

## REVENUE GUARANTEE AGREEMENT

This Revenue Guarantee Agreement (this "Agreement") made and entered into effective as of August 1, 2014 (the "Effective Date"), is between Delta Air Lines, Inc. ("Delta") and U.S. Virgin Islands Department of Tourism ("Guarantor").

### Recitals:

WHEREAS, Delta is a U.S. certificated airline providing scheduled air transportation to domestic and international destinations; and

WHEREAS, Guarantor desires that Delta provide scheduled air service between Atlanta's Hartsfield Jackson International Airport (ATL) and St Croix U.S.V.I. (STX) as more fully described in Exhibit A attached hereto and incorporated herein; and

WHEREAS, Guarantor is willing to provide Delta with a revenue guarantee to operate such air service.

NOW THEREFORE, in consideration of the revenue guarantee provided by Guarantor, Delta is willing to provide the scheduled air service on the terms and conditions set forth herein.

The parties agree as follows:

1. **Definitions:**

The defined terms set forth below shall have the meanings assigned to them:

1.1 "Government Fees" shall mean all applicable taxes, fees and other charges including, without limitation, transportation taxes (arrival/departure), government inspections, customs taxes, immigration and local airport passenger facility fees and charges.

1.2 "Guarantee Period" shall mean the period specified in Exhibit A.

1.3 "Material Cost Circumstance" shall mean that, at any time during the term of this Agreement, if Delta's total cost per Scheduled Flight increases by ten percent (10%) or more over the total cost per Scheduled Flight as of the first Scheduled Flight operated during the Guarantee Period.

1.4 "Minimum Revenues" shall mean, for the Guarantee Period, the applicable amount specified in Exhibit A multiplied by the number of Scheduled Flights operated as part of the Scheduled Service.

1.5 "Total Revenue" shall mean the prorated revenues Delta receives for passenger tickets sold on the Scheduled Flights operated less the amount of Government Fees associated with such flights. For local origin and destination passengers, the Total Revenue amount shall be the ticket price minus Government Fees. For passengers who purchase a ticket which includes a segment beyond ATL-STX, the Total Revenue amount shall be the ATL-STX prorated portion of the ticket price, as determined in accordance with DL's standard proration policy, minus Government Fees.

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1.6 “Scheduled Flight” shall mean each scheduled flight operated on the Scheduled Service during the Guarantee Period.

1.7 “Scheduled Service” shall mean nonstop scheduled air transportation service by Delta during the Guarantee Period in accordance with the applicable schedule set forth in Exhibit A. The schedule times in Exhibit A are approximate and may be adjusted from time to time by Delta.

2. **Scheduled Service.**

2.1 In consideration of the revenue guarantee provided by Guarantor (as described in Section 3 hereof), subject to the terms and conditions of this Agreement, Delta agrees to operate the Scheduled Service during the Guarantee Period.

2.2 Delta reserves the right to cancel or divert any Scheduled Flight for any reason, including, without limitation, weather, maintenance or operational reasons. If Delta cancels a Scheduled Flight, that flight will not be counted for purposes of this Agreement, and passengers, tickets and revenues for such flight will not be included in calculating Minimum Revenues, Total Revenues, Scheduled Flight, or Scheduled Service.

2.3 Delta reserves the right to change, from time to time, the type of aircraft operating any of the Scheduled Service as warranted by passenger demand, in Delta’s reasonable judgment, during the Guarantee Period.

2.4 Delta reserves the right to increase or decrease the frequency of Scheduled Flights during peak and off-peak time periods in order to maximize net revenues for service. If Delta cancels a Scheduled Flight pursuant to this Section 2.4, such flight will not be counted for purposes of this Agreement, and passengers, tickets and revenues for such flights will not be included in calculating Minimum Revenues or the aggregate Scheduled Flights.

2.5 All parties acknowledge and agree that the departure and arrival times are estimates only and that actual departure and arrival times may vary. Delta reserves the right to adjust the scheduled departure and/or arrival times, or cancel one or more flights of the Scheduled Service from time to time during the Guarantee Period, provided such adjustment or cancellation is consistent with Delta’s normal course of business conduct.

3. **Revenue Guarantees.**

3.1 In order to induce Delta to operate the Scheduled Service, Guarantor has agreed to guarantee that during the Guarantee Period, Delta will receive the Minimum Revenues, up to a maximum of \$1,500,000 USD for operating the Scheduled Service during the Guarantee Period. Upon the completion of the Guarantee Period, Delta will calculate the number of Scheduled Flights operated, Total Revenues and Minimum Revenues, and Delta will deliver an operational report summarizing this data to Guarantor. Delta expects to issue this operational report within sixty (60) days following the close of the Guarantee Period.

3.1.1 If Total Revenues exceed Minimum Revenues in the Guarantee Period, then no payment by Guarantor will be due to Delta.

3.1.2 If Minimum Revenues exceed Total Revenues in the Guarantee Period, then Guarantor shall remit the difference to Delta within thirty (30) days of receipt of Delta's operational report. Delta's calculation of Scheduled Flights operated, Total Revenues, Total Fuel Expenses, and Minimum Revenues in the operational report shall be binding and conclusive on Guarantor, absent manifest error.

3.2 The parties recognize that there is an inherent risk that the Total Revenues on the Scheduled Service may not be sufficient to generate the applicable Minimum Revenues required to avoid the payment of the revenue guarantee by Guarantor. Nevertheless, Guarantor is willing to assume that risk in order to induce Delta to enter into this Agreement.

3.3 Guarantor does not have the right to cancel individual Scheduled Flights based on advance bookings or for any other reason. In the event an individual Scheduled Flight does not operate due to a force majeure event (e.g. strike, war, act of terrorism or act of God), the number of Scheduled Flights, and thus the Minimum Revenue requirement for the Guarantee Period of such Scheduled Flight, shall be reduced appropriately.

#### 4. **Revenue Adjustment.**

In the event that Delta notifies Guarantor of a Material Cost Circumstance, Delta may request a renegotiation of the amounts of Minimum Revenues. If, within ten (10) business days of any such request, negotiations do not result in the establishment of revised Minimum Revenues amounts reasonably acceptable to Delta, Delta may terminate this Agreement upon five (5) days' written notice to Guarantor, at which time all of Delta's and Guarantor's obligations under this Agreement shall cease, and Guarantor shall only be liable for the revenue guarantee amount (as determined in accordance with Section 3.1.2 of this Agreement) accrued up to the effective date of the termination.

#### 5. **Reports.**

5.1 Following the execution of this Agreement, on a weekly basis beginning no later than sixty (60) days prior to the start of the Guarantee Period, Delta shall provide Guarantor with a report setting forth the current status of passenger bookings on each future Scheduled Flight for at least the next four (4) calendar months.

5.2 On or before the last calendar day of each month during the Guarantee Period, Delta shall provide Guarantor with a statement setting forth, for each Scheduled Flight during the immediately preceding month, the following data:

- Number of revenue passengers flown;
- Total Revenues received by Delta for each Scheduled Flight;
- The variance between Total Revenues received and the Minimum Revenues for Scheduled Flights operated;

These figures shall be provided for the prior month and, on an aggregate basis, for all Scheduled Flights operated to date.

Delta's calculations included in such statements shall be binding and conclusive on Guarantor, absent manifest error.

6. Letter of Credit.

Guarantor is obligated to obtain at its expense and deliver to Delta an irrevocable letter of credit in the amount of Six Hundred Fifty Thousand and 00/100 U.S. Dollars (\$650,000), substantially in the form attached hereto as Exhibit B, to secure the full and timely payment and performance by Guarantor of its duties and obligations under this Agreement upon the earlier of the completion of the Guarantee Period or termination of this Agreement. The letter of credit shall be issued by a United States-chartered financial institution acceptable to Delta, and shall contain the terms specified in Exhibit B. The letter of credit is due no later than the Effective Date. In the event the letter of credit (a) is not timely received or (b) is subsequently canceled for any reason and not immediately replaced within twenty (20) days prior to the cancellation date with a substitute letter of credit in the form attached hereto as Exhibit B issued by a United States-chartered financial institution acceptable to Delta, Delta shall have the right to immediately terminate this Agreement.

7. Term and Termination.

7.1 This Agreement shall be effective on the Effective Date set forth above and shall continue thereafter until six (6) months following the end of the Guarantee Period, unless terminated earlier in accordance with the terms and conditions of this Agreement. The termination of this Agreement shall not affect outstanding rights and obligations arising prior to such termination.

7.2 Either party may terminate the Agreement upon the occurrence of an "Event of Default." For purposes of this Agreement an "Event of Default" shall be defined as a party's failure to comply with the material terms of this Agreement within thirty (30) days of receipt of written notice from the non-defaulting party.

7.3 Delta may terminate the Agreement, with or without cause, upon sixty (60) days prior written notice to the Guarantor.

7.4 In the event of a termination of this Agreement prior to the Expiration Date, Guarantor shall be liable for the revenue guarantee amount (as determined in accordance with Section 3.1 of this Agreement) accrued up to the effective date of the termination. In such instance, the revenue guarantee, if any, that shall be deemed to have been accrued for the portion of the Guarantee Period prior to the effective date of such termination (the "Short Period") shall be determined under Section 3.1 hereof based on the Minimum Quarterly Revenues for the Short Period, and the aggregate Total Quarterly Revenues for the Short Period.

7.5 The rights and remedies set forth herein are without waiver of each party's rights and remedies at law and equity.

8. **Miscellaneous.**

8.1 This Agreement constitutes the entire agreement of the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings relating thereto. This Agreement may be modified and amended only by a writing signed by both parties or by the party against whom enforcement of the modification or amendment is sought. All indemnities, agreements and covenants made by any party herein shall survive any termination of this Agreement.

8.2 Neither this Agreement nor any of the rights or obligations hereunder may be assigned or transferred, by operation of law or otherwise, by either party without the prior written consent of the other party. Any attempted assignment or transfer without such consent shall be of no force or effect.

8.3 All notices, requests, demands, consents and other communications to or upon the parties to this Agreement shall be in writing and shall be delivered by hand or sent by facsimile transmission or other written telecommunication in any such case with mechanical or other proof of delivery or deposited in the mail by first-class registered or certified mail, return-receipt requested, postage prepaid, addressed as follows:

Notices to Guarantor:

To the address specified in Exhibit A

Notices to Delta:

Delta Air Lines, Inc.  
Department 661  
1030 Delta Boulevard  
Atlanta, Georgia 30354  
Attention: Senior Vice President - Network Planning

or to such other address as may be hereafter designated in writing by the respective parties hereto by notice similarly given. All notices shall be effective upon receipt thereof; provided that absent such receipt, no notice shall be deemed to have been given.

8.4 No third party is intended to benefit from, nor may any third party seek to enforce any of the provisions of, this Agreement.

8.5 Guarantor will indemnify, defend, and hold harmless Delta and its directors, officers, employees, and agents, from and against all claims and liabilities of any kind whatsoever, including attorneys' fees, court costs and other costs and expenses, incurred by Delta or its directors, officers, employees, and agents in connection with any failure by Guarantor to make any of the payments provided for in this Agreement.

8.6 Neither party will be liable for delays or failure in its performance under this Agreement caused by any act of God, war, terrorism, strike, labor dispute, work stoppage,

substantial reduction of services from any country or region, fire, act of government, or any other cause, whether similar or dissimilar, beyond the control of that party (any single or combination of such excuses is a "Force Majeure Event").

8.7 EACH PARTY WAIVES AND RELEASES THE OTHER PARTY FROM ANY AND ALL CLAIMS FOR CONSEQUENTIAL DAMAGES IN CONNECTION WITH THIS AGREEMENT.

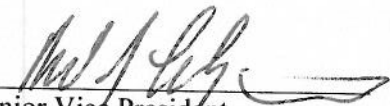
8.8 The parties expressly agree that the laws of the State of Georgia and the United States of America will govern this Agreement and the validity, construction, interpretation, and effect of this Agreement, without regard to principles of conflicts of laws. Each party agrees, that any civil suit or action brought against it as a result of any of its obligations under this Agreement may be brought against it either in the state or federal courts of Fulton County, Georgia, and each party hereby irrevocably submits to the jurisdiction of such courts and irrevocably waives, to the fullest extent permitted by law, any objections that it may now or hereafter have to the laying of the venue of such civil suit or action and any claim that such civil suit or action has been brought in an inconvenient forum, and each party further agrees that final judgment in any such civil suit or action shall be conclusive and binding upon it and shall be enforceable against it by suit upon such judgment in any court of competent jurisdiction. Further, the parties mutually agree that they will waive trial by jury in any action, proceeding or counterclaim brought by either party against the other arising out of or in any way connected with the Agreement.

8.9 Guarantor and Delta each acknowledges that the transactions contemplated by this Agreement involve commercial activity carried on in the United States of America and elsewhere. To the extent that either party hereto or any of its property is or becomes entitled at any time to any immunity on the grounds of sovereignty or otherwise, from any legal action, suit, arbitration proceeding or other proceeding, from set-off or counterclaim, from the jurisdiction of any court of competent jurisdiction, from service of process, from attachment prior to judgment or after judgment, from attachment in aid of execution or levy or execution resulting from a decree or judgment, from judgment or from jurisdiction, that party for itself and its property does hereby irrevocably and unconditionally waive all rights to, and agrees not to plead or claim any such immunity with respect to its obligations, liabilities or any other matter arising out of or in connection with this Agreement or the subject matter hereof. Such agreement shall be irrevocable and not subject to withdrawal in any and all jurisdictions, including under the Foreign Sovereign Immunities Act of 1976 of the United States of America.

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IN WITNESS WHEREOF, the parties have signed this agreement by their undersigned duly authorized representatives.

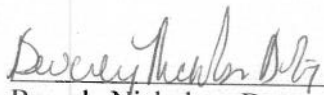
Delta Air Lines, Inc.

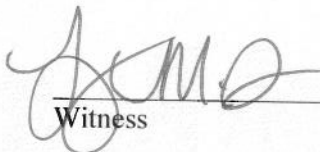
  
Senior Vice President  
Network Planning

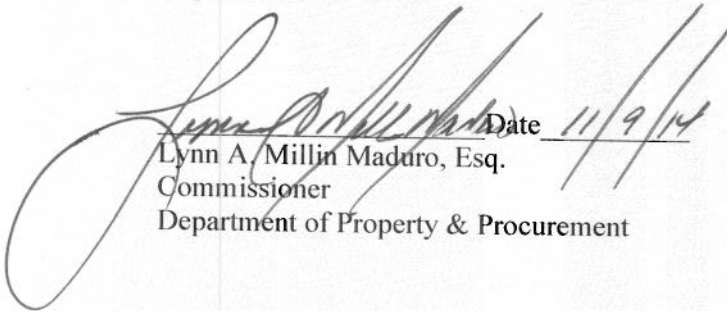
**Guarantor:**

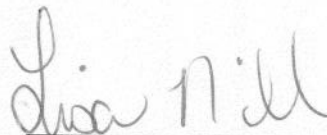
**Government of the U.S. Virgin Islands:**

**Witnesses:**

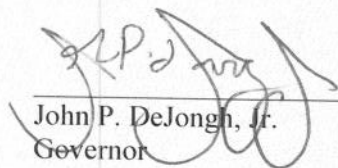
  
Date 7/30/14  
Beverly Nicholson Doty  
Commissioner  
Department of Tourism


  
Date 7/30/14  
Witness

  
Date 11/9/14  
Lynn A. Millin Maduro, Esq.  
Commissioner  
Department of Property & Procurement

  
Date 11/9/14  
Witness

APPROVED:

  
Date 12/3/2014  
John P. DeJongh, Jr.  
Governor

Initialed by the Department of Justice  Date 12/2/14

**EXHIBIT A**

To the Revenue Guarantee Agreement between Delta and U.S. Virgin Islands Dept of Tourism

Name of Guarantor	U.S. Virgin Islands Dept of Tourism
Guarantor Address	U.S. Virgin Islands Department of Tourism P.O. Box 6400 St. Thomas, USVI 00804
Effective Date	August 1, 2014

**Terms of the Letter of Credit**

Letter of Credit - Effective Date:	No later than the Effective Date
Letter of Credit - Amount:	\$650,000
Letter of Credit - Earliest Expiration Date:	Nov 30, 2015

**Revenue Guarantee for Atlanta (ATL) – St Croix (STX)**

Minimum Quarterly Revenues	USD \$ \$35,800 times the number of Scheduled Flights operated			
Maximum Guarantee Amount	USD \$1,500,000.00			
Guarantee Period	December 20, 2014 through May 10, 2015			
Scheduled Service	Delta will operate ATL-STX Scheduled Flights once weekly, on Saturdays, between December 20, 2014 and May 10, 2015			
Approximate Schedule Times	Depart	Departure Time	Arrive	Arrival Time
	ATL	10:30 a.m.	STX	3:00 p.m.
	STX	4:00 p.m.	ATL	7:00 p.m.
Aircraft*	149 seat MD88 or similar aircraft			

\* Note: Delta reserves the right to substitute aircraft for operational reasons.





**EXHIBIT B**  
**Form Letter of Credit**  
**ISP98 STANDBY LETTER OF CREDIT FORM**

**(Issuing Bank's Letterhead)**

**Fax Number:** \_\_\_\_\_  
**Telex Number:** \_\_\_\_\_  
**(Date of Issuance)**

TO: DELTA AIR LINES, INC. ("Beneficiary")  
Attention: Manager - Treasury  
Treasury Department 857  
Post Office Box 20533  
1030 Delta Boulevard  
Atlanta, Georgia 30354-1989

FOR: \_\_\_\_\_ ("Applicant")

\_\_\_\_\_  
\_\_\_\_\_  
(Applicant's Address)  
Issuer's Credit No.: \_\_\_\_\_  
Expiration Date: ("Expiration Date")

By order and for the account of the above referenced Applicant, \_\_\_\_\_ [name of  
**issuing bank]** (the "Issuer") hereby issues this irrevocable Standby Letter of Credit No. \_\_\_\_\_ (the  
"Credit") in favor of the above referenced Beneficiary in the amount of Six Hundred Fifty Thousand and 00/100 United  
States Dollars (U.S. \$650,000), effective immediately and expiring on the above referenced Expiration Date.

Funds under this Credit are available to the Beneficiary against presentation of its draft(s), purportedly signed by  
Beneficiary's authorized representative, drawn on Issuer and bearing the clause "Drawn under Standby Letter of Credit  
No. \_\_\_\_\_".

All charges and fees are for Applicant's account.

This letter of credit is effective August 1, 2014 and will expire on November 30, 2015.

Beneficiary's draft(s), presented in accordance with the above stated terms and conditions of this Credit, shall be duly  
honored if presented on or before the Expiration Date at the counters of the (**Issuing Bank or the Confirming Bank**)  
located at \_\_\_\_\_

\_\_\_\_\_  
This Credit is issued subject to the International Standby Practices 1998, International Chamber of Commerce Publication  
No. 590 ("ISP98"). As to matters not covered by ISP98, the laws of the State of New York and U.S. Federal law shall  
prevail.

Sincerely,

By: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Counter Signature