLE V – TERM; EFFECTIVE DATE; OTHER

This Amended MOU shall be effective upon execution by both parties, and shall continue in full force and effect until the end of the ten (10) year agreement. This Amended MOU is a binding agreement and is enforceable according to its terms, and supersedes the original MOU and all previous agreements between the Parties or any of their subsidiaries or affiliates concerning the subject matter hereof. AAY shall be required to execute and comply with airport use agreements, terminal use agreements, and other governing laws, rules, regulations and policies as a condition of operation at the Airport.

ARTICLE VI - DISPUTE RESOLUTION

This Amended MOU shall be governed by and construed in accordance with the laws of the State of Florida, and the parties further agree that venue for any dispute arising out of or relating to this Amended MOU shall lie exclusively in the courts of Seminole County, Florida.

AAY and SAA agree to the provisions of the Amended and Restated Memorandum of Understanding as indicated by the signatures of their duly authorized officers below.

Allegiant Air, LLC

By: 

Title: Director of Airport Planning

Date: 01 February 2011

Sanford Airport Authority

By: 

Title: President / CEO

Date: 2/01/2011



**ALLEGIANT AIR
HANGAR/RAMP PARKING PROPOSAL**

ADDRESS: 1682 HANGAR ROAD
[BUILDING NO. 146]

CURRENT SIZE: 14,400 SF
80' deep x 180' wide
Peak height – 32' 6"
Hangar door openings – 80' x 17'9" (2)
Tail door – 26'6"

RAMP 2.45 acres adjacent to Hangar 146
3 acres +/- adjacent to current parking east of
Cargo Bldg.

[See attached aerial]

LEASE RATE	\$2.00 PER SF	
	Bldg - 14,400 SF @ \$2.00 =	\$ 28,800.00
	Ramp – 5.45 acres +/- =	\$ - 0 -
	Annual =	\$ 28,800.00
	Monthly =	\$ 2,400.00
	7% Sales Tax =	\$ 168.00
	TOTAL MONTHLY =	\$ 2,568.00