



REPORT TO THE CITY COUNCIL

AGENDA ITEM NO.	2A
COUNCIL MEETING	02/07/2013
APPROVED BY	
DEPARTMENT DIRECTOR	<i>[Signature]</i>
CITY MANAGER	<i>[Signature]</i>

February 7, 2013

FROM: KEVIN R. MEIKLE
Interim Director of Aviation

SUBJECT: ADOPT CEQA CATEGORICAL EXEMPTION PURSUANT TO GUIDELINES SECTION 15301 (EXISTING FACILITIES) TO AUTHORIZE AN AIRLINE OPERATIONS AGREEMENT WITH DELTA AIR LINES, INC. AND UNITED AIR LINES, INC. TO PROVIDE COMMERCIAL AIR SERVICE AT FRESNO YOSEMITE INTERNATIONAL AIRPORT.

1. AUTHORIZE INTERIM DIRECTOR OF AVIATION TO EXECUTE NEW AIRLINE OPERATING AGREEMENTS BETWEEN THE CITY OF FRESNO AND DELTA AIR LINES, INC. AND UNITED AIR LINES, INC., RESPECTIVELY FOR OPERATIONS AT FRESNO YOSEMITE INTERNATIONAL AIRPORT, FOR A TERM OF FIVE YEARS WITH ANNUAL RENEWAL OPTIONS.

RECOMMENDATION

Adopt CEQA Categorical Exemption pursuant to guidelines section 15301 (existing facilities) to Authorize an Airline Operations Agreement with Delta Air Lines, Inc. and United Air Lines, Inc. to provide commercial air services at Fresno Yosemite International Airport.

1. Authorize Interim Director of Aviation to execute new Airline Operating Agreements (AOA) between The City of Fresno and Delta Air Lines, Inc., and United Air Lines, Inc., respectively for operations at Fresno Yosemite International Airport (FYI), for a term of five years with annual renewal options.

EXECUTIVE SUMMARY

For many years Delta Air Lines and United Air Lines (Delta and United) were ground handled by SkyWest Airlines (SkyWest) at FYI. On August 22, 2012, SkyWest lost its contract with Delta and United to provide ground handling services, which is now performed by Delta Global Services. Because of this change executing an AOA is necessary with both Delta and United. In the interim Delta and United are operating under Temporary Use Permits (TUP), which will expire on February 21, 2013. The AOA for Delta and United is consistent with the other Airline AOA's. Refer to attached individual AOA's.

Executing these AOA's provide for the continued (and necessary) operational, financial and legal framework for the airlines using FYI. Current air service will remain unchanged.

BACKGROUND

AOA's allow the airlines to provide commercial air service operations at FYI and include, but are not limited to, provisions for, (i) use of the airfield and terminal facility, (ii) payment of rates and charges in accordance with the City of Fresno adopted Master Fee Schedule, (iii) insurance and indemnification, (iv) term and termination provisions, and, (v) operation and maintenance protocols.

There is no executed AOA with Delta or United because all of their operations were previously handled by SkyWest. Delta and United are no longer under contract with SkyWest and are considered direct operators at FYI, which is why new AOA's are required. Under their respective TUP's they are leasing and using terminal space that SkyWest had previously used on their behalf. Use of these spaces by Delta and United will continue under the AOA's.

The AOA's have been reviewed and approved as to form by the City Attorney's office, and the insurance and indemnity provisions have been reviewed and approved by the City of Fresno Risk Management Division.

CEQA FINDING

Staff has performed a preliminary environmental assessment of this project and has determined that it falls within the Categorical Exemption set forth in CEQA Guideline section, 15301, Existing Facilities, which exempts, the operation, repair, maintenance, leasing, licensing or minor alteration of existing structures involving little or no expansion of existing use, because, the subject projects only provides for a change in the term for the commercial air service carriers without changing or expanding any additional operations at the airport. Furthermore, Staff has determined that none of the exceptions to Categorical Exemptions set forth in the CEQA Guidelines, section 15300.2 apply to this project.

FISCAL IMPACT

Income from the AOA's will be deposited into the FYI Enterprise Fund. There is no impact to the General Fund from this item.

Attachments:

- Draft Delta Airline Operations Agreement
- Draft United Airline Operations Agreement

FRESNO-YOSEMITE INTERNATIONAL AIRPORT
AIRLINE OPERATIONS AGREEMENT

By and Between

CITY OF FRESNO,
A MUNICIPAL CORPORATION

And

DELTA AIR LINES, INC.
A DELAWARE CORPORATION

Dated

January 2013

Draft - Subject to Final Approvals to Form by City Attorney

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This Airline Operating Agreement (hereinafter referred to as the "Agreement") is made and entered into this _____ day of January, 2013, by and between the City of Fresno, a municipal corporation, (hereinafter referred to as "City") and, Delta Air Lines, Inc., a Delaware Corporation admitted in good standing to do business in California, hereinafter referred to as "Airline".

RECITALS

WHEREAS, City is the owner and operator of Fresno Yosemite International Airport located in the City of Fresno, County of Fresno, State of California, hereinafter referred to as "Airport" and

WHEREAS, City desires to lease to Airline certain facilities located at Airport in accordance with the terms, covenants, and conditions hereinafter set forth in this Agreement including incorporated exhibits, documents and instruments; and

WHEREAS, Airline is engaged in the business of transportation of persons, property, or mail by air, and desires to use certain facilities at the Airport, and lease from City certain premises and facilities in connection with its use of the Airport in accordance with the terms, covenants, and conditions hereinafter set forth in this Agreement including incorporated exhibits, documents and instruments; and

WHEREAS, the Lessee wishes to occupy certain spaces within the Passenger Air Terminal as shown in Exhibits "A" and "B" attached hereto this lease; and

NOW THEREFORE, in accordance with Chapter 5, Article 4, of the Fresno Municipal Code, and subject to all of the terms, conditions and limitations contained within said Chapter of said Article, all of which are incorporated herein by reference, and in consideration of the above recitals, which recitals are contractual in nature, the mutual promises herein contained, and for such other good and valuable consideration hereby acknowledged, the parties hereto agree as follows:

ARTICLE 1: DEFINITIONS

Section 1.01 Definitions

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

- A. Accommodating Airline. Means a Signatory Airline that accommodates an airline that is introducing or expanding service and is requesting facilities. See Section 4.03 for details.
- B. Adjusted Debt Service. As defined in Section 1.01 of the Indenture of Trust, means annual Debt Service reduced by the annual PFC Revenues deposited to the PFC Debt Service Escrow Fund.
- C. Affiliate Airline. Shall mean any Air Transportation entity that is (i) controlled by, controlling, or under common control with Airline, or (ii) shares an International Air Transport Association (IATA) flight designator code with Airline at the Airport (code-sharing partner), or (iii) otherwise operates under the same trade name as Airline at the

Airport or uses essentially the same livery as Airline at the Airport, provided that no major airline, classified as such term is defined by the FAA, shall be classified as an Affiliate of another major airline, unless either clause (i) or (iii) above defines the relationship between such airlines at the Airport; and provided, further, that no more than one major airline, as defined and limited above, may be part of a group of airlines considered Affiliates under this Agreement. Airline may give the Director thirty (30) days prior written notice that such an Affiliate is no longer to be considered an Affiliate hereunder.

- D. Air Transportation. Means the carriage of persons, property, cargo, or mail by aircraft.
- E. Aircraft Parking Area. Means a section of the apron area designated by the Director for loading, unloading or parking of aircraft.
- F. Airline. Means Delta Air Lines, Inc., a corporation organized and existing by virtue of the laws of Delaware, acting individually or through those of its affiliates, subsidiaries and code share partners listed in Exhibit "D" hereto.
- G. Airline Terminal Equipment. Means multi-user flight information displays (FIDS) and terminal equipment (ATEC) and does not include airlines customer service automation equipment.
- H. Airline Terminal Equipment Charge. Means Airline Terminal Equipment requirement multiplied by monthly Enplaning Passengers.
- I. Airfield Area Cost Center. Means the costs associated with the Airfield Area, including all noise mitigation activities and facilities, landing and navigational aids, aviation easements, airfield maintenance facilities and remediation of environmental impacts related to airfield operation.
- J. Airfield Area Requirement. Means the sum total of cost categories associated with the Airfield Area Cost Center, including allocable Operating Expenses, Operating Reserve Fund requirements, Equipment and Capital Outlays, annual Adjusted Debt Service, and Amortization of Capital Improvements.
- K. Airport. Means the Fresno Yosemite International Airport (FYI), as it currently exists or as it may exist during the Term of this Agreement.
- L. Amortization of Capital Improvements. Means that expenditures for Capital Improvements made by the City and paid by the City from the Surplus Fund or funds other than Bonds, PFC revenue, or grants-in-aid, which shall be amortized and, when appropriate, included in the Airfield Area Requirement, Terminal Area Requirement, and Airline Terminal Equipment requirement when such improvements have been completed and are available for use. Such amortization is to be computed on a straightline basis at an annual interest rate of six percent (6%) and is to be based on the useful economic life of the Capital Improvement in accordance with generally accepted accounting principles. The City reserves the right to raise the amortization rate to equal the Revenue Bond Index if such index goes above six percent (6%).

- M. Annual Budget. Means the annual budget for the airport enterprise fund, as amended or supplemented, adopted or in effect for a particular Fiscal Year.
- N. Bonds. Shall mean any bond or bonds, as the case may be, authenticated and delivered under and pursuant to the Indenture of Trust given by City.
- O. Capital Improvement. Means (i) any single item costing more than \$50,000 and a 2 year useful life net of PFC revenues and grants-in-aid, that is acquired, purchased, and/or constructed by City to improve, maintain, preserve, or develop the Airport, or (ii) any other single item not meeting the aforesaid requirements which the City reasonably designates as a Capital Improvement. Capital Improvements may include, but not be limited to (1) the acquisition of land or easements; (2) the purchase of machinery, equipment, or rolling stock; (3) the planning, engineering, design, and construction of new facilities and the demolition of existing facilities; or (4) the performance of any extraordinary, nonrecurring major maintenance of existing facilities.
- P. City. Means the City of Fresno, municipal corporation.
- Q. Collecting Carrier. Means a 14 CFR 158.3 issuing carrier or other carrier collecting a 14 CFR Part 158 PFC whether or not such carrier issues the travel ticket.
- R. Common Use Space. Means space leased by Airline in common with other Signatory Airline(s), as described in Section 4.01 and delineated on Exhibit "A".
- S. Common Use Space Formula. Means the formula for apportionment of the total monthly rental for Common Use Space among the Signatory Airlines using the Common Use Space on the basis of: (a) twenty percent (20%) of the total monthly rental apportioned evenly among all Signatory Airlines using such space, and (b) the remaining eighty percent (80%) of the total monthly rental apportioned among all Signatory Airlines using such space on the ratio of each airline's Enplaning Passengers at the Airport to the total number of Enplaning Passengers at the Airport of all Signatory Airlines. If Airline ceases service at the Airport before the expiration of the term of this Agreement, Airline shall remain responsible for paying its pro rata share of the Common Use Space Formula's 20% apportionment throughout the earlier of (a) one (1) year from the date Airline ceases service at the Airport or (b) the remainder of the term of this Agreement.
- T. Director. Means the City of Fresno's Director of Aviation or the designee or other individual authorized to perform the duties of the Director of Aviation.
- U. Enplaning Passengers. Means all local boarding, interline transfer, and intraline transfer passengers at the Airport including frequent flyer and non-revenue passengers.
- V. Environmental Laws. Means all present or future local, California, or federal statutes, ordinances, rules, regulations, permits, citations, orders, legally enforceable directives, or consent degrees, or other enforceable requirement of any federal, California or local entity, agency or body or subdivision thereof, having governmental or quasi-governmental authority, relating to (a) the protection of health, safety and the indoor or outdoor environment, (b) the conservation, management or use of natural resources and wildlife, (c) the protection or use of surface water and ground water, (d) the

management, manufacture, possession, presence, use, generation, transportation, treatment, storage, disposal, release or threatened release, abatement, removal, remediation or handling of, or exposure to any Hazardous Materials or (e) pollution, including any release or threatened release to air, land, surface water, or ground water.

- W. Equipment and Capital Outlays. Means capital equipment costing \$50,000 or less, net of PFC revenues and grants-in-aid. Equipment and Capital Outlays are charged to Operating Expenses and allocated to appropriate cost centers.
- X. Exclusive Use Space. Means space leased by Airline and assigned by City to Airline for its use and occupancy to the exclusion of other airlines, as described in Section 4.01 and delineated on Exhibit "A".
- Y. FAA. Means the Federal Aviation Administration of the U.S. Department of Transportation or any federal agencies succeeding to its jurisdiction.
- Z. Fiscal Year and FY. Mean the 12-month period that starts on July 1 and ends on June 30 of the following year. For example, Fiscal Year 2013 and FY 2013 means the period that starts on July 1, 2012 and ends on June 30, 2013.
- AA. Gate. Means an Aircraft Parking Area that may be associated with a Loading Bridge, holdroom and aircraft loading positions.
- BB. Hazardous Materials. Means friable asbestos or asbestos-containing materials, polychlorinated biphenyls (PCBs), petroleum or crude oil or any fraction thereof, natural gas, source material, special nuclear material, and byproduct materials regulated under the Federal Pesticide Fungicide and Rodenticide Act (7 U.S.C. 136, et seq.), and any hazardous or toxic substance or waste, including any materials defined or treated as a "hazardous substance," "hazardous waste," "toxic substance" or contaminant (or comparable term) under any law.
- CC. Indenture of Trust. Means the Indenture of Trust dated June 15, 2000, relating to the City of Fresno 2000 Airport Revenue Bonds.
- DD. Joint Use Space. Means space leased by Airline and assigned by City to Airline and one or more other Signatory Airlines, as described on Section 4.01 and delineated on Exhibit "B".
- EE. Joint Use Space Formula. Means the formula for apportionment of the total monthly rental for Joint Use Space (except Aircraft Parking Areas, which shall be assessed an Apron Area Fee) among the Signatory Airlines using the Joint Use Space on the basis of: (a) twenty percent (20%) of the total monthly rental apportioned evenly among all Signatory Airlines using such space, and (b) the remaining eighty percent (80%) of the total monthly rental apportioned among all Signatory Airlines using such space on the ratio of each Signatory Airline's Enplaning Passengers using said Joint Use Space to the total number of Enplaning Passengers using said Joint Use Space of all Signatory Airlines. If Airline ceases service at the Airport before the expiration of the term of this Agreement, Airline shall remain responsible for paying its pro rata share of the Joint Use

Space Formula's 20% apportionment throughout the remainder of the term of this Agreement.

- FF. Leased Premises. Means the areas described in Article 4 and Exhibits "A" and "B" hereto.
- GG. Master Fee Schedule. Means the City of Fresno Master Fee Schedule including the Airport schedule of airline rentals, fees, and charges annually adopted by the City and updated by City on an as needed basis.
- HH. Maximum Certificated Gross Landing Weight. Means the maximum weight that each aircraft operated by Airline at the Airport is authorized by the FAA to land, as recited in Airline's flight manual governing the aircraft.
- II. Monthly Activity Report. Means the report described in Section 5.04 of this Agreement.
- JJ. PFC. Means passenger facility charge pursuant to 14 CFR Part 158 including City's PFC program authority thereunder.
- KK. Preferential Use. Means the right conferred by the Airport to use space on a preferential basis as provided in this Agreement.
- LL. Preferential Use Space. Means space leased by Airline and assigned for the preferential use by Airline of passenger holdroom areas and associated check-in podiums, Aircraft Parking Positions, and Loading Bridges.
- MM. Requesting Airline. Means an airline requesting access to any portion of the Leased Premises. A Requesting Airline must execute an Airline Operating Agreement.
- NN. Signatory Airline. Means any airline or air carrier, including a Requesting Airline as defined hereunder, that has executed an Airline Operating Agreement authorized and approved by City covering the use and occupancy of facilities at the Airport.
- OO. Total Airline Landed Weight. Means the sum of the Maximum Certificated Gross Landing Weights for all aircraft arrivals of Airline over a stated period of time.

Section 1.02 Cross-References

References in the text of this Agreement to articles, sections, or exhibits pertain to articles, sections, or exhibits of this Agreement, unless otherwise specified.

ARTICLE 2: TERM

Section 2.01 Term

This Agreement shall become effective retroactively on August 22, 2012 and shall continue until 11:59 p.m. P.S.T., August 21, 2017, a term of five (5) years. This agreement is subject to annual renewals after the date of termination with thirty (30) days prior written notice of Airline's intent

to renew. All terms are subject to earlier termination with or without cause by either Party giving sixty (60) days advance written notice to the other Party.

Section 2.02 Holding Over

Holding over by Airline after the expiration or earlier termination of the Agreement with or without the consent of City shall be a tenancy from month to month only, terminable by City on thirty (30) days' written notice; provided, however, that if Airline shall be in Default of this Agreement at the commencement of the holdover, then the Airline shall not be entitled to Signatory Airline fees and charges during said month-to-month tenancy and shall pay the non-signatory fees and charges as established by City from time to time; and further provided that except as otherwise specifically provided within this Article, any such holding over shall be subject to all the other terms, covenants, conditions, restrictions, reservations, prohibitions, warranties, agreements, and provisions of this Agreement applicable to a month to month tenancy.

Section 2.03 Termination of Existing Agreements

- A. All terminal building leases and operating agreements heretofore executed between the parties covering or pertaining to the Airport are terminated as of the effective date of this Agreement subject to obligations, rights and remedies thereunder then due and owing, provided that such termination shall not be construed as a waiver, relinquishment, or release of any claims, damages, liability, rights of action, or causes of action that either party hereto may have against the other under such existing leases and agreements and that have accrued before the effective date of this Agreement.
- B. This section shall also apply to all terminal building sub-leases and sub-operating and other sub-agreements heretofore executed between the Airline and other Air Transportation companies at the Airport covering or pertaining to the Airport and entered under authority of agreements terminated by this Section 2.03.

ARTICLE 3: RIGHTS AND SPECIFIC PRIVILEGES

Section 3.01 Use of Common Facilities at the Airport

Airline, its employees, passengers, guests, patrons, agents, independent contractors, and invitees shall have the right to the use, in common with other duly authorized users, of those portions of the Airport and appurtenances, together with all facilities, improvements, equipment, and services that have been or may hereafter be provided for common or joint use by the City at or in conjunction with the Airport.

Section 3.02 Specific Rights of Airline at the Airport

Airline shall have the right, subject to conditions contained herein and in addition to all rights elsewhere granted in this Agreement, to use the Airport for the following purposes. All rights and privileges not specifically granted to Airline for its use of and operations at the Airport pursuant to this Agreement are reserved for and to City.

- Draft Subject to City Approval
- A. The operation of an Air Transportation system by aircraft for the carriage of persons, property, and mail, for compensation or hire, on a reasonable and not unjustly discriminatory basis, including all activities reasonably necessary to such operation including advertising and marketing associated with services offered by airline and/or its partners.
 - B. The landing, taking off, flying over, taxiing, pushing, towing, loading, unloading, fueling, repairing, maintaining, conditioning, servicing, parking, storing, and testing of aircraft or other equipment of or operated by Airline, or other certificated Air transportation company with which City has an applicable agreement, including the right to provide or handle all or part of the operations or services of such other company, all of which are subject to Section 3.02 (L) herein.
 - C. The sale of tickets, documentation of shipments, handling of reservations, and the loading and unloading of persons, property, cargo, and mail at the Airport by such motor vehicles or other means of conveyance as Airline may desire to use in the operation of its Air Transportation system. However, City reserves the right to require any ground transportation commercial carrier (including Airline) regularly transporting persons to and from the Airport to first secure and thereafter hold a valid lease, license, or other agreement with City for the right to carry persons to and from the Airport and shall pay City such rentals, fees, charges, and/or percentages of the fares of such ground transportation commercial carrier for such right as City may set.
 - D. The training of persons and testing of aircraft and other equipment at the Airport, such training and testing to be limited to that incidental to Airline's Air Transportation business.
 - E. Subject to Section 3.02 (F) and Section 3.02 (M) herein, the purchase of Airline's requirements of personal property or services, including fuel, lubricants, food, beverage, and other passenger supplies, and any other materials and supplies used by Airline from any person or company of Airline's choice for services to be performed for Airline that are incidental to the operation of Airline's Air Transportation business. Nothing herein shall restrict City from levying a nondiscriminatory concession fee on any person or company for conducting non-air transportation business at the Airport.
 - F. The sale, disposal, and exchange of Airline's aircraft, engines, accessories, fuel, oil, lubricants, other equipment, and materials or supplies to other Air Transportation companies. Such right shall not be construed as authorizing the conduct of a separate regular business by Airline, but as permitting Airline to perform only those functions that are related to the operation of its Air Transportation business.
 - G. The servicing by Airline, or by its suppliers of materials or its furnishers of services, or aircraft and other equipment operated by Airline with line maintenance or other materials or supplies, at its assigned Aircraft Parking Areas or other Aircraft Parking Areas designated by City. City reserves the right at any time to designate other locations reasonably accessible from the terminal building for performance of aircraft maintenance and service activities if City believes that such activities would interfere with aircraft operations of other airlines.

- H. The installation and operation, at Airline's sole cost and expenses, of identifying signs and graphics on the Airline's Exclusive Use Space subject to prior written approval of City, provided that such signs shall be: (1) substantially uniform in size, type, and location with those of other airlines; (2) consistent with City's graphics standards as established from time to time by the City; and (3) in compliance with all local laws and ordinances.
- I. The installation, maintenance, and operation, at no cost to City, of such radio, communication, meteorological, and aerial navigation equipment and facilities at suitable locations on the Airport. The location of such equipment and facilities, method of installation, and type of equipment shall be subject to the prior written approval of City, and shall conform with all applicable federal, state, and local requirements. Airline is required to input and maintain flight information in the Multi-User Flight Information Display System (MUFIDS) installed by City to display flight information. Airline may use its own FIDS in its Leased Premises subject to the prior written consent of Director and subject to such reasonable conditions as Director may require.
- J. In order to maximize the utilization of holdroom check-in podiums, holdroom areas and other passenger facilities in the terminal building, City reserves the right, but is not hereby obligated, to install and require Airline to use common use gate information display technology and/or equipment (not to include Airlines customer service automation equipment). Until such time as City installs such equipment, Airline may install, at Airline's cost, identifying signs and/or gate information displays ("signage") at the podium in the holdroom of the Gate(s) assigned to Airline and/or other locations approved by City. City shall reasonably establish standards and/or guidelines regarding the dimensions, materials, and content of such signs, and the method of attaching the sign to the designated location. Any signage installed by Airline shall be at the risk of Airline. In the event that Airline shall be no longer assigned the use of the Gate(s), then, upon the request of City, Airline shall promptly remove such signage at Airline's expense.
- K. The provision of baggage porter skycap service, curbside airline baggage check-in services in the public areas of the terminal building. Airline may arrange with other airline to provide such services or may provide such services on its own behalf.
- L. The rights and privileges granted Airline under this Agreement with respect to the performance of ground services and activities in connection with its Air Transportation operation at the Airport may be exercised by Airline only for and on behalf of Airline for its regularly scheduled or unscheduled service and that of its affiliates, subsidiaries, and code share partners identified in this Agreement. Airline may, subject to the prior written approval by City, perform ground services for any Air Transportation company using the Airport provided said company has executed an operating agreement or permit with the City and further provided that said company agrees to report its activity or arranges to have Airline report its activity in the manner described in Section 5.04.
- M. It is understood and agreed that City reserves the right to charge and to collect reasonable fees or commissions for in-flight catering, vending, ground transportation, ground support services (excluding deicing services) for other Air Transportation company(ies), and other services or facilities provided by or for Airline in competition

with concessionaires and operators operating under an agreement with City. The City's right to charge and collect fees or commissions from Airline and/or other Air Transportation company(ies) for such services or facilities shall not apply to Air Transportation companies serviced by Airline that are code share partners, subsidiaries, or affiliate airlines.

Section 3.03 Employee Parking Facilities

Airline employees working at the terminal building shall have the right to the use of vehicular parking facilities in common with other employees. Such facilities shall be located in an area designated by City. City reserves the right to assess a reasonable charge to recover the costs of providing such space to such Airline employees, in common with other Airport/tenant employees, for such parking facilities.

Section 3.04 Limitation on Use by Airline

In connection with the exercise of its rights under this Agreement, Airline:

- A. Shall not do or permit to be done anything at or about the Airport that may interfere with the use, operation, or maintenance of the Airport, including but not limited to, the effectiveness or accessibility of the water system, drainage and sewage system, fire protection system, sprinkler system, alarm system, fire hydrants and hoses, heating or ventilation system, air conditioning system, electrical system, natural gas, security system, communications, or other Airport systems installed or located on or within the Leased Premises or the Airport.
- B. Shall not do or permit to be done anything, either by act or failure to act, that shall cause the cancellation or violation of the provisions, or any part thereof, of any policy of insurance for the Airport, or that shall cause a hazardous condition so as to increase the risks normally attendant upon operations permitted by this Agreement. If Airline shall do or permit to be done any act not permitted under this Agreement, or fail to do any act required under this Agreement, which act or failure, in and of itself, causes an increase in City's insurance premiums, Airline shall immediately remedy such actions and/or pay the increase in premiums.
- C. Shall not dispose of or permit any employee, agent or contractor to dispose of any waste material, including but not limited to deicing materials, toxic waste, hazardous substance, hazardous waste, and Hazardous Materials (including hazardous materials as defined by federal and State of California regulations) except in accordance with controlling laws.
- D. Shall not keep or store any Hazardous Materials such as flammable liquids and solids, corrosive liquids, compressed gases, or magnetized or radioactive materials on the Airport except when all the following conditions are met: (1) in accordance with standards established by National Fire Protection Association, any liquids having a flash point of less than one hundred degrees (100°) Fahrenheit shall be kept and stored as specified by NFPA #30, Section 45.5.2; (2) said materials shall be under the control and care of designated and properly trained Airline personnel; (3) said materials shall be packaged, handled and stored in compliance with applicable law

including U.S. Department of Transportation, Environmental Protection Agency, and other applicable regulations for transport, pre-transport and storage of hazardous articles and materials; and (4) said materials shall be only stored in such storage areas as are designated and approved by Director.

- E. Shall not install fuel storage tanks and pumping facilities for use in fueling any aircraft at the Airport without prior written approval of City. The granting of the right to store aviation fuels shall be subject to the execution of a separate agreement between Airline and City.
- F. Shall not maintain or operate in the terminal building or elsewhere at the Airport a cafeteria, restaurant, bar or cocktail lounge for the purpose of selling or dispensing food or beverages to the public or passengers; nor shall Airline in any manner otherwise provide for the sale or dispensing of food and beverages at the Airport except that the Airline may provide vending machines solely for the sale of hot and cold beverages, food and confections to Airline employees in areas not accessible to the general public. Airline may dispense in-flight meals at the Gate to only those persons traveling on such flight. Airline may, by separate agreement with the City and to the extent it does not conflict with any terminal concession agreements, engage in the provision or sale of food or beverages at any airline clubroom or similar private facility at the Airport.
- G. Agrees to comply with the FAA-approved Master Security Plan as amended from time to time for the Airport. Any fines and/or penalties levied against the City for security violations at the Airport caused by Airline or any of its employees, agents, or suppliers while under its control, shall be due and payable by Airline.
- H. Shall park ground service or other equipment on the aircraft apron only at areas designated by Director.
- I. Shall not install any coin-operated or card operated machine(s) or device(s), except for (1) machines for the sale of Airline's tickets or issuance of boarding passes located on Airline's Leased Premises or other areas approved in writing by City, or (2) beverage or snack machines as provided in Section 3.04 (F) above.

Section 3.05 Airport Use Summary

- A. Airline shall file an Airport Use Summary (a "Summary") with the City within 15 days of the date hereof. City shall provide Airline with a Summary report form requesting information specified below in regard to Airline's operation at the Airport. Airline shall maintain a current Summary on file with the City, and, if requested, by City, shall promptly confirm that the Summary then on file is accurate.
- B. Accordingly, the Summary shall provide the following:
 - 1. Names, addresses, and telephone numbers of Airline officials responsible for station operations, flight operations, properties and facilities.
 - 2. The current and proposed schedules of Airline's flight activity at the Airport. The Airline shall use its commercially reasonable efforts to notify the City of schedule

changes or the addition of flights at the Airport prior to or no later than when the public announcement thereof is made.

3. When requested by the City, or when changes are planned by the Airline, the description of Airline's fleet and identification of the class of Airline's aircraft that will serve the Airport. Airline shall provide reasonable notice of the introduction of an aircraft that is not being operated by Airline at the Airport on the date of this Agreement.
4. The identification of Airline's anticipated facilities requirements at the Airport.
5. The Airline's aircraft recovery plan for disabled aircraft.

Section 3.06 Airline Consultation Procedure

- A. Director agrees to consult with the Airlines' Airport Affairs Committee (AAAC), regarding any Capital Improvement at the Airport that in the Director's reasonable judgment is likely to have a material effect on the operations of the Signatory Airlines or the rates and charges payable by the Signatory Airlines. Except in the case of emergencies or operational necessity, the Director will consult with the Signatory Airlines in advance of undertaking construction of the planned activity of Capital Improvement, but shall not be required to do so until plans, timetables, and cost estimates have been developed to a reasonably definite state. Such consultation shall consist of one or more presentations by Director/designees thereof at any meeting of the AAAC.
- B. The AAAC or any Airline represented by the AAAC may submit comments and suggestions to the Director on the Capital Improvement in writing or orally during the consultation meeting or within thirty (30) calendar days following the date of consultation meeting. It is understood and agreed by all parties that the final decision regarding any Capital Improvement is at the sole reasonable discretion of the Director.

ARTICLE 4: PREMISES

Section 4.01 Premises in the Terminal Building

- A. Within 60 days of the effective date of this Agreement, Airline shall lease and use and, if necessary, relocate to, the Leased Premises in or adjacent to the terminal building that are shown on Exhibit "A" and Exhibit "B". The areas that are available for lease and use in the terminal building on a Common Use, Exclusive Use, Joint Use or Preferential Use basis (or combination thereof) are as follows, provided that these areas may be reduced, expanded, or otherwise modified, as hereinafter provided:

1. Common Use Space
 - Baggage claim areas
 - Inbound baggage areas
 - Restroom facilities associated with Exclusive Use Space
 - Outbound baggage makeup areas
2. Exclusive Use Space

- Airline offices
- Baggage service areas
- Airline operations areas and equipment storage areas

3. Joint Use

- Passenger/Gate Holdroom areas
- Loading bridges

4. Preferential Use Space

- Ticket counter and adjacent areas
- Passenger/Gate Holdrooms areas
- Aircraft Parking Areas
- Loading bridges

B. Airline's Leased Premises in the terminal building including Aircraft Parking Areas in the apron area shall be subject to change from time to time, as provided in this Agreement.

C. Notwithstanding the foregoing, Director may, during the term of this Agreement, expand or modify the Airline's Leased Premises including leasehold dimensions or location of Joint Use Space or Common Use Space. Director shall consult with and consider any suggestions of Airline, but the approval of Airline shall not be required for any such expansion or modification by Director.

D. The dimensions of Exhibit "A" as such exhibit may be amended from time to time, shall be the basis for determining the amount of Leased Premises rentals, fees and charges payable by Airline. Director shall issue new exhibits after any terminal building expansion or modification.

Section 4.02 Reassignment, Reallocation, Redesignation, Relocation and/or Recapture of Leased Premises

City shall reassign, reallocate, redesign and/or relocate Airline's Leased Premises as City, in its reasonable discretion, after consultation with the affected Airline(s), and consideration of the customer service and operational needs of each such Airline, of the relative space needs of the traveling public and of all airlines operating at the Airport, determines is necessary. Without limiting the foregoing the following shall apply regarding Gates and Apron Areas:

A. Gates Areas as shown on Exhibit "A" and "B", as such Exhibit(s) may be amended from time to time by the Director, and associated passenger holdrooms, shall be assigned to Airline by Director on a nonexclusive preferential use basis that provides Airline with priority of use to accommodate its flights provided that the Director may authorize other airlines/Air Transportation companies secondary use of such on a joint use basis consistent with the provisions of this Agreement, including section 4.03 below.

- B. City reserves the right to reassign, reallocate, redesignate, relocate and/or recapture possession of one or more of Airline's preferentially assigned Gate(s), Apron Areas and/or Holdroom(s) if Director, in his reasonable discretion, determines that there is a need for the use and Airline's operations can be accommodated from the other Gate(s)/Apron Area(s)/Holdroom(s) assigned to Airline. Written notice of such will be provided to Airline by Director.

Section 4.03 Accommodation of Requesting Airline(s)

To maximize the use of terminal facilities at the Airport, to facilitate the entry of new airlines, and to accommodate the expansion plans of present airlines, Airline agrees, upon the request of Director, to accommodate in its Leased Premises any Requesting Airline in accordance with the following procedure:

- A. To secure the use of terminal facilities and Aircraft Parking Positions, the Requesting Airline may:
1. Arrange directly with City to lease and use vacant terminal space and Gates not preferentially assigned, or
 2. Contact Airline and other Signatory Airlines to request the use of such Airline's Leased Premises and Gates.
- B. In the event the Requesting Airline demonstrates to the satisfaction of Director that it has made all reasonable efforts to secure facilities without success, Director shall then notify all Signatory Airlines in writing that, if Requesting Airline is not accommodated within fifteen (15) days from the date of said notice, Director shall select one or more of the Signatory Airlines to comply with the request for accommodation.
- C. At the end of said fifteen (15) day period, if Requesting Airline has not been accommodated, Director shall select Airline and/or another Signatory Airline(s) to accommodate the Requesting Airline, taking into consideration such factors as current utilization of terminal facilities, schedule compatibility, union work rules, competitive relationships, and other relevant factors. Director shall send written notice to such selected airline(s) (the "Accommodating Airline") requiring such Accommodating Airline to begin accommodating the Requesting Airline within thirty (30) days from the date of said notice. Director shall include in such notice the reason or reasons why such Accommodating Airline was selected.
- D. Upon receipt of said notice and within 15 days thereof, the selected Accommodating Airline may submit written comments to Director contesting its selection and Director shall consider such comments and then confirm or rescind such selection in writing prior to date accommodation is to begin. The decision of Director shall be final.
- E. Unless Director rescinds such selection within the thirty (30) day period specified in Section 4.03 (C), the Accommodating Airline shall accommodate the Requesting Airline by sharing its Leased Premises including Aircraft Parking Areas on a timely, good faith basis and in a reasonable and equitable manner, subject to the following conditions:

1. In case of a conflict between schedules of the Accommodating Airline and the Requesting Airline, the Accommodating Airline shall have preferential (prior) use rights.
2. The Accommodating Airline shall not require that the Requesting Airline obtain ground handling or other services from the Accommodating Airline.
3. The Accommodating Airline and the accommodated Requesting Airline shall pay for shared holdrooms and loading Bridges on the basis of the Joint Use Space Formula.
4. The Accommodating Airline may require the accommodated Requesting Airline to indemnify the Accommodating Airline against liability arising out of the use of its facilities and equipment and provide the same levels and types of insurance as accommodating Airline is required to maintain, as defined in this Agreement.
5. The accommodated Requesting Airline shall pay the reasonable relocation costs of Accommodating Airline.

Section 4.04 Overnight Parking

Airline shall have the right to park two aircraft at its preferentially assigned Gate(s) and shall not be charged an overnight parking fee in exercising that right. City reserves the right to require Airline to park its aircraft overnight at location(s) other than its preferentially assigned Gate(s) if City determines that such Gate is needed to accommodate the operations of other airlines. Airline is entitled to reasonable reimbursement from the accommodated airline for costs of moving an aircraft from its preferential Gate(s). The City shall invoice the accommodated airline an overnight parking fee for parking a preferential user off gate. If City requires an Airline to park its aircraft overnight at a location other than its preferentially assigned Gate(s) for reasons other than accommodating other airlines, City shall waive the overnight parking fee.

Section 4.05 Use of Loading Bridges

- A. Any loading bridges financed and maintained by City shall be made available to all airlines serving the Airport on a Common Use basis unless assigned for Joint Use or Preferential Use.
- B. The use of City-owned loading bridges shall be subject to the following terms and conditions:

The bridges shall be operated only by employees or agents of Airline, but no such employees or agents shall be permitted to operate the bridges until they have satisfactorily completed a course of instruction conducted by City or City's designee in the proper use and operation of the bridges, and have received a certificate or written notice from City or City's designee qualifying them to operate the bridges.

2. City and Airline each shall be solely responsible for any and all damages, claims, or injuries which may be caused by the negligent use of the bridges by their

respective employees, agents, or servants, and each shall indemnify, defend and hold harmless the other and their respective officers, agents, and employees from any and all demands, losses, liabilities, or judgments and all claims of every kind and character, together with costs and expenses incident thereto, arising from or as a result of negligent acts or omissions thereof in connection with or arising from use of the loading bridges, provided that City's liability shall not exceed the lesser of proceeds payable from its self insurance retention or \$1,000,000. Each party shall notify the other, in writing, of any claims, damages, or injuries promptly after discovery of same by the party charged with giving notice.

3. Airline shall be solely responsible for any damage to bridges caused by the action of its employees or agents.
4. City, during the term of this Agreement, shall maintain and keep in good repair the loading bridges.

Section 4.06 Reassignment of Leased Premises During Construction

During the term of this Agreement, City may initiate a terminal area construction project which expands or modifies or impacts the Airline's Leased Premises including leasehold dimensions or location of Joint Use Space or Common Use Space. Before undertaking such construction project, Director shall consult with and consider any suggestions of Airline, but the approval of Airline shall not be required. Upon completion of the construction project, Director shall issue revised Exhibits of Airline's Leased Premises, and such exhibits shall revise the basis for determining the amount of Leased Premises rentals, fees and charges payable by Airline

In the event of a terminal area construction project it may be necessary for City to temporarily reassign Leased Premises or Aircraft Parking Positions during construction after reasonable written notice is provided to Airline. During the construction period, Airline shall pay appropriate charges only for those areas designated and utilized for Airline use. Airline's costs, as reasonably agreed to by City, for being relocated to temporary Leased Premises and for being returned to its permanent Leased Premised shall be paid by the City. City may, at its sole discretion, include such relocation costs as part of the construction project costs or pay such relocation costs from the City's Airport Surplus Fund.

Section 4.07 Surrender of the Premises

- A. Airline covenants and agrees that on expiration of the term of this Agreement, or on earlier termination as hereinafter provided, or on reassignment as heretofore provided, Airline will peaceably surrender possession of the Leased Premises/portions thereof in good condition, reasonable wear and tear and conditions existing prior to Airline's first occupancy of the Leased Premises excepted, and City shall have the right to take possession thereof. City shall not be required to give notice to quit possession at the expiration date of the term of this Agreement except to any extent required by law.
- B. Airline shall have the right, on expiration or early termination and within thirty (30) calendar days thereafter, to remove or dispose of all trade fixtures and equipment and other personal property installed or placed by Airline at its expenses, in, on, or about the Airport, subject to any valid lien that City may have thereon for unpaid rents or fees.

Airline agrees to reimburse City for any net costs incurred by City if City elects to remove or dispose of Airline's property after such thirty (30) day period.

- C. Ownership of any and all property not removed by Airline within the said thirty (30) day period shall, at the option of City, vest in City.

Section 4.08 Access

- A. Subject to the provisions hereof and such restrictions as City may impose with respect to Airline's use of the Leased Premises, City hereby grants to Airline, its agents, suppliers, employees, contractors, passengers, guest, and invites, the right and privilege of free and unrestricted access, ingress, and egress to the Leased Premises and to public areas and public facilities of the terminal building.
- B. The ingress and egress provided for in Section 4.08 (A) shall not be used, enjoyed, or extended to any person engaging in any activity or performing any act or furnishing any service for or on behalf of Airline that Airline is not authorized to engage in or perform under the provisions hereof unless expressly authorized in writing by City.
- C. City shall have the right at any time to close, relocate, reconstruct, change, alter, or modify any such means of access provided for Airline's use pursuant to this Agreement or otherwise, either temporarily or permanently, provided that reasonable notice to Airline and a reasonably convenient and comparable means of access, ingress, and egress shall exist or be provided in lieu thereof. City shall suffer no liability by reason thereof and such action shall in no way alter or affect any of Airline's obligations under this Agreement.

ARTICLE 5: REPORTS, RENTALS, CHARGES, AND FEES

Section 5.01 General

- A. In return for use of the Leased Premises including Gates and any/all rights, licenses, and privileges granted hereunder and for the undertakings of City, Airline agrees to pay City during the term of this Agreement, certain rentals, charges, and fees as set forth in the City's annual Master Fee Schedule as amended from time to time.
- B. In addition to rentals, charges, and fees set forth in the Master Fee Schedule as amended from time to time and calculated in the manner provided in this Agreement, Airline agrees to pay an Airline Terminal Equipment Charge as calculated in Section 5.02.

Section 5.02 Calculation of Airline Terminal Equipment Charge

Airline Terminal Equipment Charge shall be calculated on a monthly basis by multiplying the enplaning passengers for the month by a fee as set forth in the Master Fee Schedule.

Section 5.03 Application of Terminal Area Rental Rates

- A. The Terminal Area Rental Rate, as stated in the Master Fee Schedule as amended from time to time ("Terminal Area Rental Rate"), shall be applied to Exclusive Use Space and Preferential Use Space on a per square foot basis.
- B. Terminal ticket counter numbers: 14-01 and 14-02 comprising of 62.4 square feet each, for a total of 124.8 square feet of passenger terminal as shown on Exhibit "A" attached hereto and hereby made a part hereof to Airline's preferential use space.
- C. Annual Reallocation of Ticket Counters. Airline acknowledges that every July 1st during the term, the possibility of a reallocation of the ticket counters at the sole, reasonable discretion of the Director of Aviation.
- D. Exclusive Room Spaces for a total square footage of 864 square feet, as shown in Exhibit "A" attached hereto and hereby made a part hereof and listed below:
- (i) Room B-103, comprising 300 square feet of passenger terminal as shown in Exhibit "A" attached hereto and hereby made a part hereof is Airline's exclusive use space; and
 - (ii) Room C-155B, comprising 218 square feet of passenger terminal as shown in Exhibit "A" attached hereto and hereby made a part hereof is Airline's exclusive use space; and
 - (iii) Room C-169A, comprising 204 square feet of passenger terminal as shown in Exhibit "A" attached hereto and hereby made a part hereof is Airline's exclusive use space; and
 - (iv) Room C-169B, comprising 142 square feet of passenger terminal as shown in Exhibit "A" attached hereto and hereby made a part hereof is Airline's exclusive use space.
- E. Gate No. 11 comprising of 2,166, square feet of passenger terminal in Exhibit "A" attached hereto and hereby made a part hereof is Airline's preferential use space.
- F. The Terminal Area Rental Rate shall be applied to Common Use Space on the basis of the Common Use Space Formula.

Section 5.04 Monthly Activity Report

- A. Airline shall furnish to Director on or before the fifteenth (15th) day of each month, an accurate written report of Airline's operations at the Airport during the preceding month, setting forth all data necessary to calculate the rentals, fees, and charges due under this Agreement. The report form shall be provided by the Director and shall include, but shall

not necessarily be limited to (a copy of the report is attached hereto and incorporated herein as Exhibit "F"):

1. Airline's total number of aircraft arrivals for the month by type of aircraft, the Maximum Certificated Gross Landing Weight of each aircraft, and the Total Airline Landed Weight for the month to include any non scheduled and charter operations;
 2. Total number of Enplaning and Deplaning Passengers of Airline and aircraft of other airlines handled by Airline (so long as those handled airlines are not otherwise required to report on those same aircraft);
 3. Weight of cargo freight, mail, and express for the month; and
 4. Other such information that City may request from Airline to prepare airline invoices and establish and assess rates and charges.
- B. If Airline fails to furnish Director with the report required by Section 5.04 (A), by the date specified within Section 5.04 (A), it shall be considered in default under this Agreement and then Airline's rentals, fees, and charges, as provided for the month thereafter, shall be determined by assuming that Airline's Total Airline Landed Weight and Enplaned Passengers for such month was one hundred twenty-five percent (125%) of its Total Airline Landed Weight and Enplaned Passengers during the most recent month(s) for which such data are available for Airline and by applying the rates specified in the Master Fee Schedule. Any necessary adjustment in such rentals, fees, and charges shall be calculated after an accurate report is delivered to Director by Airline for the month(s) in question. Resulting surpluses or deficits shall be applied as credits or charges to the appropriate invoices in the succeeding month(s).
- C. Airline Monthly Activity Report shall be delivered to City at the address below or at such address to which City, by service of written notice upon Airline, may direct the delivery thereof, from time to time:

Via Mail/Express to:
City of Fresno
Fresno Yosemite International Airport
Attn: Airport Accounting
4995 East Clinton Way
Fresno, CA 93727-1504

Section 5.05 Payment Provisions/Interest on Overdue Amounts

- A. Unless otherwise provided in this Agreement, fixed (i.e. non-activity based) Airport rentals, fees and charges shall be due and payable the first (1st) day of each month, in advance, without invoice.
- B. Unless otherwise provided in this Agreement, variable (i.e. activity based) Airport rentals, fees, and charges shall be due and payable the fifteenth (15th) day of each month following the month in which assessed, without invoice.

- C. Unless otherwise provided in this Agreement, all other rentals, fees, and charges shall be due and payable on invoice within thirty (30) days of the date of the invoice.
- D. The acceptance by City of any payment by Airline shall neither constitute City's approval of, nor preclude City from questioning the accuracy of, computations in Airline's Monthly Activity Report, submitted to City as provided in Section 5.04, or from recovering any additional payment actually due from Airline.
- E. Any payment not received by the due date shall be deemed delinquent and shall accrue interest at the lesser of the rate of eighteen percent (18%) per year calculated on a daily basis at the rate of five-hundredths of a percent (0.05%) per day from the due date until paid in full, or the maximum rate allowed by law.
- F. All payments due and payable herein shall be paid in lawful money of the United States of America, without set off, by check or wire transfer made payable to City and delivered or wired, as applicable, to the following address or account, or to such other address or account as City by service of written notice upon Airline, may otherwise direct the payment thereof from time to time during the term hereof:

Via Mail/Express
 City of Fresno
 Fresno Yosemite International Airport
 Attn.: Airport Accounting
 4995 East Clinton Way
 Fresno, CA 93727-1504

Via Wire Transfer
 City of Fresno - Airports
 Bank of America
 ABA #121000358
 Account: 1499610645

Section 5.06 Taxes

Airline shall pay all taxes of whatever character that may be lawfully levied, assessed, or charged upon the property, real and personal, occupied, used, or owned by Airline, or upon the rights of Airline to occupy and use the premises and emolument received thereby, or upon Airline's rights or operations hereunder or services provided by Airline at the Airport. Airline shall have the right, at its sole cost and expense, to contest the amount or validity of any tax or license as may have been or may be levied, assessed, or charged.¹

Section 5.07 Passenger Facility Charge (PFC)

- A. City shall have the right to assess passengers a PFC for the use of the Airport in accordance with the requirements of 14 CFR Part 158 ("PFC Regulations") and any other relevant governmental directives, statutes, orders or provisions. In accordance therewith and to the extent required by 14 CFR Part 158 the Collecting Carrier shall collect on behalf of and remit to City any such PFC charges. Any charges so collected shall, pending remittance to City, be held in trust in accordance with federal law. City

¹ Any interest in real property which exists as a result of possession, exclusive use, or a right to possession or exclusive use of any real property (land and/or improvements located therein or thereon) which is owned by the City of Fresno (City) is a taxable possessory interest unless the possessor of interest in such property is exempt from taxation. With regard to any possessory interest to be acquired by Lessee under this Lease, Lessee, by its signatures hereunto affixed, warrants, stipulates, confirms, acknowledges and agrees that, prior to executing this Lease, Lessee either took a copy of this Lease to the office of the Fresno County Tax Assessors or by some other appropriate means independent of City or any employee, agent, or representative of City determined, to Lessee's full and complete satisfaction, how much Lessee will be taxed, if at all.

shall have the right to use all such passenger facility charges collected in any lawful manner.

- B. Collecting Carrier and City shall be bound by and shall observe all of the provisions of 14 CFR Part 158 and any other relevant governmental directives, statutes, orders or provisions, as they apply to either or both parties.
- C. If Collecting Carrier fail(s) to collect, maintain in trust and remit PFC revenue to the City within the time limits and in the manner established by federal regulation, Collecting Carrier shall be deemed to be in default of this Agreement. Any late payment of PFCs shall be subject to interest compounded in accordance with Section 5.05 (E), to the extent allowed by law.
- D. PFCs to be Held in Trust for the City
 - 1. In the event that Collecting Carrier fails to make payments of PFCs to City in accordance with the PFC regulations and within ten (10) calendar days after receipt of a written notice non-payment from City, City may require Collecting Carrier to establish a PFC trust account pursuant to this section 5.07. In the event City requires Collecting Carrier to establish a PFC trust account, and notwithstanding Section 158.49 of the PFC regulations, upon receipt of PFCs that are collected by Collecting Carrier, Collecting Carrier shall at its own cost establish and shall deposit the net principal amount of such PFCs in a trust account for City's benefit (the "Trust Account"). City and Collecting Carrier agree that the Trust Account shall be held in the name of Collecting Carrier as trustee for City provided that City and Collecting Carrier mutually agree to terms upon which amounts may be withdrawn from such account upon the joint direction of City and Collecting Carrier. If City and Collecting Carrier do not so agree, the Trust Account shall be held by an independent third party bank trustee, in which event such trustee's fees shall be payable by City. City shall have the right to select such trustee subject to the approval of the Collecting Carrier which approval will not be unreasonably withheld. The Trust Account shall be separate from and not commingled with all other Collecting Carrier funds, including PFCs collected on behalf of other airports. In accordance with Section 158.51 of the PFC regulations, any amounts required to be remitted to City under such section shall be paid in any event by Collecting Carrier, as trustee, or by such third party bank trustee, to City on or before the date specified in such section first out of the net principal amount, then, to the extent of any deficiency, by Collecting Carrier, out of income earned thereon and then, by Collecting Carrier, out of any available funds of Collecting Carrier. Funds in the Trust Account shall be invested solely in instruments issued or guaranteed by the United States government or any of its agencies, commercial paper rated A1 or P1 or better by, respectively, Standard & Poors or Moody's Investor Service, or federally insured bank certificates of deposit. Any income earned on funds in the Trust Account on or prior to the date of required remittance to City shall be the property of the Collecting Carrier and shall be paid directly to Collecting Carrier. Any income earned on funds in the Trust Account after the date of required remittance to City shall be the property of the City and shall be paid immediately to City. If Collecting Carrier, as trustee for City, timely and properly funds and administers the Trust Account and pays over to the City the PFCs in accordance with PFC

regulations and this Agreement for a period of eighteen (18) consecutive months, then Collecting Carrier may submit a written request to City that the Trust Account be terminated and that Collecting Carrier collect the PFCs in accordance with the provisions of Section 5.07. City shall not unreasonably deny Collecting Carrier's request. The City shall have the right to apply the provisions of this Section each time Collecting Carrier fails to timely remit PFCs in accordance with the PFC Regulations and within ten (10) days of written notice of non-payment from City.

2. In the absence of additional regulations governing the treatment of refunds, any refunds of PFCs due to passengers as a result of changes of itinerary shall be paid proportionately out of the net principal amount attributable to such PFCs and the amount that Collecting Carrier was permitted to retain under section 158.53 (a) of the PFC regulations attributable to such PFCs. Collecting Carrier hereby acknowledges that the net principal amount of all PFCs collected on behalf of City shall remain at all times property of City except to the extent of amounts refunded to passengers pursuant to the preceding sentence (which shall remain the property of City until refunded and become the property of the passenger upon and after refund). Other than the amounts that Collecting Carrier is entitled to retain pursuant to Section 158.53 of the PFC regulations, Collecting Carrier shall be entitled to no compensation.

Section 5.08 Records of Airline

Airline shall make available to City, upon the written request of the City, at the offices of the Airline at the Airport such books, records and accounts, or photocopies thereof, that are relevant to payment of rentals, fees and charges required under this Agreement for the current year and the preceding calendar year, and shall make such records, or photocopies thereof, available for inspection and audit by City or its authorized representative at reasonable and mutually agreed upon hours and times during the entire term of this Agreement and for 3 years thereafter.

Section 5.09 Right of Set Off

The City shall have the right to set off any past due amount(s) by applying all or a portion of current payments to such past due amount(s). In the event a disputed charge becomes past due, if resolved in favor of Airline, said overpaid amounts shall be credited to the next amount due under this Agreement. If the Agreement is terminated, it shall be credited to amounts due by or to Airline. Past due amounts may include sums due on prior agreements, this Agreement or for usage of the Airport as a non-Signatory Airline. In the event the City exercises the right, it shall notify Airline. Airline shall be responsible for promptly submitting such a sum as will reflect the total amount needed to satisfy current amounts due. Regardless of the foregoing, City shall not have the right to offset past due amounts which Airline has notified the City, in writing, are disputed by Airline, provided that such written notice shall not prevent or limit the right of City to exercise any other right or remedy available to City under this Agreement or at law or in equity as a result of the non-payment of the amount in dispute by Airline.

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ARTICLE 6: SURETY

Section 6.01 Due Date, Type, Form and Amount of Surety

Airline shall provide to City a Surety Deposit in an amount equal to three (3) months Agreement Fees and Charges. Such deposit shall be in the form of: (i) cash; (ii) a Surety Bond issued by an insurance company authorized to do business in the State of California and authorized to write such bonds in said State; (iii) a non-revocable Letter of Credit established in favor of City for the account of Airline by a federally chartered bank acceptable to City, guaranteeing the faithful performance of all of the covenants and conditions herein to be performed by Airline. Upon the expiration or termination of this Agreement, and the payment of all fees and charges due to the City for the privileges granted in this Agreement, the Security Deposit shall be refunded or the surety instrument returned to Airline, provided there are no other outstanding claims or charges against Airline. City shall not be required to pay, and City shall not pay, any interest on this Security Deposit.

Section 6.02 Drawdowns by City

If Airline defaults with respect to any provision of this Agreement, including but not limited to the provisions relating to payment of rentals, fees and charges or any other sums due and owing, City may, to the extent allowed by law, with or without prior notice to Airline, draw down on the surety provided by Airline, up to the full amount thereof, and apply such draw on amount(s) to correct any default by Airline, to pay any rentals or other sums in default, to reimburse City for any amount(s) which City may spend or become obligated to spend by reason of Airline's default, to compensate City for any other loss or damage which City may suffer by reason of Airline's default, or to pay any amount due or owing upon expiration or earlier termination of this Agreement.

- A. Within fifteen (15) calendar days following any draw on and application by City of any part or the entire surety amount provided by Airline, City shall provide Airline with notice of such draw on and application, in writing.
- B. In the event the amount of surety provided City by Airline shall, at any time and from time to time during the life hereof be reduced pursuant to the draw down provisions of this Agreement, Airline shall, within ten (10) days after written demand therefore is served upon Airline by City, deposit additional surety with City in a sum sufficient to restore the required surety to its original amount.
- C. In the event City finds it necessary to draw down on the surety instrument more than two times for any reason, the third draw down shall itself constitute grounds for default and breach of this Agreement by Airline.

Section 6.03 Return/Surrender/Release of Surety by City

The surety instrument shall be returned to Airline not later than sixty (60) days after termination of this Agreement, provided there are no outstanding claims against the Airline.

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ARTICLE 7: INDENTURE OF TRUST

Section 7.01 Subordination Indenture of Trust

This Agreement and all rights of Airline hereunder are expressly subordinated and subject to the lien and provisions of any pledge, transfer, hypothecation, or assignment made at any time by City pursuant to the terms, covenants, and conditions of present Indenture of Trust and future Supplemental Indentures. In conflicts between this Agreement and the Indenture of Trust, the Indenture of Trust shall govern. All definitional terms that are not specifically defined herein are to have the meanings set forth in the Indenture of Trust.

Section 7.02 Flow of Funds

Subject to the terms and provisions of the Indenture of Trust and other related instruments, it is mutually understood and agreed that, as long as any Bonds secured by the Indenture of Trust are outstanding, bond proceeds and all Airport revenues shall be deposited, maintained, and paid as set forth in the Indenture of Trust.

ARTICLE 8: MAINTENANCE AND OPERATION OF AIRPORT

Section 8.01 City's Responsibilities

In accordance with Exhibit "C", attached hereto and incorporated herein, and except to any extent otherwise expressly provided in this Agreement:

- A. City agrees that it will, with reasonable diligence, keep the Airport and its aerial approaches reasonably free from obstruction and interference for the safe and proper use thereof by Airline; and will develop, maintain, and operate the Airport in all respects in a manner at least equal to the standards or rating established by the FAA and any other governmental agency having jurisdiction thereof, except for conditions beyond the reasonable control of City. City shall not be liable to Airline for temporary failure to so perform, whether due to mechanical breakdown or for any other causes beyond the reasonable control of City.
- B. City, with its own forces or by contract, shall operate and maintain and keep in good condition the terminal building and all additions, improvements, facilities, and equipment now or hereafter provided by City at or in connection with the terminal building, except any improvements, facilities, and equipment constructed or installed by Airline and any Exclusive Use Leased Premises hereunder. City shall keep the terminal building, except Airline's Exclusive Use Leased Premises, in a neat, orderly, sanitary, and presentable condition.
- C. Consistent with this Agreement and constitutional and local law requirements City, with its own forces or by contract, shall at all times maintain the structure of all Leased Premises and repair latent defects in facilities provided by City.
- D. Consistent with this Agreement and constitutional and local law requirements City, with its own forces or by contract, shall at all times maintain the public, Preferential Use, Shared Use, and Common Use space areas of the terminal building so as to provide for reasonable unobstructed use thereof by passengers and invites, and shall keep such

area adequately supplied, equipped (including directional signs), furnished, and decorated.

- E. City shall supply or cause to be supplied appropriate and adequate equipment and maintenance for air conditioning, lighting, ventilation, heat, electrical, water, and sewerage facilities for terminal building public use areas and Airline's Leased Premises; adequate illumination in Common Use Space; and janitorial service in terminal building public use areas and Common Use Space, Shared Use Space, and Preferential Use Space.

Section 8.02 Airlines Responsibilities

Subject to the provisions of Section 8.04 and in accordance with Exhibit "C":

- A. Airline shall, at all times, keep its Leased Premises neat, orderly, sanitary, and presentable. Airline shall pay for all electric power used in its Exclusive Use Leased Premises and preferentially assigned loading bridges; shall be responsible for relamping and shall furnish its own janitorial service for its Exclusive Use Leased Premises; and shall cause to be removed at Airline's own expense from its Leased Premises all waste, garbage, and rubbish, and agrees not to deposit the same on any part of the Airport, except that Airline may deposit same temporarily in its Exclusive Use Space or in space designated by Director in connection with collection for removal.
- B. Airline shall maintain the apron area contiguous to its assigned Gates in a neat, clean, and orderly condition, free from litter, debris, refuse, petroleum products, or grease, and immediately remove all oil and grease spillage from its Aircraft Parking Areas that is attributable to Airline's activities, aircraft or equipment.
- C. Airline shall perform, at its sole expense, ordinary preventive maintenance and ordinary upkeep and repair (except structural repairs and repairs necessitated by latent defects in facilities provided by City) of its Exclusive Use Space including, but not limited to, all facilities, personal property, trade fixtures, and equipment. For purposes of this Section, structural repairs are defined as repairs to the roof, insulation, foundation and exterior walls of the terminal building.
- D. Airline shall immediately repair any damage in any other space at the Airport occasioned by the activities, fault or negligence of Airline, its servants, agents, employees, licensees, passengers, and invites.
- E. Airline shall not erect, maintain, or display on its Leased Premises or anywhere in the terminal building in the public view any billboards, banners, advertising, promotional signs, or materials without the prior written approval of Director.
- F. Airline expressly agrees that City shall not be liable to Airline, for bodily injury or for any loss or damage to real or personal property occasioned by flood, fire, earthquake, lightning, windstorm, hail, explosion, riot, strike, civil commotion, smoke, vandalism, malicious mischief, or acts of civil authority.
- G. Airline shall provide and maintain hand fire extinguishers for the interior of its Exclusive Use Space in accordance with applicable safety codes.

- H. Airline shall, in conducting any activity or business at the Airport, including environmental responses or remedial activities, comply with all applicable Environmental Laws, as discussed in detail in Section 14.19.

Section 8.03 City's Right to Inspect and Make Repairs

City, by its Director or authorized officers, employees, agents, contractors, subcontractors, and other representatives, shall have the right at any time in the case of emergencies, otherwise during normal business hours upon reasonable advance notice, to enter upon Airline's Exclusive Use Space, accompanied by an authorized Airline representative, if practicable, for the following purposes:

- A. To inspect such space to determine whether Airline has complied and is in compliance with the terms and conditions of this Agreement.
- B. Upon reasonable notice and opportunity to perform, except in emergencies, to perform such maintenance, cleaning, or repair as City reasonably deems necessary, if Airline fails to perform its obligations under Section 8.02, and to recover the actual cost of such maintenance, cleaning, or repair from Airline, plus a fifteen percent (15%) administrative charge from Airline on the next rent due.
- C. Upon reasonable notice, except in emergencies, to perform such maintenance, cleaning, or repair as City reasonably deems necessary, and which is the responsibility of the City under this Agreement.

Section 8.04 Alterations and Improvements

- A. Airline shall make no repairs, alterations, additions, improvements to, or installations on the Leased Premises without the prior written approval of City or Director.
- B. Plans and specifications for any such work shall be filed with and subject to the approval of City and Director and all work shall be done in accordance with local ordinances and California and Federal laws and regulations.
- C. All Airline alterations and improvements other than movable furniture, personal property, equipment, and trade fixtures shall become part of the realty and title shall vest with City at City's option and without cost, upon expiration, or early termination, of this Agreement.

Section 8.05 Payment Bond

Prior to the commencement of any improvements, City shall have the right to require that Airline obtain, or cause to be obtained, a contract surety bond, or such other form of security acceptable to City, in a sum equal to the full amount of the construction contract awarded by Airline for the improvements. Said bond shall name City as an obligee thereunder and shall be drawn in a form and from such company acceptable to City and licensed to do business in the State of California; shall guarantee the faithful performance of necessary construction and completion of improvements in accordance with approved final plans and detailed specifications; and shall protect City against any losses and liability, damages, expenses, claims

and judgments caused by or resulting from any failure to perform completely the work described. City also reserves the right to require that Airline acquires or causes to be acquired a payment bond with any contractor or contractors of Airline, as principal, in the sum equal to the full amount of the improvement contract awarded by Airline for the improvements. Said bond shall name the City as an obligee thereunder and shall guarantee payment of all wages for labor and services engaged, and of all bills for materials, supplies and equipment used in the performance of said improvement contract. Any work associated with such improvement shall not unreasonably interfere with the operation of the Airport, or otherwise unreasonably interfere with the permitted activities of other Airport tenants and users. Upon completion of approved improvement and within sixty (60) days of Airline's receipt of a certificate of occupancy, a complete set of as-built drawings shall be delivered to the City in a media type and format acceptable for the permanent record of the City.

Section 8.06 Leasehold Improvements

Airline shall be solely responsible for payment of all leasehold improvements made by Airline.

Section 8.07 Debts, Liens, Mortgages

Airline shall pay promptly when due and owing, all bills, debts and obligations incurred by Airline in connection with its operations or activities on Leased Premises at the Airport, and shall not permit the same to become delinquent. Except as expressly approved by City in writing, Airline shall not permit any mechanics' or material men or any other lien to be attached to or be foreclosed upon Leased Premises at the Airport or improvements thereto. Airline shall suffer no lien, mortgage, judgment or execution to be filed against the Leased Premises at the Airport or improvements thereon. If any lien shall be filed against the Leased Premises, Airline shall take action, including the payment of and/or bonding against the amount of the lien, to cause such lien to be removed within twenty (20) business days of recordation of the lien.

ARTICLE 9: DAMAGE OR DESTRUCTION OF PREMISES

Section 9.01 Damage or Destruction

- A. If the Airline Leased Premises or any portions thereof, or buildings or structures of which space may be a part, are damaged by fire or other casualty not caused by Airline, Director shall notify Airline within sixty (60) days whether the space will be repaired. If the space is to be repaired, it shall be repaired with due diligence by City, and the rent allocable to the particular building, rooms, or other portion of the space rendered untenantable shall be abated for the period from the occurrence of the damage to the completion of the repairs, provided that City shall exert its best effort to provide Airline with temporary substitute space, if available, at such rent as deemed necessary and reasonable by City, until such time as the repairs are completed.
- B. At the time of such damage, not caused by Airline, Airline shall notify Director within 30 days, if Airline will not be able to operate to its reasonable satisfaction without repair of the damaged space.
- C. If the Director shall fail to notify Airline of its decision within sixty (60) days after destruction, City shall be deemed to have elected to terminate this Agreement as to the space damaged and destroyed, and the Agreement shall automatically terminate as to

such space as of the date of the damage or the entire Agreement if Airline is not able to operate to its reasonable satisfaction as a result of the damage, provided Airline gave timely notice as required in 9.01B above.

ARTICLE 10: INDEMNIFICATION, EXEMPTION OF CITY, AND INSURANCE

Section 10.01 Indemnification

- A. Except to any extent expressly provided for in the Agreement, and to the furthest extent allowed by law, Airline shall indemnify, hold harmless and defend City and its officers, officials, employees, agents and volunteers (hereinafter referred to collectively as "City") from any and all loss, liability, fines, penalties, forfeitures, costs and damages (whether in tort or strict liability including damage by fire or other casualty) alleged to have been incurred by City or Airline, and from any and all claims, demands and actions in law or equity (including attorney's fees and litigation expenses) arising or alleged to have arisen directly or indirectly out of Airline's: (i) occupancy, maintenance and/or use of Leased Premises; (ii) use of any Common Use Space, Exclusive Use Space, Joint Use Space and Preferential Use Space, upon which the Leased Premises is located; or (iii) performance of, or failure to perform, this Agreement. Airline's obligations under the preceding sentence shall not apply to any loss, liability, fines, penalties, forfeitures, costs or damages caused by the negligence, gross negligence or willful misconduct of City.
- B. Airline acknowledges that any and all loss, liability, fines, penalties, forfeitures, costs and damages including all reasonable costs, expenses and liabilities for environmental investigations, monitoring, containment, abatement, removal, repair, cleanup, restoration, remediation and other response costs, including reasonable attorneys' fees and disbursements (whether in contract, tort or strict liability, including but not limited to personal injury, death at any time and property damage, including damage by fire or other casualty) arising out of or in any way connected with any violation of Environmental Laws, releases or discharges of a Hazardous Substance, or the exacerbation of a potential environmental hazard, in each case only to the extent occurring as a result of or in connection with: (i) Airline's occupancy, maintenance and/or use of the Leased Premises; (ii) Airline's use of any Common Use Space, Exclusive Use Space, Joint Use space and Preferential Use Space, upon which the Leased Premises is located; or (iii) Airline's activities or the activities of any of Airline's representatives (including, without limitation, any of Airline's officers, officials, employees, agents, volunteers, invitees, subtenants, consultants, subconsultants, contractors or subcontractors) in connection with Airline's operations under this Agreement, are expressly within the scope of the indemnity set forth above except to the extent caused by City or a third party not contractually related to Airline or resulting from a condition existing prior to Airline's first occupancy of the Leased Premises.
- C. Airline's occupancy, maintenance and use of the Premises, and use of all or any part of Airport, including, but not limited to, use of any Common Use Space, Exclusive Use Space, Joint Use Space and Preferential Use Space, upon which the Leased Premises is located, shall be at Airline's sole risk and expense. Airline accepts all risk relating to Airline's: (i) occupancy, maintenance and/or use of the Premises; (ii) Airline's use of any Common Use Space, Exclusive Use Space, Joint Use space and Preferential Use, upon which the Leased Premises is located; or (iii) performance of, or failure to perform, this Agreement City shall not be liable to Airline and its insurer(s) for, and Airline and its

insurer(s) hereby waive and release City from, any and all loss, liability, fines, penalties, forfeitures, costs or damages resulting from or attributable to an occurrence on or about the Premises, or all or any part of the Airport, including, but not limited to, use of any Common Use Space, Exclusive Use Space, Joint Use Space and Preferential Use Space, upon which the Leased Premises is located, in any way related to the Airline's operations and activities. This waiver shall not extend to any and all loss, liability, fines, penalties, forfeitures, costs or damages caused by the negligence, gross negligence, or by the willful misconduct of City or City's failure to comply with its obligations under this Agreement.

- D. Airline shall promptly notify City of any occurrence on Airline's use of any Common Use Space, Exclusive Use Space, Joint Use space and Preferential Use Space upon which the Leased Premises is located, resulting in injury or death to any person or damage to property of any person.
- E. If Airline should contract any work on the Premises or subcontract any of its obligations under this Agreement, Airline shall require each consultant, subconsultant, contractor and subcontractor to indemnify, hold harmless and defend City and its officers, officials, employees, agents and volunteers in accordance with the terms of this Section.
- F. The provisions of this Section shall survive the termination or expiration of this agreement.

Section 10.02 Insurance

- A. Throughout the life of this Agreement, Airline shall pay for and maintain in full force and effect all policies of insurance required hereunder with an insurance company(ies) either (i) admitted by the California Insurance Commissioner to do business in the State of California and rated not less than "A-VII" in Best's Insurance Rating Guide, or (ii) authorized by City's Risk Manager or his/her designee. The following policies of insurance are required:

- i. COMMERCIAL GENERAL LIABILITY insurance which shall be at least as broad as the most current version of Insurance Services Office (ISO) Commercial General Liability Coverage Form CG 00 01 and include insurance for "bodily injury," "property damage" and "personal and advertising injury" with coverage for premises and operations (including the use of owned and non-owned equipment), products and completed operations, hangar keepers liability and contractual liability (including, without limitation, indemnity obligations under the Contract) with limits of liability of not less than the following:

- \$10,000,000 per occurrence for bodily injury and property damage
- \$1,000,000 per occurrence for personal and advertising injury
- \$10,000,000 aggregate for products and completed operations
- \$10,000,000 general aggregate.

In the event Airline purchases an Umbrella or Excess insurance policy(ies) to meet the minimum limits of insurance set forth above, this insurance policy(ies) shall "follow form" and afford no less coverage than the primary insurance policy(ies).

- B. Airline shall be responsible for payment of any deductibles contained in any insurance policies required hereunder and Airline shall also be responsible for payment of any self-insured retentions. At no time shall City be responsible for the payment of any deductibles or self-insured retentions. Any deductibles or self-insured retentions must be declared to, and approved by, the City's Risk Manager or his/her designee. At the option of the City's Risk Manager or his/her designee, either (i) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects City, its officers, officials, employees, agents and volunteers; or (ii) Airline shall provide a financial guarantee, satisfactory to City's Risk Manager or his/her designee, guaranteeing payment of losses and related investigations, claim administration and defense expenses. At no time shall City be responsible for the payment of any deductibles or self-insured retentions.
- C. All policies of insurance required hereunder shall be endorsed to provide that the coverage shall not be cancelled, reduced in coverage or in limits except after 30 calendar day written notice has been given to City. Upon issuance by the insurer, broker, or agent of a notice of cancellation, non-renewal, or reduction in coverage or in limits, Airline shall furnish City with a new certificate and applicable endorsements for such policy(ies). In the event any policy is due to expire during this Agreement, Airline shall provide a new certificate, and applicable endorsements, evidencing renewal of such policy within 15 calendar days prior to the expiration date of the expiring policy.
- D. The General Liability insurance policies shall be written on an occurrence form and shall name City, its officers, officials, agents, employees and volunteers as an additional insured. Such policy(ies) of insurance shall be endorsed so Airline's insurance shall be primary and no contribution shall be required of City. The coverage shall contain no special limitations on the scope of protection afforded to City, its officers, officials, employees, agents and volunteers, subject to policy terms, conditions and exclusions.
- F. Airline shall furnish City with all certificate(s) and applicable endorsements effecting coverage required hereunder. All certificates and applicable endorsements are to be received and approved by the City's Risk Manager or his/her designee prior to City's execution of the Agreement. Such evidence of insurance shall be provided City at the following address:

City of Fresno - Airports Department
Properties Division
4995 E. Clinton Way
Fresno, CA 93727

Upon request of City, Airline shall immediately make available to City's Risk Manager or designee, at its corporate headquarters, a complete copy of any insurance policy required under this Contract, including all endorsements, with said copy certified by the underwriter to be a true and correct copy of the original policy. This requirement shall survive expiration or termination of this Agreement.

- G. Any failure to maintain the required insurance shall be sufficient cause for City to terminate this Lease. No action taken by City hereunder shall in any way relieve Airline of its responsibilities under this Lease.

- H. The fact that insurance is obtained by Airline shall not be deemed to release or diminish the liability of Airline, including, without limitation, liability under the indemnity provisions of this Agreement. The duty to indemnify City and its officers, officials, employees, agents and volunteers shall apply to all claims and liability regardless of whether any insurance policies are applicable. The policy limits do not act as a limitation upon the amount of indemnification to be provided by Airline. Approval or purchase of any insurance contracts or policies shall in no way relieve from liability nor limit the liability of Airline.
- I. If Airline should contract any work on the Premises or subcontract any of its obligations under this Agreement, Airline shall require each consultant, subconsultant, contractor and subcontractor to provide insurance protection in favor of City and its officers, officials, employees, agents and volunteers in accordance with the terms of each of the preceding paragraphs, except that the consultants', subconsultants', contractors' or subcontractors' certificates and endorsements shall be on file with Airline and City prior to the commencement of any work by the consultant, subconsultant, contractor or subcontractor.

Section 10.03 Nonliability of City

- A. Without wavier or limitation, City shall not in any event be liable for any acts or omissions of Airline, its officers, officials, employees, agents, volunteers, invitees, consultants, subconsultants, contractors or subcontractors, or for any conditions resulting from the operations or activities of Airline, its officers, officials, employees, agents, volunteers, invitees, consultants, subconsultants, contractors or subcontractors, or for any conditions resulting from the operations or activities of any other Airline, lessee, tenant, concessionaire, vendor, supplier, consultant, subconsultant, contractor, or subcontractor except to the extent caused by the negligence or willful misconduct of City or City's failure to comply with its obligations under this Agreement..
- B. City shall not be liable for Airline's failure to perform any of the obligations under this Agreement or for any delay by Airline in the performance thereof, nor shall any such delay or failure be deemed a default by City.

ARTICLE 11: ASSIGNMENT AND SUBLETTING

Section 11.01 Merger, Assignment and Subletting

Airline shall not at any time, directly or indirectly, transfer, convey, sublet, mortgage, pledge, or encumber its interest under this Agreement, or any part of the Leased Premises without the advance written approval of City, which approval shall not be unreasonably withheld or delayed. Regardless of the foregoing, Airline may assign its interest under this Agreement to any person, firm, or corporation with which Airline may merge or consolidate or which may succeed to the business of Airline, and Airline shall give written notice to Director of any such assignment and/or assignment and assumption as soon as practical, but not later than sixty (60) calendar days prior to such merger, consolidation, acquisition or succession, but shall not be required to provide non-public information.

Section 11.02 Relinquishment of Space

If Airline desires to relinquish any of its Exclusive Use Space or Preferential Use Space, Airline will notify Director in writing of the space available, and City or Director shall use reasonable efforts to reassign the space to another airline. No such reassignment, vacation, transference, conveyance or sublease shall release Airline from its obligations under this Agreement including responsibility for payment of rent, utilities, fees and other charges, without specific written consent by City to such release. Airline shall be responsible for returning all relinquished space to the condition upon it was given.

Section 11.03 Bankruptcy

Section 11.01 shall not apply to any valid assumption and/or assignment of this Agreement, the leased space, or any part thereof, by a trustee, or by Airline as a debtor in possession under the Bankruptcy Code of 1978, as amended, including the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 (collectively the "U. S. Bankruptcy Code"), provided that adequate assurance of future performance as provided by the U. S. Bankruptcy Code is to be provided, in writing, as a condition of the assumption and/or assignment of this Agreement. Such assurance shall include but shall not be limited to:

- A. Adequate assurance of the reliability of the proposed source for the rental, utilities, fees or other charges due under this Agreement upon the assumption and/or assignment of this Agreement;
- B. Adequate assurance that all other consideration due under this Agreement shall be forthcoming after the assumption or assignment of this Agreement and that any defaults thereunder shall be cured; and
- C. The procurement of a bond from a financially reputable surety covering any costs or damages which the City reasonably estimated the City would incur in the event that City, within three (3) years following the assumption and/or assignment of this Agreement, becomes entitled to and exercises any right to reassign the lease covered by this Agreement under Article 4.

Section 11.04 Consent

Consent by City to any type of transfer provided for by this Article 11 shall not in any way be construed to relieve Airline from obtaining further consent for any subsequent transfer, assignment and/or assumption of any nature whatsoever.

ARTICLE 12: DEFAULTS

Section 12.01 Default

If Airline and/or its affiliates, subsidiaries and code share partners (1) fails to pay rent or any other payment past due hereunder within ten (10) calendar days after receipt of written notice of a past due account under Section 5.05 or elsewhere in this Agreement, or (2) fails to commence immediately to keep and perform any of its other covenants and agreements within ten (10) calendar days after receipt of written notice, or (3) fails to continue to complete, in a timely

manner, any of its covenants and agreements after performance is commenced, or after the filing of any petition, proceedings, or action by, for, or against Airline under any insolvency, bankruptcy, or reorganization act of law, then an event of default shall occur under this Agreement and, at the election of City:

- A. Without terminating this Agreement, City may reenter the Leased Premises and improve and relet all or any part of it to others, for the account of Airline, including costs of renovation necessitated by the neglect of Airline, its agents, or its employees and a reasonable administrative fee to City (in accordance with its cost accounting procedures) for all costs incurred, for all sublease rentals received, and Airline shall promptly reimburse City for any deficiency in rentals or other payments received under such subletting, as compared to Airline's obligations hereunder. City shall use reasonable commercial efforts to sublet the premises.
- B. At any time before or after a reentry and reletting as provided in Article 11, City may terminate Airline's rights under this Agreement as provided in Article 13, without any restriction upon recovery by City for past due rentals and other obligations of Airline. City shall have all additional rights and remedies as may be provided to landlords by law.
- C. Notwithstanding any of the provisions hereof, automatically and immediately upon the occurrence of an event of default by Airline, the term of this Agreement shall convert to month-to-month, commencing on the date of the automatic conversion and shall terminate upon thirty (30) days written notice from the City to Airline. The conversion of the term of this Agreement pursuant to this Section shall not discharge any of Airline's obligations hereunder nor affect any of the City's other remedies set forth herein; provided, however, that the termination of this Agreement shall discharge subsequent Airline obligations hereunder.

ARTICLE 13: TERMINATION

Section 13.01 Conditions of Leased Premises at Termination

Upon termination of this Agreement, Airline shall yield and deliver to City the Leased Premises promptly and in a clean, sanitary condition, and, if necessary, restored to the satisfaction of City, reasonable wear and tear excepted.

Section 13.02 Events Permitting Termination by City

- A. City may terminate this Agreement upon sixty (60) calendar days' written notice and all of its obligations hereunder and may exercise all rights of entry and reentry upon the Leased Premises available under law, upon or after the occurrence of any one of the following events:
 - 1. Airline and/or its affiliates flying on behalf of Airline, subsidiaries and/or code share partners is in arrears in the payment of the whole or any part of the amounts agreed upon hereunder for a period of ten (10) days after Director has notified Airline in writing that payment was not received when due;
 - 2. Airline files in any court a petition in bankruptcy or insolvency or for the appointment of a receiver or trustee of all or a portion of Airline's property;

3. Airline makes any general assignment for the benefit of creditors;
4. Airline abandons the Leased Premises;
5. Airline defaults in the performance of any of the covenants and conditions required herein (except rental payments) to be kept and performed by Airline, and such default continues for a period of thirty (30) days after receipt of written notice from Director to cure such default;
6. Airline is adjudged a bankrupt in involuntary bankruptcy procedures;
7. Airline is made a party to any receivership proceeding in which a receiver is appointed for the property or affairs of Airline where such receivership is not vacated within sixty (60) days after the appointment of such receiver;
8. Airline reduces its regularly scheduled service at the Airport to less than two (2) flights per week day unless such reduction of service is directly attributable to circumstances for which Airline is not responsible, and which are beyond its reasonable control; or
9. The abolition, limitation, or restriction by any act of federal, state or local authority under which these Premises are being leased, except with respect to legislation that grants authority to a successor.
10. Airline and/or its affiliates, subsidiaries and/or code share partners fails to comply with PFC requirements including those requirements set forth in Section 5.07 of this Agreement.
11. Redevelopment of the Airport that necessitates relocation of Airline from Leased Premises.
- B. In any of the aforesaid events, City may take immediate possession of the Leased Premises in any lawful manner including any and all improvements thereon and remove Airline's effects.
- C. Failure of City to declare this Agreement terminated upon the default of Airline for any of the reasons set out shall not operate to bar or destroy the right of City to terminate this Agreement by reason of any subsequent violation of the terms of this Agreement.
- D. No receipt or acceptance of money by City from Airline after the expiration or termination of this Agreement, or after the service of any notice, or after the commencement of any suit, or after final judgment for possession of the Leased Premises, shall reinstate, continue, or extend the terms of this Agreement, or affect any such notice, demand or suit or imply consent for any action for which City's consent is required or operate as a waiver of any right or remedy of City including any right to lawfully retake and resume possession of the Leased Premises.

ARTICLE 14: GENERAL PROVISIONS

Section 14.01 Compliance with Law

- A. Airline shall not use the Leased Premises or any part thereof, or knowingly permit the same to be used by any of its employees, officers, agents, subtenants, invites, or licensees for any illegal purposes and shall, at all times during the term of this Agreement, comply with all applicable ordinances and laws of any City, county, or state government or of the U.S. Government, and of any political division or subdivision or agency, City, or commission thereof which may have jurisdiction to pass laws or ordinances or to make and enforce rules or regulations with respect to the uses hereunder or the Leased Premises.
- B. At all times during the term of this Agreement, Airline shall, in connection with its activities and operations at the Airport:
1. Comply with and conform to all present and future statutes and ordinances, rules and regulations promulgated thereunder, of all federal, state, local and other governmental bodies of competent jurisdiction that apply in any manner to Airline or Airline's operations and activities under this Agreement. This includes but is not limited to the FAA Assurances in Exhibit "E" which is attached hereto and incorporated herein.
 2. Make, at its own expense, all nonstructural improvements, repairs, and alterations to its Exclusive Use Space (subject to prior written approval of City), equipment, and personal property that are required to comply with or conform to any such statutes and ordinances.
 3. Be and remain under this Agreement an independent contractor of City with respect to all installations, construction and services performed by or on behalf of Airline hereunder, and otherwise.

Section 14.02 Notices

- A. Any notice under the terms of this Agreement shall be in writing and sent by certified mail, return receipt requested or by any nationally recognized overnight delivery service, or delivered personally. The deemed date of any notice shall be the date the notice is received if personally served, or 3 days following sufficient service by mail. If such notice is given by Airline it shall be submitted to:

Fresno Yosemite International Airport
4995 East Clinton Way
Fresno, CA 93727-1504
Director of Aviation
or to such revised address as notified by City

If such notice is given by City, it shall be submitted to:

Delta Air Lines, Inc.
Vice President, Corporate Real Estate

Department 877
1030 Delta Boulevard
Atlanta, GA 30354

A party may change its notice address of record by written notice thereof given in the manner provided herein.

- B. If notice is given in any other manner or at any other place, it will also be given at the place and in the manner specified above.

Section 14.03 Successors and Assigns Bound

This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto.

Section 14.04 Governing Law, Venue and Attorney's Fees

- A. This Agreement and all disputes arising hereunder shall be governed by the laws of the State of California, and exclusive venue in any and all actions arising under this Lease shall be laid in a state or Federal court located in the Judicial District of Fresno County, California.
- B. In any action or proceeding which Lessor or Lessee may be required to prosecute to enforce its respective rights under this Lease, the unsuccessful party therein agrees to pay all costs incurred by the prevailing party therein, including reasonable interest and attorneys' fees, to be fixed by the court, and said costs, interest, and attorneys' fees shall be made a part of the judgment in said action.

Section 14.05 Subordination to Agreements with U.S. Government

This Agreement is subject and subordinate to the provisions of any agreements heretofore or hereinafter made between the City and the United States, relative to the operation or maintenance of the Airport, the execution of which has been required as a condition precedent to the transfer of federal rights or property to City for Airport purposes, or to the expenditure of federal funds for the improvement or development of the Airport, including the expenditure of federal funds for the development of the Airport in accordance with the provisions of the Federal Aviation Act of 1958, as it has been amended from time to time. City covenants that it has no existing agreements with the United States in conflict with the express provisions hereof.

Section 14.06 Nonwaiver of Rights

The non-enforcement by either party of the breach of any term, covenant or condition herein stipulated, shall never be construed to be a waiver of any other or succeeding breach of any term, covenant or condition herein imposed upon the other party, and the acceptance of payments of any amounts due or to become due hereunder in any other way or manner, or at any other time than herein provided, shall never be construed as a waiver of the right of City of any of the provisions herein imposed upon Airline.

Section 14.07 Federal Aviation Act, Section 308

Nothing herein contained shall be deemed to grant to Airline any exclusive right or privilege within the meaning of Section 308 of the Federal Aviation Act, as amended or succeeded, for the conduct of any activity on the Airport, except that, subject to the terms and provisions hereof, Airline shall have the right to exclusive possession of the Exclusive Use Space leased to Airline under the provisions of this Agreement.

Section 14.08 Severability

If one or more clauses, sections, or provisions of this Agreement shall be held to be unlawful, invalid, or unenforceable, it is agreed that the remainder of the Agreement shall not be affected thereby.

Section 14.09 Headings

The headings of the several articles and sections of this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit, or describe the scope or intent of any provisions of this Agreement and shall not be construed to affect in any manner the terms and provisions hereof or the interpretation or construction thereof.

Section 14.10 Bad Checks

Any checks returned due to insufficient funds or for any other reason caused by Airline will incur a charge for handling, to be paid by Airline upon proper invoice. This charge will consist of all identifiable expenses with a minimum charge of twenty-five dollars (\$25.00) for each check not to exceed the maximum charge allowed by law.

Section 14.11 Assignment by City or Other Successor in Interest

City may assign or otherwise convey its interest, rights, duties, and/or obligations hereunder to any extent allowed by law. In this regard City or its assignee may assign, pledge or take other appropriate action with respect to this Agreement and their rights and interests hereunder for any purpose relating to the issuance of bonds or other revenue generating devices.

Section 14.12 Authorization

Airline covenants that it is licensed and authorized to do business in the State of California.

Section 14.13 Removal of Disabled Aircraft

Airline shall promptly remove any of its disabled aircraft from any part of the Airport (including, without limitation, runways, taxiways, aprons, and aircraft parking positions) and place any such disabled aircraft in such storage areas as may be designated by Director. Airline may store such disabled aircraft only for such length of time and on such terms and conditions as may be established by Director. If Airline fails to remove any of its disabled aircraft promptly, Director may, but shall not be obligated to, cause the removal and storage of such disabled aircraft, provided, however, the obligation to remove or store such disabled aircraft shall be consistent with federal laws and regulations, including those of the FAA and the National Transportation Safety Board (NTSB). Airline agrees to reimburse City for all costs of such removal and storage;

and Airline, furthermore, hereby releases City from any and all claims for damage to the disabled aircraft or otherwise arising from or in any connected with such removal by City, except to the extent caused by the active negligence or willful misconduct of City, its agents, or its employees.

Section 14.14 Quiet Enjoyment

Except to any extent otherwise expressly provided in this Agreement, City covenants and agrees that Airline on paying the rent (and other charges herein provided for) and observing and keeping the covenants, conditions, and terms of this Agreement, shall lawfully and quietly hold, occupy and enjoy the Leased Premises during the term of this Agreement without hindrance or molestation by City or any person claiming under Lessor.

Section 14.15 Force Majeure

No party to this Agreement is responsible to the other party for nonperformance or delay in performance of the terms and conditions herein due to acts of God, acts of government, wars, riots, strikes, accidents in transportation, fuel or material shortages, or other causes beyond the control of a party.

Section 14.16 Independent Contractor

Airline is and throughout this Agreement shall be an independent contractor and not an employee, partner or agent of the City. Neither party shall have any right to control, supervise or direct the manner or method or choice by which the other party or its contractors shall perform its or their work or function. However each party shall retain the right to verify that the other is performing its respective obligations in accordance with the terms hereof.

Neither the Airline, nor any of its officers, associates, agents or employees shall be deemed an employee of the City for any purpose. Airline shall not be entitled to nor shall it receive any benefit normally provided to employees of the City such as, but not limited to, vacation payment, retirement, health care or sick pay. The City shall not be responsible for withholding income or other taxes from the payments made to Airline. Airline shall be solely responsible for filing all returns and paying any income, social security or other tax levied upon or determined with respect to the payments made to Airline pursuant to this Agreement.

Section 14.17 Partnership/Joint Venture

This Agreement does not evidence a partnership or joint venture between Airline and City. Except to any extent expressly provided for in this Agreement, (i) the City does not grant, convey or delegate to Airline any tangible or intangible property interest or express or implied agency, license, right or authority, (ii) Airline shall have no authority to bind the City absent its express written consent, (iii) either Party shall be free from obligations or liabilities under contracts entered by the other, and (iv) each Party shall bear its own costs/expenses in pursuit hereof.

Section 14.18 Compliance with ADA and Other Handicap Access and Nondiscrimination

Airline agrees that with respect to the Leased Premises including leased Aircraft Parking Areas and loading bridges, Airline shall be responsible, at Airline's cost, for compliance with the

Americans with Disabilities Act of 1990 ("ADA", 42 U.S.C. 12101 et seq.) and the regulations and Accessibility Guidelines for Buildings and Facilities issued pursuant thereto. Airline recognizes that the City is a public entity subject to Title II of the ADA. To the extent permitted by law, Airline shall assume and be obligated to comply with any obligations to which the City may be subject to under Title II of the ADA with respect to any programs, services, activities, alterations or construction conducted or undertaken by Airline at its premises. Airline shall also be responsible, at Airline's cost, for compliance with any applicable handicap accessibility laws, including, but not limited to, the Air Carriers Access Act ("ACAA", 49 U.S.C. 41705), and regulations implementing the ACAA.

Section 14.19 Compliance with Environmental Laws

Airline shall, in conducting any activity or business at the Airport, including environmental responses or remedial activities, comply with all applicable Environmental Laws, including but not limited to Environmental Laws regarding the generation, storage, use, transportation and disposal of solid wastes, Hazardous Materials, or other contaminants and regarding releases or threatened releases of Hazardous Materials or other contaminants in the environment.

- A. Review of Environmental Documents. Airline, at the request of City, shall make available for the inspection and copying upon reasonable notice at a reasonable time, any or all of the documents and materials Airline has prepared pursuant to any Environmental Law or submitted to any governmental regulatory agency; provided, that such documents and materials are not protected from disclosure by a court order, any available self audit privilege, attorney work product doctrine or attorney client privilege and are pertinent to Airline's rights and obligations under this Agreement at the Airport or to the Leased Premises. Such documents and materials released to the City shall be kept confidential to the fullest extent allowed by law. If any applicable Environmental Law requires Airline to file any notice or report of a release or threatened release of Hazardous Materials on, under or about the Leased Premises or the Airport, Airline shall provide a draft copy of such report or notice to the City to the extent practical given time constraints imposed by applicable Environmental Laws and Airline shall consult with City and give due consideration to the City's comments and concerns prior to submitting such notice or report to the appropriate governmental agency.
- B. Access of Environmental Inspection. On reasonable notice and at a reasonable time, City shall have access to the Leased Premises to inspect the same, with a representative of Airline to be present during such access and inspection, in order to confirm that the Airline is using the Leased Premises in accordance with applicable Environmental Laws. Airline, at the request of City and at City's expense, shall conduct such testing and analysis as is reasonable and necessary to ascertain whether Airline is using the Leased Premises in compliance with applicable Environmental Laws; provided that if the testing and analysis determines that Airline's use is not in compliance with applicable Environmental Laws, then Airline shall bear the reasonable cost of such testing and analysis. Any such tests shall be conducted by qualified independent experts chosen by Airline and subject to City's approval which approval will not be unreasonably withheld. Copies of reports from any such testing shall be provided to City upon receipt by Airline.
- C. Environmental Non-compliance. If, after reasonable notice to Airline and opportunity for Airline to commence measures to address compliance, Airline fails to comply with any

applicable Environmental Laws, City, in addition to its rights and remedies provided at law or in equity, may lawfully enter the Leased Premises and take all reasonable and necessary measures, at Airline's expense, to insure compliance with Environmental Laws.

- D. Duty to Notify City. In the event of a release or threatened release of Hazardous Material into the environment, excluding de minimis releases, relating to or arising out of Airline's use or occupancy of the Leased Premises or in the event any claim, demand, action or notice is made against Airline regarding Airline's failure or alleged failure to comply with any Environmental Laws at the Leased Premises, Airline promptly shall notify City by telephone, followed by written notice and shall provide City with copies of any written claims, demands, notices, or actions so made.
- E. Environmental Remediation. Airline shall undertake such steps to remedy and remove releases of any Hazardous Materials resulting from the acts or omissions of Airline on or under the Leased Premises, as are necessary and reasonable to protect the public health safety and the environment as required by applicable Environmental Laws. Such work shall be performed at Airline's sole expense after Airline submits to City a written plan for completing such work and receives the prior written approval of City which approval shall not be unreasonably withheld. City shall have the right to review and inspect all such work at any time using consultants and representatives of its choice at City's expense.. Specific cleanup levels for any environmental remediation work shall be in compliance with all of the applicable Environmental Laws. To the extent that City is named in any enforcement action or lawsuit by any party in connection with a release of Hazardous Materials or noncompliance with Environmental Laws caused by Airline at the Leased Premises, Airline shall defend City and indemnify and hold harmless City and its officers, employees and agents from any costs, damages or fines resulting therefrom, except to the extent caused by City or a third party not contractually related to Airline or resulting from a condition existing prior to Airline's first occupancy of the Leased Premises.

Section 14.20 Covenant Not to Grant More Favorable Terms

City shall not enter into any lease, contract or other agreement with any other airline providing service at the Airport which contains any rates, charges and/or terms more favorable to such airline than the rates and charges payable hereunder by the Airline or terms unless the City also makes those more favorable terms available to the Airline; provided, however, that this Section shall not be applicable to charges for the use of the Airport on a "per use" basis and provided further that this Section shall not be applicable for any waiver of rental, fees and charges for a limited period of time that may be implemented by City in compliance with U.S. Department of Transportation guidelines concerning the use of airport revenue.

Section 14.21 Interpretation of Provisions

Nothing herein contained shall be construed or interpreted, in any manner whatsoever, as limiting, relinquishing or waiving any of the rights of ownership enjoyed by City in and to Airport property, or in any manner waiving or limiting City's control over the operation, maintenance, etc., of Airport property or in derogation of such governmental rights as City possesses, except as is specifically set forth herein.

Section 14.22 Interpretation of Agreement

The parties acknowledge that this Agreement in its final form is the result of the combined efforts of the parties and that, should any provision of this Agreement be found to be ambiguous in any way, such ambiguity shall not be resolved by construing this Agreement in favor or against any party, but rather by construing the terms in accordance with their generally accepted meaning.

Section 14.23 Cumulative Remedies

No remedy or election hereunder shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.

Section 14.24 Non-Solicitation

Airline represents and warrants that it has not paid or agreed to pay any compensation, contingent or otherwise, to solicit or procure this Agreement or any rights/benefits hereunder.

Section 14.25 Precedence of Documents

In the event of any conflict between the body of this Agreement and any Exhibit or Attachment hereto, the terms and conditions of the body of this Agreement shall control and take precedence over the terms and conditions expressed within the Exhibit or Attachment. Furthermore, any terms or conditions contained within any Exhibit or Attachment hereto which purport to modify the allocation of risk between the parties, provided for within the body of this Agreement, shall be null and void.

Section 14.26 Entire Agreement

This Agreement, together with all exhibits, documents and instruments attached hereto and incorporated herein, constitutes the entire agreement between the parties hereto, and all other representations or statements heretofore made, verbal or written, are merged herein, and this Agreement may be amended only in writing, and executed by duly authorized representatives of the parties hereto.

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ARTICLE 15: SIGNATURE

IN WITNESS WHEREOF, City has caused this Agreement to be executed and issued by its Director of Aviation, and Airline, by the signature(s) of its duly authorized officer(s) hereunto below affixed, has accepted this Agreement and acknowledged and/or agreed to all of the terms, covenants, conditions, warranties, agreements, and provisions herein contained, as of the day and year first above written.

CITY OF FRESNO, CALIFORNIA
A Municipal Corporation

DELTA AIR LINES, INC.
A Delaware Corporation

By: _____
Kevin R. Meikle
Director of Aviation (Interim)

By: _____

Title: _____

Address for Notice:
City of Fresno
Airports Department
4995 E. Clinton Way
Fresno, CA 93727

Delta Air Lines, Inc.
Vice President, Corporate Real Estate
Department 877
4030 Delta Boulevard
Atlanta, GA 30354

ATTEST:
Yvonne Spence, CMC
City Clerk

By: _____
Deputy

APPROVED AS TO FORM:
Francine M. Kanne
City Attorney, Interim

By: _____
Robert Abrams, Deputy

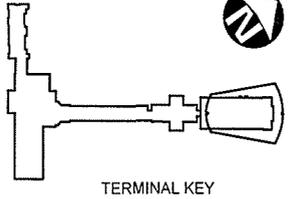
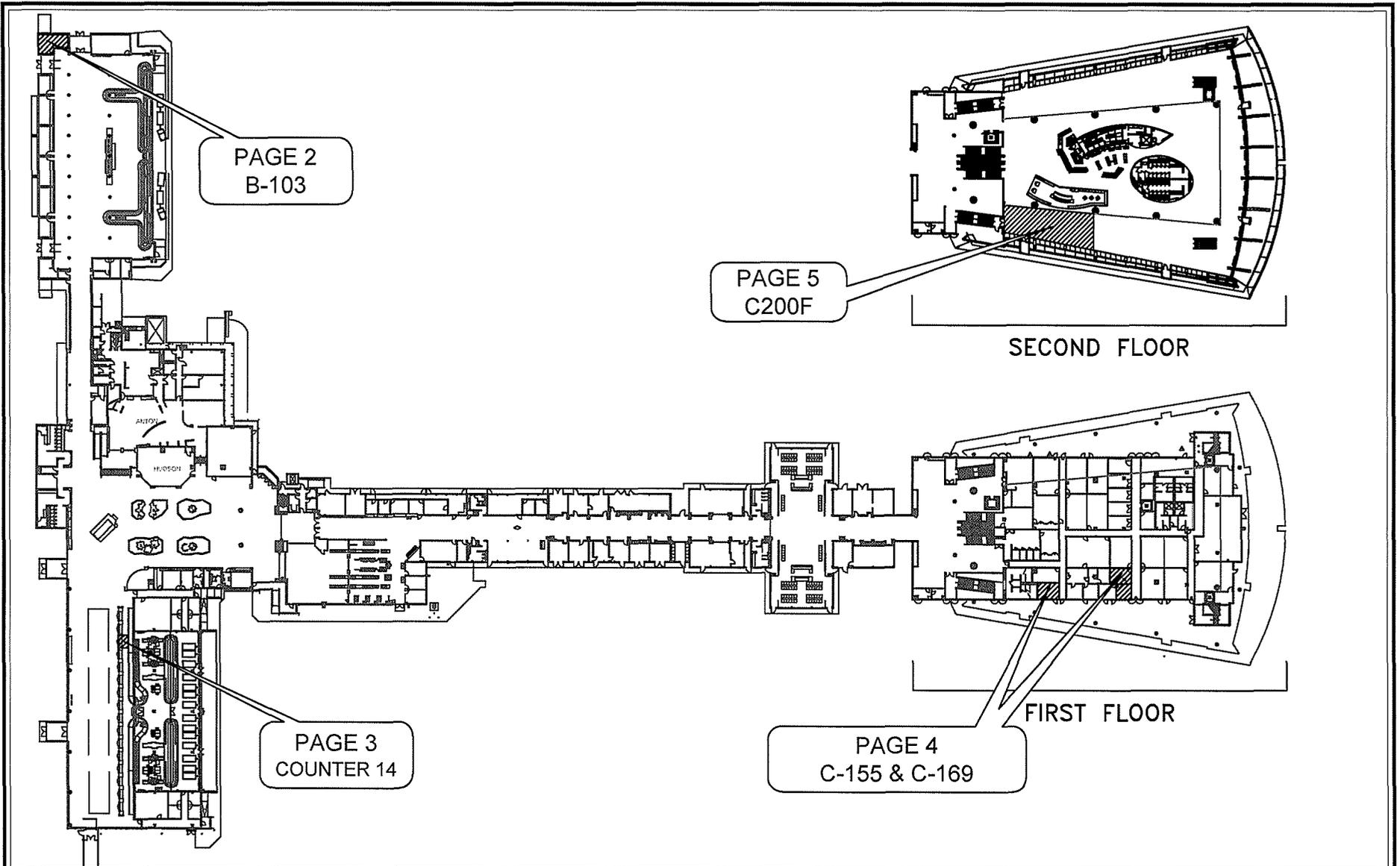
Attachments:

- Exhibit A Leased Premises Terminal Building
- Exhibit B Terminal Common Use Area
- Exhibit C Operation and Maintenance Responsibilities
- Exhibit D Affiliates, Subsidiaries and Code Share Partners
- Exhibit E FAA Assurances
- Exhibit F Monthly Operations Report

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EXHIBIT "A"

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TERMINAL KEY

DEPARTMENT OF AIRPORTS
 DIRECTOR OF AVIATION (INTERIM)
 KEVIN R. MEIKLE, ARCHITECT

FRESNO YOSEMITE INTERNATIONAL AIRPORT

CITY OF FRESNO
 DEPARTMENT OF AIRPORTS
 4995 EAST CLINTON WAY
 FRESNO, CALIFORNIA 93727
 PHONE: 559-621-4500

FRESNO YOSEMITE INTERNATIONAL AIRPORT

TERMINAL COMPLEX
 DELTA LEASES LOCATIONS

J:\ARCHIVE\25A\25A00400.DWG

KRA NO. _____
 FUND NO. _____
 ORG NO. _____
 ACTIVITY _____
 PROJECT I.D. _____

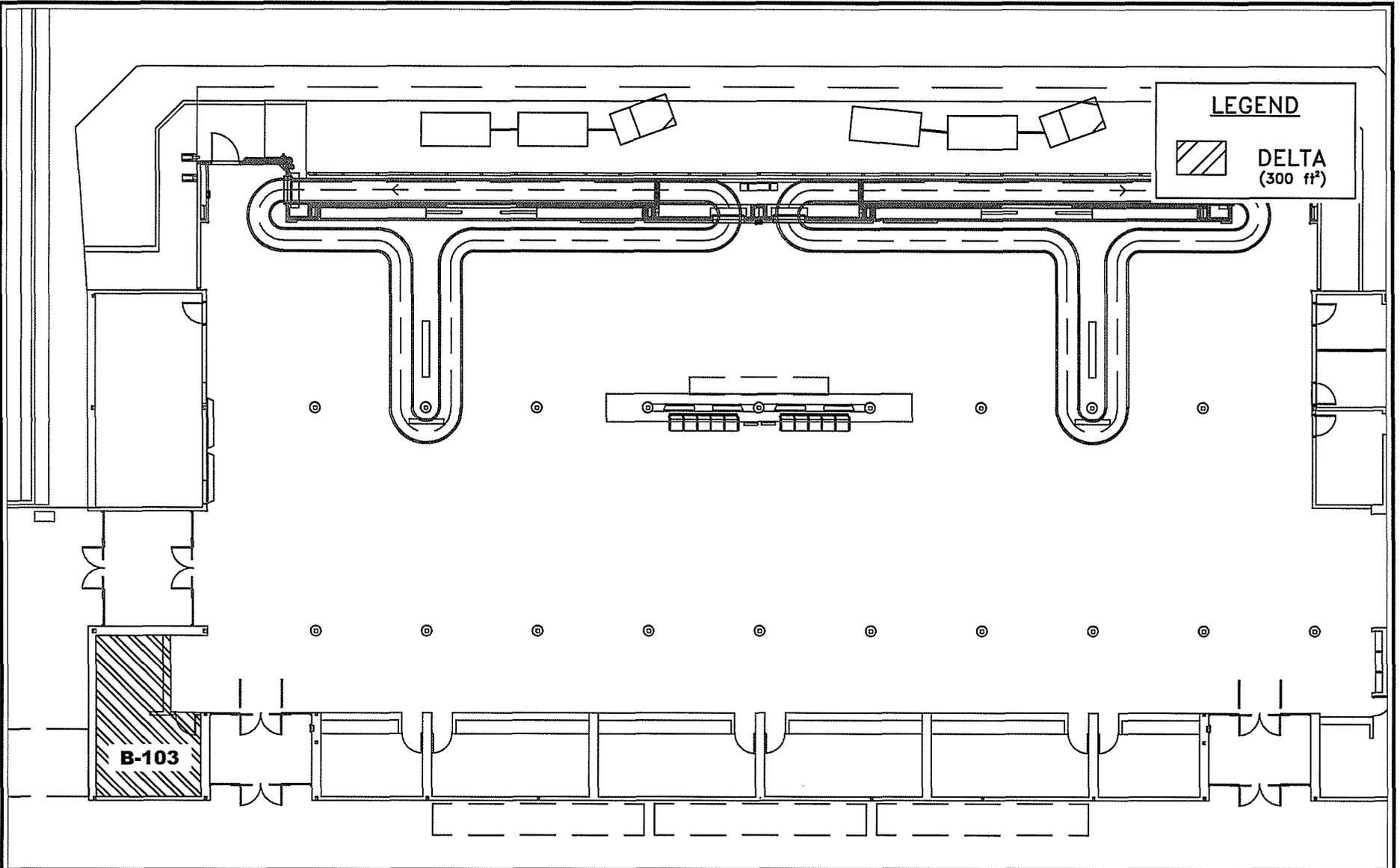
CONST. ENG. _____
 CITY DESIGN ENG. _____

DR. BY: LNS
 CH. BY: MGP
 DATE: 8-20-12
 SCALE: N/A

REVISIONS/REFERENCE
 REV NO. 1-1/24/2013, DJY

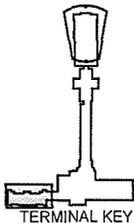
APPROVED
 OFFICE ENG. _____

CITY DRAWING NO. 25-A-400
 SHEET NO. 1
 OF 5 SHEETS



LEGEND
 DELTA
 (300 ft²)

B-103



DEPARTMENT
OF AIRPORTS
 DIRECTOR OF AVIATION (INTERIM)
 KEVIN R. MEIKLE, ARCHITECT
 FRESNO YOSEMITE
INTERNATIONAL AIRPORT
 CITY OF FRESNO
 DEPARTMENT OF AIRPORTS
 4985 EAST CLINTON WAY
 FRESNO, CALIFORNIA 93727
 PHONE: 559-621-4500

FRESNO YOSEMITE INTERNATIONAL AIRPORT

**TERMINAL BAGGAGE CLAIM
 DELTA LEASE (B-103)**

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KRA NO. _____
 FUND NO. _____
 ORG NO. _____
 ACTIVITY _____
 PROJECT I.D. _____

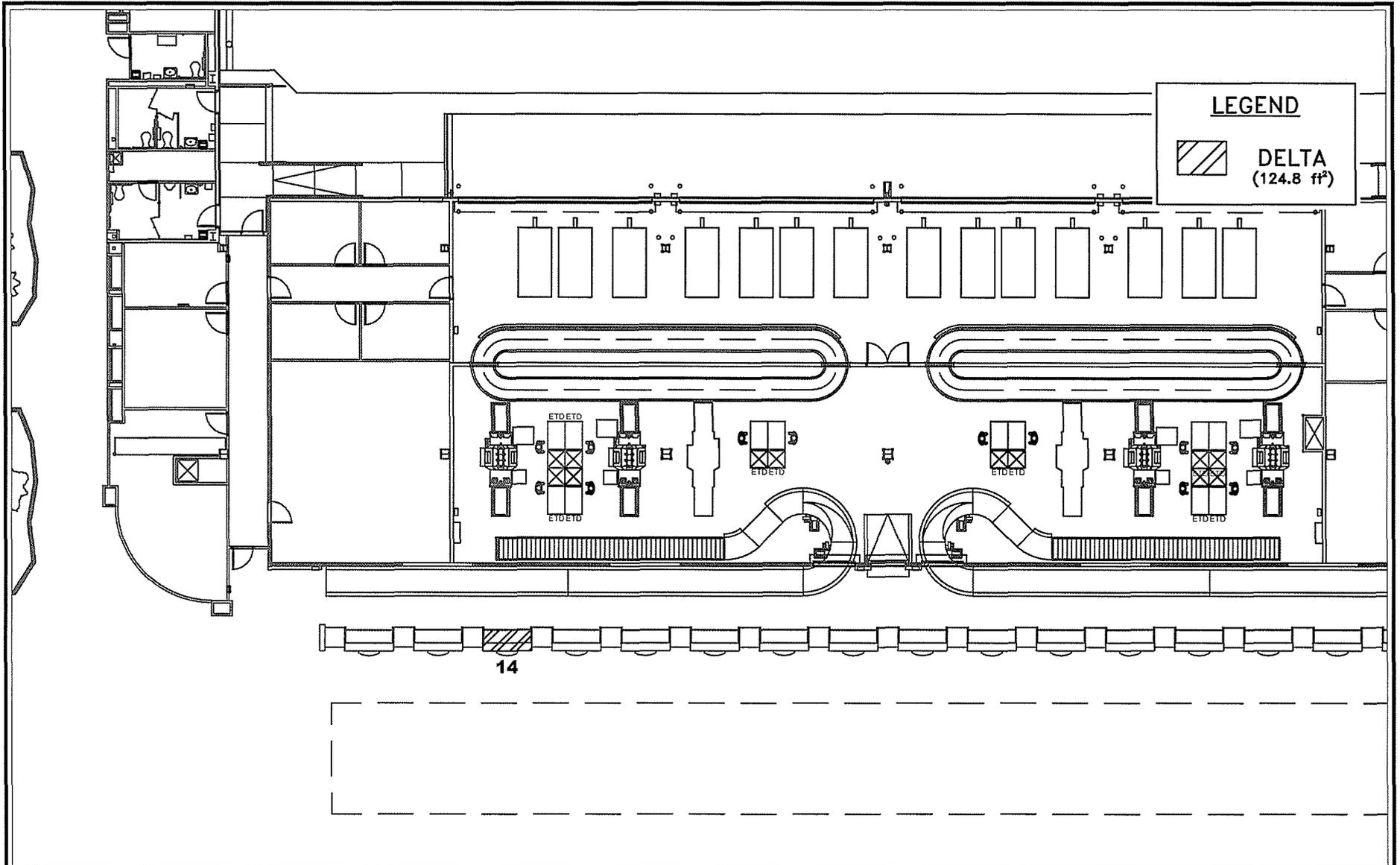
REVISIONS/REFERENCE
 REV NO. _____

CONST. ENG. _____
 CITY DESIGN ENG. _____

APPROVED
 OFFICE ENG. _____

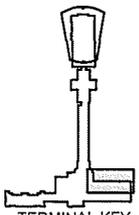
DR. BY: LNS
 CH. BY: MGP
 DATE: 8-20-12
 SCALE: 1" = 20'

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 OF 5 SHEETS

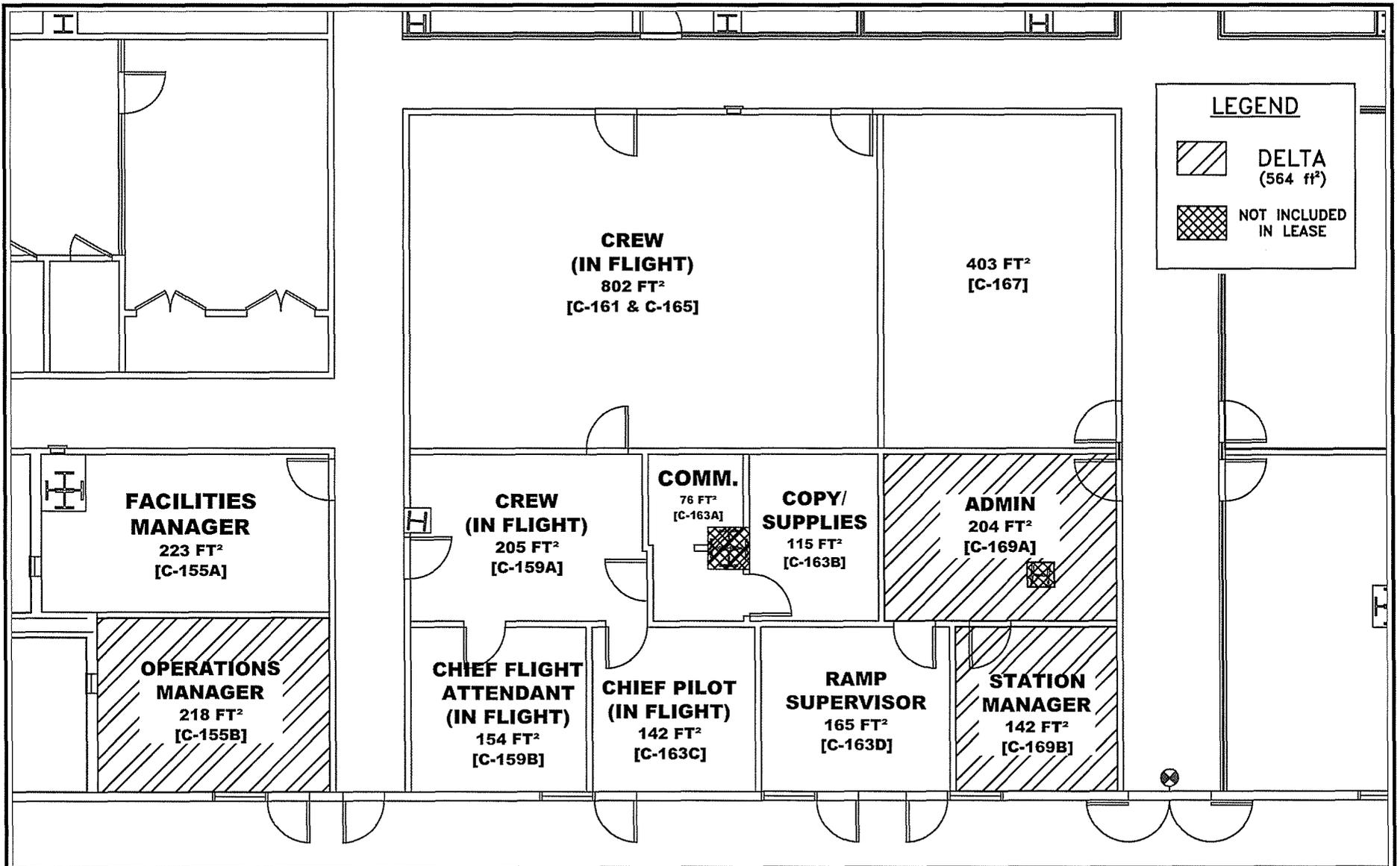


LEGEND
 DELTA
 (124.8 ff²)

14

  TERMINAL KEY	DEPARTMENT OF AIRPORTS DIRECTOR OF AVIATION (INTERIM) KEVIN R. MEKLE, ARCHITECT	FRESNO YOSEMITE INTERNATIONAL AIRPORT TERMINAL TICKETING LOBBY DELTA LEASE (TICKET COUNTERS 14-A & 14-B)	KRA NO. _____ FUND NO. _____ ORG NO. _____ ACTIVITY _____ PROJECT I.D. _____	REVISIONS/REFERENCE REV NO. _____
	 FRESNO YOSEMITE INTERNATIONAL AIRPORT CITY OF FRESNO DEPARTMENT OF AIRPORTS 4995 EAST CLINTON WAY FRESNO, CALIFORNIA 93727 PHONE: 559-621-4500	J:\ARCHIVE\25A\25A00400.DWG	CONST. ENG. _____ CITY DESIGN ENG. _____	APPROVED OFFICE ENG. _____

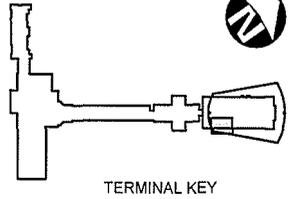
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 CH. BY: MGP
 DATE: 8-20-12
 SCALE: 1" = 20'



LEGEND

 DELTA (564 ft²)

 NOT INCLUDED IN LEASE



TERMINAL KEY

DEPARTMENT OF AIRPORTS
 DIRECTOR OF AVIATION (INTERIM)
 KEVIN R. MEIKLE, ARCHITECT

 FRESNO YOSEMITE INTERNATIONAL AIRPORT

CITY OF FRESNO
 DEPARTMENT OF AIRPORTS
 4995 EAST CLINTON WAY
 FRESNO, CALIFORNIA 93727
 PHONE: 559-621-4500

FRESNO YOSEMITE INTERNATIONAL AIRPORT

**FIRST FLOOR TERMINAL
 CONCOURSE DELTA LEASE
 (C-155 & C-169)**

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KRA NO. _____
 FUND NO. _____
 ORG NO. _____
 ACTIVITY _____
 PROJECT I.D. _____

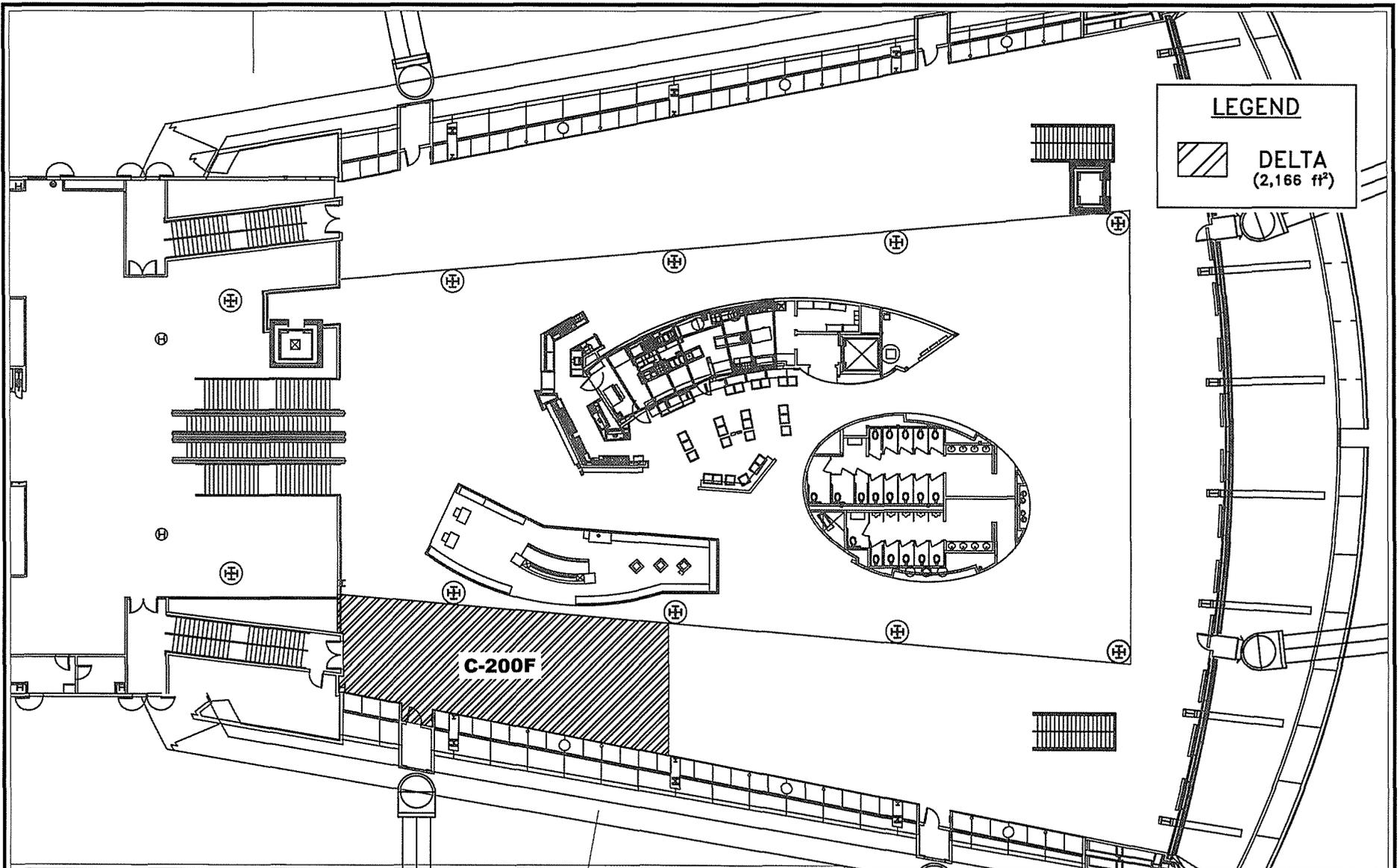
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 CITY DESIGN ENG. _____

DR. BY: LNS
 CH. BY: MGP
 DATE: 8-20-12
 SCALE: 1" = 10'

REVISIONS/REFERENCE
 REV NO. 1-1/24/2013, DJY

APPROVED
 OFFICE ENG. _____

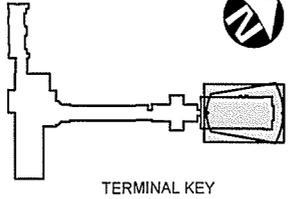
CITY DRAWING NO. 25-A-400
 SHEET NO. **4**
 OF 5 SHEETS



LEGEND

 **DELTA**
(2,166 ff²)

C-200F



DEPARTMENT
OF AIRPORTS

DIRECTOR OF AVIATION (INTERIM)
KEVIN R. MEIKLE, ARCHITECT

 FRESNO YOSEMITE
INTERNATIONAL AIRPORT

CITY OF FRESNO
DEPARTMENT OF AIRPORTS
4995 EAST CLINTON WAY
FRESNO, CALIFORNIA 93727
PHONE: 559-621-4500

FRESNO YOSEMITE INTERNATIONAL AIRPORT

**SECOND FLOOR TERMINAL
CONCOURSE DELTA LEASE
(C-200F)**

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KRA NO. _____
FUND NO. _____
ORG NO. _____
ACTIVITY _____
PROJECT I.D. _____

CONST. ENG. _____
CITY DESIGN ENG. _____

DR. BY: LNS
CH. BY: MGP
DATE: 8-20-12
SCALE: 1" = 10'

REVISIONS/REFERENCE
REV NO. _____

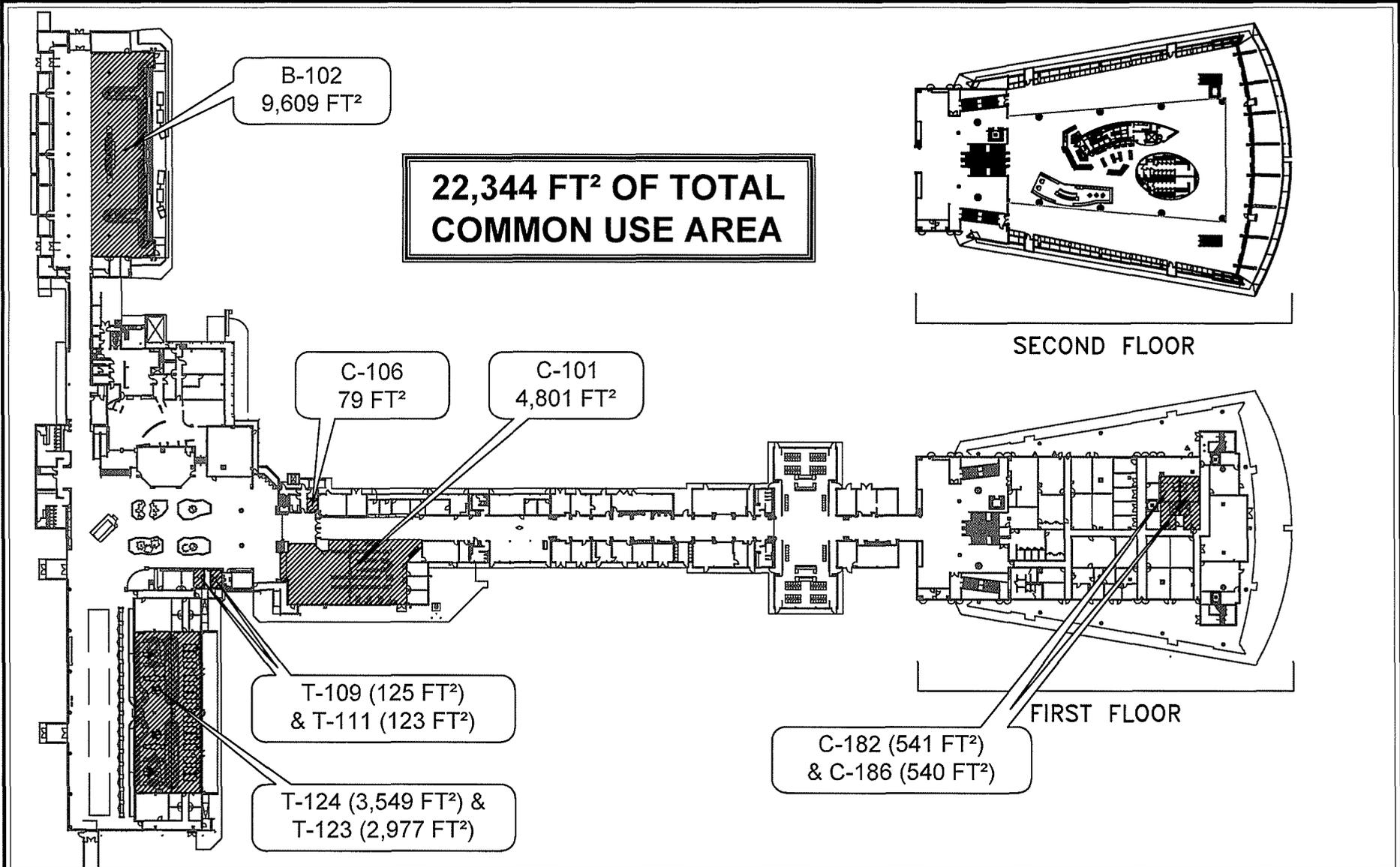
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OFFICE ENG. _____

CITY DRAWING NO. 25-A-400
SHEET NO. **5**
OF 5 SHEETS

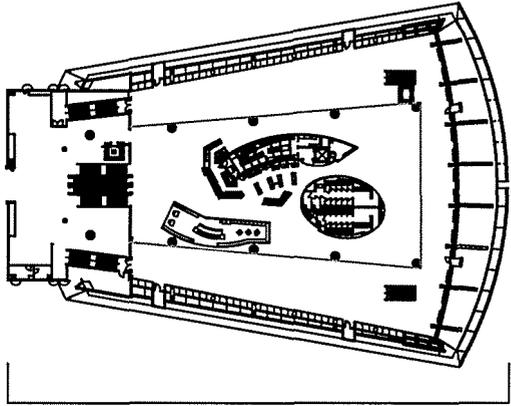
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EXHIBIT "B"

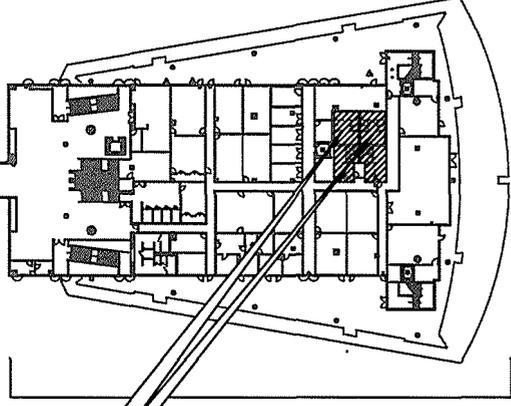
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**22,344 FT² OF TOTAL
COMMON USE AREA**



SECOND FLOOR



FIRST FLOOR

B-102
9,609 FT²

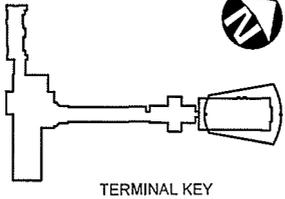
C-106
79 FT²

C-101
4,801 FT²

T-109 (125 FT²)
& T-111 (123 FT²)

T-124 (3,549 FT²) &
T-123 (2,977 FT²)

C-182 (541 FT²)
& C-186 (540 FT²)



TERMINAL KEY

DEPARTMENT
OF AIRPORTS
DIRECTOR OF AVIATION (INTERIM)
KEVIN R. MEIKLE, ARCHITECT
FRESNO YOSEMITE
INTERNATIONAL AIRPORT
CITY OF FRESNO
DEPARTMENT OF AIRPORTS
4995 EAST CLINTON WAY
FRESNO, CALIFORNIA 93727
PHONE: 559-621-4500

FRESNO YOSEMITE INTERNATIONAL AIRPORT

TERMINAL CONCOURSE
COMMON USE LOCATIONS

J:\ARCHIVE\25A\25A00406.DWG

KRA NO. _____
FUND NO. _____
ORG NO. _____
ACTIVITY _____
PROJECT I.D. _____

REVISIONS/REFERENCE
REV NO.

CONST. ENG. _____
CITY DESIGN ENG. _____
DR. BY: LNS
CH. BY: MGP
DATE: 8-20-12
SCALE: N/A

APPROVED
OFFICE ENG. _____
CITY DRAWING NO. 25-A-406
SHEET NO. 1
OF 1 SHEETS

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EXHIBIT "C"

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Exhibit “C”

OPERATIONS AND MAINTENANCE RESPONSIBILITIES FRESNO YOSEMITE INTERNATIONAL AIRPORT

Joint Use and
Preferential Use

Item	Exclusive Use and Shared Use	Common Use	Hold Rooms	Aircraft Parking Areas
1. Air conditioning a. Maintenance b. Operation	FYI FYI	FYI FYI	FYI FYI	FYI FYI
2. Heating a. Maintenance b. Operation	FYI FYI	FYI FYI	FYI FYI	FYI FYI
3. Lighting a. Maintenance b. Bulb replacement	Airline Airline	FYI FYI	FYI FYI	FYI FYI
4. Electrical a. Maintenance b. Usage	FYI (a) Airline	FYI FYI, Airline (b)	FYI FYI	FYI FYI, Airline (b)
5. Water a. Operation b. Distribution c. Fixtures d. Usage	FYI FYI FYI Airline	FYI FYI FYI FYI	FYI FYI FYI FYI	FYI FYI FYI FYI
6. Sewage a. Operation b. Distribution c. Fixtures d. Usage	FYI FYI FYI Airline	FYI FYI FYI FYI	FYI FYI FYI FYI	FYI FYI FYI FYI
7. Restrooms a. Maintenance b. Janitorial	FYI Airline	FYI FYI	FYI FYI	FYI FYI
8. Building maintenance a. Structural b. Non-Structural c. Exterior	FYI Airline FYI	FYI FYI FYI	FYI FYI FYI	FYI FYI FYI
9. Ramp a. Sweeping b. Maintenance/Repair	N/A N/A	N/A N/A	N/A N/A	Airline (c) FYI

Joint Use and
Preferential Use

Item	Exclusive Use and Shared Use	Common Use	Hold Rooms	Aircraft Parking Areas
10. Custodial/Trash	Airline	FYI	FYI	Airline
11. Window cleaning				
a. Exterior	FYI	FYI	FYI	FYI
b. ¹ Interior	Airline	FYI	FYI	FYI
12. Access Control	Airline, FYI	FYI	N/A	FYI
13. Equipment				
a. Signage	Airline	FYI	FYI, Airline (d)	N/A
b. MUFIDs	N/A	FYI	FYI	N/A
c. Loading Bridges	N/A	FYI	N/A	FYI
d. Baggage Belts	N/A	FYI	FYI	FYI
e. Outgoing baggage	N/A	N/A	FYI	FYI
f. CUTE Systems	N/A	FYI	FYI	FYI
14. Painting/decorating				
a. Exterior	FYI	FYI	FYI	N/A
b. Interior	Airline	FYI	FYI	N/A
c. Ceiling	Airline	FYI	FYI	N/A

-
- (a) Airline is responsible for any electrical fixtures or services installed by Airline.
 - (b) Electrical usage consists of ground power for aircraft. Airline is responsible for any electrical fixtures or services installed by Airline.
 - (c) Airline is responsible for cleaning debris on ramp from terminal building to a point 20 feet beyond the tail of the aircraft. City maintains the runway, taxiways, and balance of the ramp on the airfield area.
 - (d) Airline must apply for and receive approval from City prior to any sign installation.

Note: All areas not part of Airline's leased premises will be City's responsibility; however, City will not be responsible for any systems or services installed by Airline unless otherwise agreed to by the parties in writing prior to installation.

EXHIBIT "D"

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FRESNO YOSEMITE
INTERNATIONAL AIRPORT

Listing of Airlines Affiliates, Subsidiaries, and Code Share Partners:

Airline Name: _____

1. _____

2. _____

3. _____

4. _____

5. _____

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EXHIBIT "E"

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ASSURANCES REQUIRED BY THE FEDERAL AVIATION ADMINISTRATION
(August 1998 Edition)

SECTION A
PURPOSE, CLASSES OF ACTIVITIES, APPLICABILITY OF ASSURANCES
AND
DEFINITION OF TERMS

1. PURPOSE:

The City of Fresno, California, an airport owner subject to both Federal Grant Agreement obligations and terms, covenants and conditions of Surplus Property Instruments of Disposal at the Fresno Yosemite International Airport (FYI) and Federal Grant Agreement obligations at Fresno-Chandler Downtown Airport (FCH), is required by the Federal Aviation Administration (FAA) to include specific provisions, addressing, among other things, the requirements of Title VI of the Civil Rights Act of 1964, Exclusive Rights prohibitions, and Affirmative Action items contained in Title 14 Code of Federal Regulations Part 152, within all agreements (including, without limitation, leases, licenses, permits, and contracts) between said City and any and all entities who use or perform work or conduct activities on City-owned airport premises for aeronautical or non-aeronautical purposes; therefore, the purpose of this Exhibit is to appropriately incorporate within the "Agreement," to which it is attached and made a part of by reference therein, the sixteen (16) numbered provisions contained within Section "B", "ASSURANCES," below.

2. CLASSES OF ACTIVITIES:

The applicability of each of the sixteen (16) numbered provisions contained within Section "B," "ASSURANCES," below, to that certain "Agreement" to which this Exhibit is attached and made a part of by reference therein, is, among other things, dependent upon the type of work to be performed and/or the type of activities to be conducted at the airport(s) by the Lessee, Permittee, Licensee, Operator, etc., named therein, pursuant to and in accordance with those certain rights, privileges, uses, and operations, expressly granted and/or authorized thereunder; therefore, the following activity classifications, as established by the FAA, are provided for the information and guidance of all concerned:

a. Direct and Supportive Aeronautical: The following activities, commonly conducted on airports, are AERONAUTICAL ACTIVITIES:

- (1) Air Carrier
- (2) Charter Operations
- (3) Pilot Training
- (4) Aircraft rental and sightseeing
- (5) Aerial Photography
- (6) Crop dusting
- (7) Aerial Advertising and Surveying
- (8) Aircraft Sales and Services
- (9) Sale of Aviation Petroleum products (whether or not conducted in conjunction with other included activities)
- (10) Repair and Maintenance of Aircraft
- (11) Sale of Aircraft Parts

- (12) Any other activities which, because of their direct relationship to the operation of an aircraft, can appropriately be regarded as an "aeronautical activity."

b. **Complimentary Aeronautical:** The following activities, when conducted on airports, are COMPLIMENTARY AERONAUTICAL ACTIVITIES:

- (1) Ground Transportation (taxis, car rentals, limousines)
- (2) Restaurants
- (3) Barber Shops
- (4) Auto Parking Lots
- (5) Recreational Facilities
- (6) Any other commodities, services or accommodations made available to the general public.

c. **Non-Aeronautical:** The following activities, when conducted on airports, being neither "Direct and Supportive Aeronautical" nor "Complimentary Aeronautical," as defined above, are NON-AERONAUTICAL ACTIVITIES.

- (1) Manufacturing
- (2) Agriculture
- (3) Any other activity not appropriately falling within the abovesaid "Direct and Supportive Aeronautical" and/or "Complimentary Aeronautical" classifications.

3. APPLICABILITY OF NUMBERED PROVISIONS WITHIN SECTION "B," "ASSURANCES," BELOW TO CLASS(ES) OF ACTIVITIES SPECIFIED WITHIN PARAGRAPH 2, ABOVE:

The applicability of the numbered provisions within Section "B," "Assurances," below, to the respective classes of activities specified within subparagraphs 2a, b, and c, of this Section "A," above, is as follows:

<u>ACTIVITY CLASS</u>	<u>NUMBERED PROVISIONS APPLICABLE TO CLASS</u>	
	<u>FYI AGREEMENTS</u>	<u>FCH AGREEMENTS</u>
Direct and Supportive Aeronautical	1 thru 16	1 thru 15
Complimentary Aeronautical	1 thru 14 & 16	1 thru 14
Non-Aeronautical	1 thru 14 & 16	1 thru 14

4. DEFINITION OF TERMS USED WITHIN SECTION "B," "ASSURANCES," BELOW

In order to facilitate ease of fulfillment of the requirement specified within paragraph 1 of this Section "A," this Exhibit is designed to be attached to and made a part of all City of Fresno Airport's "Agreements," including, without limitation, leases, licenses, permits, contracts, etc.; therefore, in the event the "Agreement" to which this Exhibit is attached and made a part of by reference therein shall be other than a lease or be a lease within which the parties thereto are therein called or referred to other than "Lessor" and "Lessee," then, where the terms "LESSOR," "LESSEE," and "LEASE" appear, as shown, within the sixteen (16) numbered "ASSURANCES" listed within Section "B," below, said terms shall be deemed to mean "CITY OF FRESNO, CALIFORNIA," "THE OTHER PARTY TO THE PARTICULAR AGREEMENT" (e.g., Licensee, Permittee, Concessionaire, Operator, etc.), and the "AGREEMENT" itself (regardless of title, type and/or description, including, without limitation, Leases, Agreements, Licenses, Permits, and Contracts) respectively; and where the terms "LAND LEASE" and "LEASED PREMISES"

(and all the terms "LAND LEASED" and "LEASED PREMISES" (and all reasonably readily identifiable derivations thereof) appear, said terms shall be deemed to mean the land(s) and/or premises specifically identified within the "Agreement" as being that/those to which leasehold interests are expressly granted and/or those in, upon, to and/or from which tenancies, occupancies, use(s), operation(s), and/or access(es) by the Lessee, Permittee, Licensee, Operator, Concessionaire, etc., are expressly authorized. In all cases, where the term "AIRPORT" appears, as shown, it shall be deemed to mean the particular airport(s) (i.e., either the Fresno Yosemite International Airport or the Fresno-Chandler Downtown Airport, or both) as identified within the "Agreement" between the parties as being the Airport(s) to which the "Agreement" pertains.

SECTION B **ASSURANCES**

1. The "LESSEE," for itself, its 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 if the "Agreement" to which this Exhibit is attached is a lease) that in the event facilities are constructed, maintained, or otherwise operated on the said property described in this "LEASE" for a purpose for which a U.S. Department of Transportation (DOT) program or activity is extended or for another purpose involving the provision of similar services or benefits, the "LESSEE" shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, DOT, Sub-title A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

2. The "LESSEE," for itself, its 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 if the agreement to which this Exhibit is attached is a lease) 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 said facilities, (2) that in the construction of any improvements on, over, or under such land and the furnishing of services there on, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subject to discrimination, (3) that the "LESSEE" shall use the "premises" in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Non-discrimination in Federally-Assisted Programs of the Department of Transportation Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

3. That in the event of breach of any of the above nondiscrimination covenants, "LESSOR" shall have the right to terminate the "LEASE" and to reenter and repossess said land and the facilities thereon, and hold the same as if said "LEASE" had never been made or issued. This provision does not become effective until the procedures of 49 CFR Part 21 are followed and completed including expiration of appeal rights.

4. "LESSEE" 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; PROVIDED, THAT the "LESSEE" may be allowed to make reasonable and nondiscriminatory discounts, rebates or other similar type of price reductions to volume purchasers.

5. Non-compliance with Provision 4 above shall constitute a material breach thereof and in the event of such non-compliance the CITY OF FRESNO, CALIFORNIA ("LESSOR") shall have the right to terminate this "LEASE" and the estate hereby created without liability therefor or at the election of the "LESSOR" or the United States either or both said Governments shall have the right to judicially enforce Provisions 1, 2, 3 and 4 above.

6. "LESSEE" agrees that it shall insert the above five (5) provisions in any lease, agreement, contract, etc., by which "LESSEE" grants a right or privilege to any person, firm or corporation to render accommodations and/or services to the public on the "premises" herein "LEASED."

7. The "LESSEE" assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to ensure that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, Sub-part E. The "LESSEE" assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart. The "LESSEE" assures that it will require that its covered suborganizations provide assurances to the "LESSEE" that they similarly will undertake affirmative action programs and that they will require assurances from their suborganizations, as required by 14 CFR 152, Subpart E, to the same effect.

8. The "LESSOR" reserves the right to further develop or improve the landing area of the "Airport" as it sees fit, regardless of the desires or view of the "LESSEE" and without interference or hindrance.

9. The "LESSOR" reserves the right, but shall not be obligated to the "LESSEE" to maintain and keep in repair the landing area of the "Airport" and all publicly-owned facilities of the "Airport," together with the right to direct and control all activities of the "LESSEE" in this regard.

10. This "LEASE" shall be subordinate to the provisions and requirements of any existing or future agreement between the "LESSOR" and the United States, relative to the development, operation or maintenance of the "Airport."

11. There is hereby reserved to the "LESSOR," its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the "premises" herein "LEASED." This public right of flight shall include the right to cause in said airspace any noise inherent in the operation of any aircraft used for navigation or flight through the said airspace or landing at, taking off from or operation on the "Airport."

12. "LESSEE" agrees to comply with the notification and review requirements covered in Part 77 of the Federal Aviation Regulations in the event future construction of a building is planned for the "LEASED PREMISES," or in the event of any planned modification or alteration of any present or future building or structure situated on the "LEASED PREMISES."

13. The "LESSEE," by accepting this "LEASE," expressly agrees for itself, its successors and assigns that it will not erect nor permit the erection of any structure or object, nor permit the growth of any tree on the "land leased" hereunder which would exceed the height limits of Part 77 of the Federal Aviation Regulations. In the event the aforesaid covenants are breached, "LESSOR" (the owner) reserves the right to enter upon the "land leased" hereunder and to

remove the offending structure or object and cut the offending tree, all of which shall be at the expense of the "LESSEE."

14. The "LESSEE," by accepting this "LEASE," agrees for itself, its successors and assigns, that it will not make use of the "LEASED PREMISES" in any manner which might interfere with the landing and/or taking off of aircraft at and/or from the "AIRPORT" (either the Fresno Yosemite International Airport or the Fresno-Chandler Downtown Airport, or both, as applicable) or otherwise constitute a hazard. In the event the aforesaid covenant is breached, the "LESSOR" (owner) reserves the right to enter upon the "premises hereby leased" and cause the abatement of such interference at the expense of the "LESSEE."

15. It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right within the meaning of Section 308a of the Federal Aviation Act of 1958 (49 U.S.C. 1349a).

16. This "LEASE" and all the provisions hereof shall be subject to whatever right the United States Government now has or in the future may have or acquire, affecting the control, operation, regulation and taking over of said "AIRPORT" or the exclusive or non-exclusive use of the "AIRPORT" by the United States during the time of war or national emergency.

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EXHIBIT "F"

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FRESNO YOSEMITE INTERNATIONAL SIGNATORY AIRLINES MONTHLY OPERATIONS REPORT

AIRLINE NAME: _____	For Period: _____ <div style="text-align: right; font-size: small;">(Month) (Year)</div>
---------------------	---

SECTION A: STATISTICAL INFORMATION	(1) - ENPLANED	(2) - DEPLANED	(3) - TOTAL
1 Passengers (Scheduled)	-	-	-
2 Passengers (On-Line Charters)	-	-	-
3 Passengers (NON-REV)	-	-	-
4 Air Mail (In Pounds)	-	-	-
5 Air Freight/Express (In Pounds)	-	-	-

SECTION B: LANDING INFORMATION - SCHEDULED FLIGHTS							
Type Aircraft Flown (Make/Model/Series)	# PAX Flt. Landings	MCGL Wt. of Aircraft	Total Aircraft Wt.	Rate per 1,000 lbs.	Calculated Landing Fees	Min. Fee - \$18.23 Per Landing	Landing Fees Due
1 _____	-	-	-	x \$2.35/1,000=	\$ -	0	\$ -
2 _____	-	-	-	x \$2.35/1,000=	\$ -	0	\$ -
3 _____	-	-	-	x \$2.35/1,000=	\$ -	0	\$ -
4 _____	-	-	-	x \$2.35/1,000=	\$ -	0	\$ -
5 _____	-	-	-	x \$2.35/1,000=	\$ -	0	\$ -
Total:						-	\$ -

Landing Fees Due: If the minimum fee exceeds calculated fee for an individual aircraft type. Pay the minimum fee

SECTION C: LANDING INFORMATION - TRAINING FLIGHTS					
Type Aircraft Flown (Make/Model/Series)	Total Landings	MCGL Wt. of Aircraft	Total Aircraft Wt.	Rate per 1,000 lbs.	Landing Fees Due
1 _____	-	-	0	x \$1.18/1,000=	\$ -
2 _____	-	-	0	x \$1.18/1,000=	\$ -
3 _____	-	-	0	x \$1.18/1,000=	\$ -
Total:					\$ -

SECTION D: STORAGE/RON FEES - APPLICABLE TO AIRCRAFT PARKED IN EXCESS OF 4 HOURS									
Type Aircraft Stored (Make/Model/Series)	Rate D/M	Actual # Days Stored	# of Days Used for Calculation (10+ - Enter 10)	MCGL Wt. of Aircraft	Rate per 1,000 lbs.	Calculated Storage Fees	Min. Fee \$24.48/Day \$244.80/Mo	Storage Fees Due	
1 _____	-	-	-	-	x \$1.18/1,000=	\$ -	-	-	
2 _____	-	-	-	-	x \$1.18/1,000=	\$ -	-	-	
Total:								\$ -	

Rates: Daily (D) = 4-24 Hours, Monthly (M) = 10+ Days

Storage Fees Due: If the minimum fee (\$24.48/day, \$244.80/month) exceeds the calculated fee for an individual aircraft type, pay the minimum fee.

SECTION E: AIRPORT SECURITY REIMBURSEMENT			SECTION F: AIRLINE TERMINAL EQUIPMENT CHARGE		
Number of Scheduled Passengers Enplaned	Rate Per Enplanement	Total Security Reimbursement	Number of Scheduled Passengers Enplaned	Rate Per Enplanement	Total Airline Equipment Charge
-	x \$ 1.00	= \$ -	-	x \$ 0.30	= \$ -

SUMMARY OF FEES DUE	This Report Prepared and Submitted By:
Total Due Section B : \$ -	_____
Total Due Section C : \$ -	_____
Total Due Section D : \$ -	_____
Total Due Section E : \$ -	_____
Total Due Section F : \$ -	_____
Total Fees Due : \$ -	_____

SUBMIT REPORT BY THE 10TH DAY OF MONTH. FOR THE PRIOR MONTH REPORT MUST BE COMPLETE AND SIGNED
PLEASE MAKE CHECK PAYABLE TO THE CITY OF FRESNO, AND REMIT WITH THIS REPORT TO: City of Fresno - Airports 4995 East Clinton Way, Fresno, CA 93727-1525
MCGL Wt. = Maximum Gross Certificated Landing Weight

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FRESNO-YOSEMITE INTERNATIONAL AIRPORT
AIRLINE OPERATIONS AGREEMENT

By and Between

CITY OF FRESNO,
A MUNICIPAL CORPORATION

And

UNITED AIR LINES, INC.
A DELAWARE CORPORATION

Dated

January 2013

Draft - Subject to Final Approvals to Form by City Attorney

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This Airline Operating Agreement (hereinafter referred to as the "Agreement") is made and entered into this _____ day of January, 2013, by and between the City of Fresno, a municipal corporation, (hereinafter referred to as "City") and, United Air Lines, Inc., a Delaware Corporation admitted in good standing to do business in California, hereinafter referred to as "Airline".

RECITALS

WHEREAS, City is the owner and operator of Fresno Yosemite International Airport located in the City of Fresno, County of Fresno, State of California, hereinafter referred to as "Airport"; and

WHEREAS, City desires to lease to Airline certain facilities located at Airport in accordance with the terms, covenants, and conditions hereinafter set forth in this Agreement including incorporated exhibits, documents and instruments; and

WHEREAS, Airline is engaged in the business of transportation of persons, property, or mail by air, and desires to use certain facilities at the Airport, and lease from City certain premises and facilities in connection with its use of the Airport in accordance with the terms, covenants, and conditions hereinafter set forth in this Agreement including incorporated exhibits, documents and instruments; and

WHEREAS, the Lessee wishes to occupy certain spaces within the Passenger Air Terminal as shown in Exhibits "A" and "B" attached hereto this lease, and

NOW THEREFORE, in accordance with Chapter 5, Article 4, of the Fresno Municipal Code, and subject to all of the terms, conditions and limitations contained within said Chapter of said Article, all of which are incorporated herein by reference, and in consideration of the above recitals, which recitals are contractual in nature, the mutual promises herein contained, and for such other good and valuable consideration hereby acknowledged, the parties hereto agree as follows:

ARTICLE 1: DEFINITIONS

Section 1.01 Definitions

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

- A. Accommodating Airline. Means a Signatory Airline that accommodates an airline that is introducing or expanding service and is requesting facilities. See Section 4.03 for details.
- B. Adjusted Debt Service. As defined in Section 1.01 of the Indenture of Trust, means annual Debt Service reduced by the annual PFC Revenues deposited to the PFC Debt Service Escrow Fund.
- C. Affiliate Airline. Shall mean any Air Transportation entity that is (i) controlled by, controlling, or under common control with Airline, or (ii) shares an International Air

Transport Association (IATA) flight designator code with Airline at the Airport (code-sharing partner), or (iii) otherwise operates under the same trade name as Airline at the Airport or uses essentially the same livery as Airline at the Airport, provided that no major airline, classified as such term is defined by the FAA, shall be classified as an Affiliate of another major airline, unless either clause (i) or (iii) above defines the relationship between such airlines at the Airport; and provided, further, that no more than one major airline, as defined and limited above, may be part of a group of airlines considered Affiliates under this Agreement. Airline may give the Director thirty (30) days prior written notice that such an Affiliate is no longer to be considered an Affiliate hereunder.

- D. Air Transportation. Means the carriage of persons, property, cargo or mail by aircraft.
- E. Aircraft Parking Area. Means a section of the apron area designated by the Director for loading, unloading or parking of aircraft.
- F. Airline. Means United Air Lines, Inc., a corporation organized and existing by virtue of the laws of Delaware, acting individually or through those of its affiliates, subsidiaries and code share partners listed in Exhibit "D" hereto.
- G. Airline Terminal Equipment. Means multi-user flight information displays (FIDS) and terminal equipment (ATEC) and does not include airlines customer service automation equipment.
- H. Airline Terminal Equipment Charge. Means Airline Terminal Equipment requirement multiplied by monthly Enplaning Passengers.
- I. Airfield Area Cost Center. Means the costs associated with the Airfield Area, including all noise mitigation activities and facilities, landing and navigational aids, aviation easements, airfield maintenance facilities and remediation of environmental impacts related to airfield operation.
- J. Airfield Area Requirement. Means the sum total of cost categories associated with the Airfield Area Cost Center, including allocable Operating Expenses, Operating Reserve Fund requirements, Equipment and Capital Outlays, annual Adjusted Debt Service, and Amortization of Capital Improvements.
- K. Airport. Means the Fresno Yosemite International Airport (FYI), as it currently exists or as it may exist during the Term of this Agreement.
- L. Amortization of Capital Improvements. Means that expenditures for Capital Improvements made by the City and paid by the City from the Surplus Fund or funds other than Bonds, PFC revenue, or grants-in-aid, which shall be amortized and, when appropriate, included in the Airfield Area Requirement, Terminal Area Requirement, and Airline Terminal Equipment requirement when such improvements have been completed and are available for use. Such amortization is to be computed on a straightline basis at an annual interest rate of six percent (6%) and is to be based on the useful economic life of the Capital Improvement in accordance with generally accepted accounting principles.

The City reserves the right to raise the amortization rate to equal the Revenue Bond Index if such index goes above six percent (6%).

- M. Annual Budget. Means the annual budget for the airport enterprise fund, as amended or supplemented, adopted or in effect for a particular Fiscal Year.
- N. Bonds. Shall mean any bond or bonds, as the case may be, authenticated and delivered under and pursuant to the Indenture of Trust given by City.
- O. Capital Improvement. Means (i) any single item costing more than \$50,000 and a 2 year useful life net of PFC revenues and grants-in-aid, that is acquired, purchased, and/or constructed by City to improve, maintain, preserve, or develop the Airport or (ii) any other single item not meeting the aforesaid requirements which the City reasonably designates as a Capital Improvement. Capital Improvements may include, but not be limited to (1) the acquisition of land or easements; (2) the purchase of machinery, equipment, or rolling stock; (3) the planning, engineering, design, and construction of new facilities and the demolition of existing facilities; or (4) the performance of any extraordinary, nonrecurring major maintenance of existing facilities.
- P. City. Means the City of Fresno, municipal corporation.
- Q. Collecting Carrier. Means a 14 CFR 158.3 issuing carrier or other carrier collecting a 14 CFR Part 158 PFC whether or not such carrier issues the travel ticket.
- R. Common Use Space. Means space leased by Airline in common with other Signatory Airline(s), as described in Section 4.01 and delineated on Exhibit "A".
- S. Common Use Space Formula. Means the formula for apportionment of the total monthly rental for Common Use Space among the Signatory Airlines using the Common Use Space on the basis of: (a) twenty percent (20%) of the total monthly rental apportioned evenly among all Signatory Airlines using such space, and (b) the remaining eighty percent (80%) of the total monthly rental apportioned among all Signatory Airlines using such space on the ratio of each airline's Enplaning Passengers at the Airport to the total number of Enplaning Passengers at the Airport of all Signatory Airlines. If Airline ceases service at the Airport before the expiration of the term of this Agreement, Airline shall remain responsible for paying its pro rata share of the Common Use Space Formula's 20% apportionment throughout the earlier of (a) one (1) year from the date Airline ceases service at the Airport or (b) the remainder of the term of this Agreement.
- T. Director. Means the City of Fresno's Director of Aviation or the designee or other individual authorized to perform the duties of the Director of Aviation.
- U. Enplaning Passengers. Means all local boarding, interline transfer, and intraline transfer passengers at the Airport including frequent flyer and non-revenue passengers.
- V. Environmental Laws. Means all present or future local, California, or federal statutes, ordinances, rules, regulations, permits, citations, orders, legally enforceable directives, or consent degrees, or other enforceable requirement of any federal, California or local entity, agency or body or subdivision thereof, having governmental or quasi-governmental authority, relating to (a) the protection of health, safety and the indoor or

outdoor environment, (b) the conservation, management or use of natural resources and wildlife, (c) the protection or use of surface water and ground water, (d) the management, manufacture, possession, presence, use, generation, transportation, treatment, storage, disposal, release or threatened release, abatement, removal, remediation or handling of, or exposure to any Hazardous Materials or (e) pollution, including any release or threatened release to air, land, surface water, or ground water.

- W. Equipment and Capital Outlays. Means capital equipment costing \$50,000 or less, net of PFC revenues and grants-in-aid. Equipment and Capital Outlays are charged to Operating Expenses and allocated to appropriate cost centers.
- X. Exclusive Use Space. Means space leased by Airline and assigned by City to Airline for its use and occupancy to the exclusion of other airlines, as described in Section 4.01 and delineated on Exhibit "A".
- Y. FAA. Means the Federal Aviation Administration of the U.S. Department of Transportation or any federal agencies succeeding to its jurisdiction.
- Z. Fiscal Year and FY. Mean the 12-month period that starts on July 1 and ends on June 30 of the following year. For example, Fiscal Year 2012 and FY 2013 means the period that starts on July 1, 2012 and ends on June 30, 2013.
- AA. Gate. Means an Aircraft Parking Area that may be associated with a Loading Bridge, holdroom and aircraft loading positions.
- BB. Hazardous Materials. Means friable asbestos or asbestos-containing materials, polychlorinated biphenyls (PCBs), petroleum or crude oil or any fraction thereof, natural gas, source material, special nuclear material, and byproduct materials regulated under the Federal Pesticide Fungicide and Rodenticide Act (7 U.S.C. 136, et seq.), and any hazardous or toxic substance or waste, including any materials defined or treated as a "hazardous substance," "hazardous waste," "toxic substance" or contaminant (or comparable term) under any law.
- CC. Indenture of Trust. Means the Indenture of Trust dated June 15, 2000, relating to the City of Fresno 2000 Airport Revenue Bonds.
- DD. Joint Use Space. Means space leased by Airline and assigned by City to Airline and one or more other Signatory Airlines, as described on Section 4.01 and delineated on Exhibit "B".
- EE. Joint Use Space Formula. Means the formula for apportionment of the total monthly rental for Joint Use Space (except Aircraft Parking Areas, which shall be assessed an Apron Area Fee) among the Signatory Airlines using the Joint Use Space on the basis of: (a) twenty percent (20%) of the total monthly rental apportioned evenly among all Signatory Airlines using such space, and (b) the remaining eighty percent (80%) of the total monthly rental apportioned among all Signatory Airlines using such space on the ratio of each Signatory Airline's Enplaning Passengers using said Joint Use Space to the total number of Enplaning Passengers using said Joint Use Space of all Signatory Airlines. If Airline ceases service at the Airport before the expiration of the term of this

Agreement, Airline shall remain responsible for paying its pro rata share of the Joint Use Space Formula's 20% apportionment throughout the remainder of the term of this Agreement.

- FF. Leased Premises. Means the areas described in Article 4 and Exhibits "A" and "B" hereto.
- GG. Master Fee Schedule. Means the City of Fresno Master Fee Schedule including the Airport schedule of airline rentals, fees, and charges annually adopted by the City and updated by City on an as needed basis.
- HH. Maximum Certificated Gross Landing Weight. Means the maximum weight that each aircraft operated by Airline at the Airport is authorized by the FAA to land, as recited in Airline's flight manual governing the aircraft.
- II. Monthly Activity Report. Means the report described in Section 5.04 of this Agreement.
- JJ. PFC. Means passenger facility charge pursuant to 14 CFR Part 158 including City's PFC program authority thereunder.
- KK. Preferential Use. Means the right conferred by the Airport to use space on a preferential basis as provided in this Agreement.
- LL. Preferential Use Space. Means space leased by Airline and assigned for the preferential use by Airline of passenger holdroom areas and associated check-in podiums, Aircraft Parking Positions, and Loading Bridges.
- MM. Requesting Airline. Means an airline requesting access to any portion of the Leased Premises. A Requesting Airline must execute an Airline Operating Agreement.
- NN. Signatory Airline. Means any airline or air carrier, including a Requesting Airline as defined hereunder, that has executed an Airline Operating Agreement authorized and approved by City covering the use and occupancy of facilities at the Airport.
- OO. Total Airline Landed Weight. Means the sum of the Maximum Certificated Gross Landing Weights for all aircraft arrivals of Airline over a stated period of time.

Section 1.02 Cross-References

References in the text of this Agreement to articles, sections, or exhibits pertain to articles, sections, or exhibits of this Agreement, unless otherwise specified.

ARTICLE 2: TERM

Section 2.01 Term

This Agreement shall become effective retroactively on August 22, 2012 and shall continue until 11:59 p.m. P.S.T., August 21, 2017, a term of five (5) years. This agreement is subject to annual renewals after the date of termination with thirty (30) days prior written notice of Airline's intent

to renew. All terms are subject to earlier termination with or without cause by either Party giving sixty (60) days advance written notice to the other Party.

Section 2.02 Holding Over

Holding over by Airline after the expiration or earlier termination of the Agreement with or without the consent of City shall be a tenancy from month to month only, terminable by City on thirty (30) days' written notice; provided, however, that if Airline shall be in Default of this Agreement at the commencement of the holdover, then the Airline shall not be entitled to Signatory Airline fees and charges during said month-to-month tenancy and shall pay the non-signatory fees and charges as established by City from time to time; and further provided that except as otherwise specifically provided within this Article, any such holding over shall be subject to all the other terms, covenants, conditions, restrictions, reservations, prohibitions, warranties, agreements, and provisions of this Agreement applicable to a month to month tenancy.

Section 2.03 Termination of Existing Agreements

- A. All terminal building leases and operating agreements heretofore executed between the parties covering or pertaining to the Airport are terminated as of the effective date of this Agreement subject to obligations, rights and remedies thereunder then due and owing, provided that such termination shall not be construed as a waiver, relinquishment, or release of any claims, damages, liability, rights of action, or causes of action that either party hereto may have against the other under such existing leases and agreements and that have accrued before the effective date of this Agreement.
- B. This section shall also apply to all terminal building sub-leases and sub-operating and other sub-agreements heretofore executed between the Airline and other Air Transportation companies at the Airport covering or pertaining to the Airport and entered under authority of agreements terminated by this Section 2.03.

ARTICLE 3: RIGHTS AND SPECIFIC PRIVILEGES

Section 3.01 Use of Common Facilities at the Airport

Airline, its employees, passengers, guests, patrons, agents, independent contractors, and invitees shall have the right to the use, in common with other duly authorized users, of those portions of the Airport and appurtenances, together with all facilities, improvements, equipment, and services that have been or may hereafter be provided for common or joint use by the City at or in conjunction with the Airport.

Section 3.02 Specific Rights of Airline at the Airport

Airline shall have the right, subject to conditions contained herein and in addition to all rights elsewhere granted in this Agreement, to use the Airport for the following purposes. All rights and privileges not specifically granted to Airline for its use of and operations at the Airport pursuant to this Agreement are reserved for and to City.

- Draft Subject to Council Approval
- A. The operation of an Air Transportation system by aircraft for the carriage of persons, property, and mail, for compensation or hire, on a reasonable and not unjustly discriminatory basis, including all activities reasonably necessary to such operation including advertising and marketing associated with services offered by airline and/or its partners.
 - B. The landing, taking off, flying over, taxiing, pushing, towing, loading, unloading, fueling, repairing, maintaining, conditioning, servicing, parking, storing, and testing of aircraft or other equipment of or operated by Airline, or other certificated Air transportation company with which City has an applicable agreement, including the right to provide or handle all or part of the operations or services of such other company, all of which are subject to Section 3.02 (L) herein.
 - C. The sale of tickets, documentation of shipments, handling of reservations, and the loading and unloading of persons, property, cargo, and mail at the Airport by such motor vehicles or other means of conveyance as Airline may desire to use in the operation of its Air Transportation system. However, City reserves the right to require any ground transportation commercial carrier (including Airline) regularly transporting persons to and from the Airport to first secure and thereafter hold a valid lease, license, or other agreement with City for the right to carry persons to and from the Airport and shall pay City such rentals, fees, charges, and/or percentages of the fares of such ground transportation commercial carrier for such right as City may set.
 - D. The training of persons and testing of aircraft and other equipment at the Airport, such training and testing to be limited to that incidental to Airline's Air Transportation business.
 - E. Subject to Section 3.02 (F) and Section 3.02 (M) herein, the purchase of Airline's requirements of personal property or services, including fuel, lubricants, food, beverage, and other passenger supplies, and any other materials and supplies used by Airline from any person or company of Airline's choice for services to be performed for Airline that are incidental to the operation of Airline's Air Transportation business. Nothing herein shall restrict City from levying a nondiscriminatory concession fee on any person or company for conducting non-air transportation business at the Airport.
 - F. The sale, disposal, and exchange of Airline's aircraft, engines, accessories, fuel, oil, lubricants, other equipment, and materials or supplies to other Air Transportation companies. Such right shall not be construed as authorizing the conduct of a separate regular business by Airline, but as permitting Airline to perform only those functions that are related to the operation of its Air Transportation business.
 - G. The servicing by Airline, or by its suppliers of materials or its furnishers of services, or aircraft and other equipment operated by Airline with line maintenance or other materials or supplies, at its assigned Aircraft Parking Areas or other Aircraft Parking Areas designated by City. City reserves the right at any time to designate other locations reasonably accessible from the terminal building for performance of aircraft maintenance and service activities if City believes that such activities would interfere with aircraft operations of other airlines.

- H. The installation and operation, at Airline's sole cost and expenses, of identifying signs and graphics on the Airline's Exclusive Use Space subject to prior written approval of City, provided that such signs shall be: (1) substantially uniform in size, type, and location with those of other airlines; (2) consistent with City's graphics standards as established from time to time by the City; and (3) in compliance with all local laws and ordinances.
- I. The installation, maintenance, and operation, at no cost to City, of such radio, communication, meteorological, and aerial navigation equipment and facilities at suitable locations on the Airport. The location of such equipment and facilities, method of installation, and type of equipment shall be subject to the prior written approval of City, and shall conform with all applicable federal, state, and local requirements. Airline is required to input and maintain flight information in the Multi-User Flight Information Display System (MUFIDS) installed by City to display flight information. Airline may use its own FIDS in its Leased Premises subject to the prior written consent of Director and subject to such reasonable conditions as Director may require.
- J. In order to maximize the utilization of holdroom check-in podiums, holdroom areas and other passenger facilities in the terminal building, City reserves the right, but is not hereby obligated, to install and require Airline to use common use gate information display technology and/or equipment (not to include Airlines customer service automation equipment). Until such time as City installs such equipment, Airline may install, at Airline's cost, identifying signs and/or gate information displays ("signage") at the podium in the holdroom of the Gate(s) assigned to Airline and/or other locations approved by City. City shall reasonably establish standards and/or guidelines regarding the dimensions, materials, and content of such signs, and the method of attaching the sign to the designated location. Any signage installed by Airline shall be at the risk of Airline. In the event that Airline shall be no longer assigned the use of the Gate(s), then, upon the request of City, Airline shall promptly remove such signage at Airline's expense.
- K. The provision of baggage porter skycap service, curbside airline baggage check-in services in the public areas of the terminal building. Airline may arrange with other airline to provide such services or may provide such services on its own behalf.
- L. The rights and privileges granted Airline under this Agreement with respect to the performance of ground services and activities in connection with its Air Transportation operation at the Airport may be exercised by Airline only for and on behalf of Airline for its regularly scheduled or unscheduled service and that of its affiliates, subsidiaries, and code share partners identified in this Agreement. Airline may, subject to the prior written approval by City, perform ground services for any Air Transportation company using the Airport provided said company has executed an operating agreement or permit with the City and further provided that said company agrees to report its activity or arranges to have Airline report its activity in the manner described in Section 5.04.
- M. It is understood and agreed that City reserves the right to charge and to collect reasonable fees or commissions for in-flight catering, vending, ground transportation, ground support services (excluding deicing services) for other Air Transportation company(ies), and other services or facilities provided by or for Airline in competition

with concessionaires and operators operating under an agreement with City. The City's right to charge and collect fees or commissions from Airline and/or other Air Transportation company(ies) for such services or facilities shall not apply to Air Transportation companies serviced by Airline that are code share partners, subsidiaries, or affiliate airlines.

Section 3.03 Employee Parking Facilities

Airline employees working at the terminal building shall have the right to the use of vehicular parking facilities in common with other employees. Such facilities shall be located in an area designated by City. City reserves the right to assess a reasonable charge to recover the costs of providing such space to such Airline employees, in common with other Airport/tenant employees, for such parking facilities.

Section 3.04 Limitation on Use by Airline

In connection with the exercise of its rights under this Agreement, Airline:

- A. Shall not do or permit to be done anything at or about the Airport that may interfere with the use, operation, or maintenance of the Airport, including but not limited to, the effectiveness or accessibility of the water system, drainage and sewage system, fire protection system, sprinkler system, alarm system, fire hydrants and hoses, heating or ventilation system, air conditioning system, electrical system, natural gas, security system, communications, or other Airport systems installed or located on or within the Leased Premises or the Airport.
- B. Shall not do or permit to be done anything, either by act or failure to act, that shall cause the cancellation or violation of the provisions, or any part thereof, of any policy of insurance for the Airport, or that shall cause a hazardous condition so as to increase the risks normally attendant upon operations permitted by this Agreement. If Airline shall do or permit to be done any act not permitted under this Agreement, or fail to do any act required under this Agreement, which act or failure, in and of itself, causes an increase in City's insurance premiums, Airline shall immediately remedy such actions and/or pay the increase in premiums.
- C. Shall not dispose of or permit any employee, agent or contractor to dispose of any waste material, including but not limited to deicing materials, toxic waste, hazardous substance, hazardous waste, and Hazardous Materials (including hazardous materials as defined by federal and State of California regulations) except in accordance with controlling laws.
- D. Shall not keep or store any Hazardous Materials such as flammable liquids and solids, corrosive liquids, compressed gases, or magnetized or radioactive materials on the Airport except when all the following conditions are met: (1) in accordance with standards established by National Fire Protection Association, any liquids having a flash point of less than one hundred degrees (100°) Fahrenheit shall be kept and stored as specified by NFPA #30, Section 45.5.2; (2) said materials shall be under the control and care of designated and properly trained Airline personnel; (3) said materials shall be packaged, handled and stored in compliance with applicable law

including U.S. Department of Transportation, Environmental Protection Agency, and other applicable regulations for transport, pre-transport and storage of hazardous articles and materials; and (4) said materials shall be only stored in such storage areas as are designated and approved by Director.

- E. Shall not install fuel storage tanks and pumping facilities for use in fueling any aircraft at the Airport without prior written approval of City. The granting of the right to store aviation fuels shall be subject to the execution of a separate agreement between Airline and City.
- F. Shall not maintain or operate in the terminal building or elsewhere at the Airport a cafeteria, restaurant, bar or cocktail lounge for the purpose of selling or dispensing food or beverages to the public or passengers; nor shall Airline in any manner otherwise provide for the sale or dispensing of food and beverages at the Airport except that the Airline may provide vending machines solely for the sale of hot and cold beverages, food and confections to Airline employees in areas not accessible to the general public. Airline may dispense in-flight meals at the Gate to only those persons traveling on such flight. Airline may, by separate agreement with the City and to the extent it does not conflict with any terminal concession agreements, engage in the provision or sale of food or beverages at any airline clubroom or similar private facility at the Airport.
- G. Agrees to comply with the FAA-approved Master Security Plan as amended from time to time for the Airport. Any fines and/or penalties levied against the City for security violations at the Airport caused by Airline or any of its employees, agents, or suppliers while under its control, shall be due and payable by Airline.
- H. Shall park ground service or other equipment on the aircraft apron only at areas designated by Director.
- I. Shall not install any coin-operated or card operated machine(s) or device(s), except for (1) machines for the sale of Airline's tickets or issuance of boarding passes located on Airline's Leased Premises or other areas approved in writing by City, or (2) beverage or snack machines as provided in Section 3.04 (F) above.

Section 3.05 Airport Use Summary

- A. Airline shall file an Airport Use Summary (a "Summary") with the City within 15 days of the date hereof. City shall provide Airline with a Summary report form requesting information specified below in regard to Airline's operation at the Airport. Airline shall maintain a current Summary on file with the City, and, if requested, by City, shall promptly confirm that the Summary then on file is accurate.
- B. Accordingly, the Summary shall provide the following:
 - 1. Names, addresses, and telephone numbers of Airline officials responsible for station operations, flight operations, properties and facilities.
 - 2. The current and proposed schedules of Airline's flight activity at the Airport. The Airline shall use its commercially reasonable efforts to notify the City of schedule

changes or the addition of flights at the Airport prior to or no later than when the public announcement thereof is made.

3. When requested by the City, or when changes are planned by the Airline, the description of Airline's fleet and identification of the class of Airline's aircraft that will serve the Airport. Airline shall provide reasonable notice of the introduction of an aircraft that is not being operated by Airline at the Airport on the date of this Agreement.
4. The identification of Airline's anticipated facilities requirements at the Airport.
5. The Airline's aircraft recovery plan for disabled aircraft.

Section 3.06 Airline Consultation Procedure

- A. Director agrees to consult with the Airlines' Airport Affairs Committee (AAAC), regarding any Capital Improvement at the Airport that in the Director's reasonable judgment is likely to have a material effect on the operations of the Signatory Airlines or the rates and charges payable by the Signatory Airlines. Except in the case of emergencies or operational necessity, the Director will consult with the Signatory Airlines in advance of undertaking construction of the planned activity of Capital Improvement, but shall not be required to do so until plans, timetables, and cost estimates have been developed to a reasonably definite state. Such consultation shall consist of one or more presentations by Director/designees thereof at any meeting of the AAAC.
- B. The AAAC or any Airline represented by the AAAC may submit comments and suggestions to the Director on the Capital Improvement in writing or orally during the consultation meeting or within thirty (30) calendar days following the date of consultation meeting. It is understood and agreed by all parties that the final decision regarding any Capital Improvement is at the sole reasonable discretion of the Director.

ARTICLE 4: PREMISES

Section 4.01 Premises in the Terminal Building

- A. Within 60 days of the effective date of this Agreement, Airline shall lease and use and, if necessary, relocate to, the Leased Premises in or adjacent to the terminal building that are shown on Exhibit "A" and Exhibit "B". The areas that are available for lease and use in the terminal building on a Common Use, Exclusive Use, Joint Use or Preferential Use basis (or combination thereof) are as follows, provided that these areas may be reduced, expanded, or otherwise modified, as hereinafter provided:

1. Common Use Space
 - Baggage claim areas
 - Inbound baggage areas
 - Restroom facilities associated with Exclusive Use Space
 - Outbound baggage makeup areas
2. Exclusive Use Space

- Airline offices
- Baggage service areas
- Airline operations areas and equipment storage areas

3. Joint Use

- Passenger/Gate Holdroom areas
- Loading bridges

4. Preferential Use Space

- Ticket counter and adjacent areas
- Passenger/Gate Holdrooms areas
- Aircraft Parking Areas
- Loading bridges

- B. Airline's Leased Premises in the terminal building including Aircraft Parking Areas in the apron area shall be subject to change from time to time, as provided in this Agreement.
- C. Notwithstanding the foregoing, Director may, during the term of this Agreement, expand or modify the Airline's Leased Premises including leasehold dimensions or location of Joint Use Space or Common Use Space. Director shall consult with and consider any suggestions of Airline, but the approval of Airline shall not be required for any such expansion or modification by Director.
- D. The dimensions of Exhibit "A" as such exhibit may be amended from time to time, shall be the basis for determining the amount of Leased Premises rentals, fees and charges payable by Airline. Director shall issue new exhibits after any terminal building expansion or modification.

Section 4.02 Reassignment, Reallocation, Redesignation, Relocation and/or Recapture of Leased Premises

City shall reassign, reallocate, redesign and/or relocate Airline's Leased Premises as City, in its reasonable discretion, after consultation with the affected Airline(s), and consideration of the customer service and operational needs of each such Airline, of the relative space needs of the traveling public and of all airlines operating at the Airport, determines is necessary. Without limiting the foregoing the following shall apply regarding Gates and Apron Areas:

- A. Gates Areas as shown on Exhibit "A" and "B", as such Exhibit(s) may be amended from time to time by the Director, and associated passenger holdrooms, shall be assigned to Airline by Director on a nonexclusive preferential use basis that provides Airline with priority of use to accommodate its flights provided that the Director may authorize other airlines/Air Transportation companies secondary use of such on a joint use basis consistent with the provisions of this Agreement, including section 4.03 below.

- B. City reserves the right to reassign, reallocate, redesignate, relocate and/or recapture possession of one or more of Airline's preferentially assigned Gate(s), Apron Areas and/or Holdroom(s) if Director, in his reasonable discretion, determines that there is a need for the use and Airline's operations can be accommodated from the other Gate(s)/Apron Area(s)/Holdroom(s) assigned to Airline. Written notice of such will be provided to Airline by Director.

Section 4.03 Accommodation of Requesting Airline(s)

To maximize the use of terminal facilities at the Airport, to facilitate the entry of new airlines, and to accommodate the expansion plans of present airlines, Airline agrees, upon the request of Director, to accommodate in its Leased Premises any Requesting Airline in accordance with the following procedure:

- A. To secure the use of terminal facilities and Aircraft Parking Positions, the Requesting Airline may:
1. Arrange directly with City to lease and use vacant terminal space and Gates not preferentially assigned, or
 2. Contact Airline and other Signatory Airlines to request the use of such Airline's Leased Premises and Gates.
- B. In the event the Requesting Airline demonstrates to the satisfaction of Director that it has made all reasonable efforts to secure facilities without success, Director shall then notify all Signatory Airlines in writing that, if Requesting Airline is not accommodated within fifteen (15) days from the date of said notice, Director shall select one or more of the Signatory Airlines to comply with the request for accommodation.
- C. At the end of said fifteen (15) day period, if Requesting Airline has not been accommodated, Director shall select Airline and/or another Signatory Airline(s) to accommodate the Requesting Airline, taking into consideration such factors as current utilization of terminal facilities, schedule compatibility, union work rules, competitive relationships, and other relevant factors. Director shall send written notice to such selected airline(s) (the "Accommodating Airline") requiring such Accommodating Airline to begin accommodating the Requesting Airline within thirty (30) days from the date of said notice. Director shall include in such notice the reason or reasons why such Accommodating Airline was selected.
- D. Upon receipt of said notice and within 15 days thereof, the selected Accommodating Airline may submit written comments to Director contesting its selection and Director shall consider such comments and then confirm or rescind such selection in writing prior to date accommodation is to begin. The decision of Director shall be final.
- E. Unless Director rescinds such selection within the thirty (30) day period specified in Section 4.03 (C), the Accommodating Airline shall accommodate the Requesting Airline by sharing its Leased Premises including Aircraft Parking Areas on a timely, good faith basis and in a reasonable and equitable manner, subject to the following conditions:

1. In case of a conflict between schedules of the Accommodating Airline and the Requesting Airline, the Accommodating Airline shall have preferential (prior) use rights.
2. The Accommodating Airline shall not require that the Requesting Airline obtain ground handling or other services from the Accommodating Airline.
3. The Accommodating Airline and the accommodated Requesting Airline shall pay for shared holdrooms and loading Bridges on the basis of the Joint Use Space Formula.
4. The Accommodating Airline may require the accommodated Requesting Airline to indemnify the Accommodating Airline against liability arising out of the use of its facilities and equipment and provide the same levels and types of insurance as accommodating Airline is required to maintain, as defined in this Agreement.
5. The accommodated Requesting Airline shall pay the reasonable relocation costs of Accommodating Airline.

Section 4.04 Overnight Parking

Airline shall have the right to park two aircraft at its preferentially assigned Gate(s) and shall not be charged an overnight parking fee in exercising that right. City reserves the right to require Airline to park its aircraft overnight at location(s) other than its preferentially assigned Gate(s) if City determines that such Gate is needed to accommodate the operations of other airlines. Airline is entitled to reasonable reimbursement from the accommodated airline for costs of moving an aircraft from its preferential Gate(s). The City shall invoice the accommodated airline an overnight parking fee for parking a preferential user off gate. If City requires an Airline to park its aircraft overnight at a location other than its preferentially assigned Gate(s) for reasons other than accommodating other airlines, City shall waive the overnight parking fee.

Section 4.05 Use of Loading Bridges

- A. Any loading bridges financed and maintained by City shall be made available to all airlines serving the Airport on a Common Use basis unless assigned for Joint Use or Preferential Use.
- B. The use of City-owned loading bridges shall be subject to the following terms and conditions:

The bridges shall be operated only by employees or agents of Airline, but no such employees or agents shall be permitted to operate the bridges until they have satisfactorily completed a course of instruction conducted by City or City's designee in the proper use and operation of the bridges, and have received a certificate or written notice from City or City's designee qualifying them to operate the bridges.

2. City and Airline each shall be solely responsible for any and all damages, claims, or injuries which may be caused by the negligent use of the bridges by their

respective employees, agents, or servants, and each shall indemnify, defend and hold harmless the other and their respective officers, agents, and employees from any and all demands, losses, liabilities, or judgments and all claims of every kind and character, together with costs and expenses incident thereto, arising from or as a result of negligent acts or omissions thereof in connection with or arising from use of the loading bridges, provided that City's liability shall not exceed the lesser of proceeds payable from its self insurance retention or \$1,000,000. Each party shall notify the other, in writing, of any claims, damages, or injuries promptly after discovery of same by the party charged with giving notice.

3. Airline shall be solely responsible for any damage to bridges caused by the action of its employees or agents.
4. City, during the term of this Agreement, shall maintain and keep in good repair the loading bridges.

Section 4.06 Reassignment of Leased Premises During Construction

During the term of this Agreement, City may initiate a terminal area construction project which expands or modifies or impacts the Airline's Leased Premises including leasehold dimensions or location of Joint Use Space or Common Use Space. Before undertaking such construction project, Director shall consult with and consider any suggestions of Airline, but the approval of Airline shall not be required. Upon completion of the construction project, Director shall issue revised Exhibits of Airline's Leased Premises, and such exhibits shall revise the basis for determining the amount of Leased Premises rentals, fees and charges payable by Airline

In the event of a terminal area construction project it may be necessary for City to temporarily reassign Leased Premises or Aircraft Parking Positions during construction after reasonable written notice is provided to Airline. During the construction period, Airline shall pay appropriate charges only for those areas designated and utilized for Airline use. Airline's costs, as reasonably agreed to by City, for being relocated to temporary Leased Premises and for being returned to its permanent Leased Premised shall be paid by the City. City may, at its sole discretion, include such relocation costs as part of the construction project costs or pay such relocation costs from the City's Airport Surplus Fund.

Section 4.07 Surrender of the Premises

- A. Airline covenants and agrees that on expiration of the term of this Agreement, or on earlier termination as hereinafter provided, or on reassignment as heretofore provided, Airline will peaceably surrender possession of the Leased Premises/portions thereof in good condition, reasonable wear and tear and conditions existing prior to Airline's first occupancy of the Leased Premises excepted, and City shall have the right to take possession thereof. City shall not be required to give notice to quit possession at the expiration date of the term of this Agreement except to any extent required by law.
- B. Airline shall have the right, on expiration or early termination and within thirty (30) calendar days thereafter, to remove or dispose of all trade fixtures and equipment and other personal property installed or placed by Airline at its expenses, in, on, or about the Airport, subject to any valid lien that City may have thereon for unpaid rents or fees.

Airline agrees to reimburse City for any net costs incurred by City if City elects to remove or dispose of Airline's property after such thirty (30) day period.

- C. Ownership of any and all property not removed by Airline within the said thirty (30) day period shall, at the option of City, vest in City.

Section 4.08 Access

- A. Subject to the provisions hereof and such restrictions as City may impose with respect to Airline's use of the Leased Premises, City hereby grants to Airline, its agents, suppliers, employees, contractors, passengers, guest, and invites, the right and privilege of free and unrestricted access, ingress, and egress to the Leased Premises and to public areas and public facilities of the terminal building.
- B. The ingress and egress provided for in Section 4.08 (A) shall not be used, enjoyed, or extended to any person engaging in any activity or performing any act or furnishing any service for or on behalf of Airline that Airline is not authorized to engage in or perform under the provisions hereof unless expressly authorized in writing by City.
- C. City shall have the right at any time to close, relocate, reconstruct, change, alter, or modify any such means of access provided for Airline's use pursuant to this Agreement or otherwise, either temporarily or permanently, provided that reasonable notice to Airline and a reasonably convenient and comparable means of access, ingress, and egress shall exist or be provided in lieu thereof. City shall suffer no liability by reason thereof and such action shall in no way alter or affect any of Airline's obligations under this Agreement.

ARTICLE 5: REPORTS, RENTALS, CHARGES, AND FEES

Section 5.01 General

- A. In return for use of the Leased Premises including Gates and any/all rights, licenses, and privileges granted hereunder and for the undertakings of City, Airline agrees to pay City during the term of this Agreement, certain rentals, charges, and fees as set forth in the City's annual Master Fee Schedule as amended from time to time.
- B. In addition to rentals, charges, and fees set forth in the Master Fee Schedule as amended from time to time and calculated in the manner provided in this Agreement, Airline agrees to pay an Airline Terminal Equipment Charge as calculated in Section 5.02.

Section 5.02 Calculation of Airline Terminal Equipment Charge

Airline Terminal Equipment Charge shall be calculated on a monthly basis by multiplying the enplaning passengers for the month by a fee as set forth in the Master Fee Schedule.

Section 5.03 Application of Terminal Area Rental Rates

- A. The Terminal Area Rental Rate, as stated in the Master Fee Schedule as amended from time to time ("Terminal Area Rental Rate"), shall be applied to Exclusive Use Space and Preferential Use Space on a per square foot basis.
- B. Terminal ticket counter numbers: 15-01; 15-02; 16-01 and 16-02; comprising of 62.4 square feet each, for a total of 249.6 square feet of passenger terminal as shown on Exhibit "A" attached hereto and hereby made a part hereof to Airline's preferential use space.
- C. Annual Reallocation of Ticket Counters. Airline acknowledges that every July 1st during the term, the possibility of a reallocation of the ticket counters at the sole, reasonable discretion of the Director of Aviation.
- D. Exclusive Room Spaces for a total square footage of 1,580 square feet, as shown in Exhibit "A" attached hereto and hereby made a part hereof and listed below:
- (i) Room T-118, comprising 751 square feet of passenger terminal as shown in Exhibit "A" attached hereto and hereby made a part hereof is Airline's exclusive use space; and
 - (ii) Room B-101, comprising 473 square feet of passenger terminal as shown in Exhibit "A" attached hereto and hereby made a part hereof is Airline's exclusive use space; and
 - (iii) Room C-163A, comprising 76 square feet of passenger terminal as shown in Exhibit "A" attached hereto and hereby made a part hereof is Airline's exclusive use space; and
 - (iv) Room C-163B, comprising 115 square feet of passenger terminal as shown in Exhibit "A" attached hereto and hereby made a part hereof is Airline's exclusive use space; and
 - (v) Room C-163D, comprising 165 square feet of passenger terminal as shown in Exhibit "A" attached hereto and hereby made a part hereof is Airline's exclusive use space.
- E. Gates No. 5 and 7, comprising 2,559 square feet and Gate No. 15, comprising of 2,166, for a total of 4,725 square feet of passenger terminal in Exhibit "A" attached hereto and hereby made a part hereof is Airline's preferential use space.
- F. The Terminal Area Rental Rate shall be applied to Common Use Space on the basis of the Common Use Space Formula.

Section 5.04 Monthly Activity Report

- A. Airline shall furnish to Director on or before the fifteenth (15th) day of each month, an accurate written report of Airline's operations at the Airport during the preceding month, setting forth all data necessary to calculate the rentals, fees, and charges due under this Agreement. The report form shall be provided by the Director and shall include, but shall not necessarily be limited to (a copy of the report is attached hereto and incorporated herein as Exhibit "F"):
1. Airline's total number of aircraft arrivals for the month by type of aircraft, the Maximum Certificated Gross Landing Weight of each aircraft, and the Total Airline Landed Weight for the month to include any non scheduled and charter operations;
 2. Total number of Enplaning and Deplaning Passengers of Airline and aircraft of other airlines handled by Airline (so long as those handled airlines are not otherwise required to report on those same aircraft);
 3. Weight of cargo freight, mail, and express for the month; and
 4. Other such information that City may request from Airline to prepare airline invoices and establish and assess rates and charges.
- B. If Airline fails to furnish Director with the report required by Section 5.04 (A), by the date specified within Section 5.04 (A), it shall be considered in default under this Agreement and then Airline's rentals, fees, and charges, as provided for the month thereafter, shall be determined by assuming that Airline's Total Airline Landed Weight and Enplaned Passengers for such month was one hundred twenty-five percent (125%) of its Total Airline Landed Weight and Enplaned Passengers during the most recent month(s) for which such data are available for Airline and by applying the rates specified in the Master Fee Schedule. Any necessary adjustment in such rentals, fees, and charges shall be calculated after an accurate report is delivered to Director by Airline for the month(s) in question. Resulting surpluses or deficits shall be applied as credits or charges to the appropriate invoices in the succeeding month(s).
- C. Airline Monthly Activity Report shall be delivered to City at the address below or at such address to which City, by service of written notice upon Airline, may direct the delivery thereof, from time to time:

Via Mail/Express to:
City of Fresno
Fresno Yosemite International Airport
Attn.: Airport Accounting
4995 East Clinton Way
Fresno, CA 93727-1504

Section 5.05 Payment Provisions/Interest on Overdue Amounts

- A. Unless otherwise provided in this Agreement, fixed (i.e. non-activity based) Airport rentals, fees and charges shall be due and payable the first (1st) day of each month, in advance, without invoice.

- B. Unless otherwise provided in this Agreement, variable (i.e. activity based) Airport rentals, fees, and charges shall be due and payable the fifteenth (15th) day of each month following the month in which assessed, without invoice.
- C. Unless otherwise provided in this Agreement, all other rentals, fees, and charges shall be due and payable on invoice within thirty (30) days of the date of the invoice.
- D. The acceptance by City of any payment by Airline shall neither constitute City's approval of, nor preclude City from questioning the accuracy of, computations in Airline's Monthly Activity Report, submitted to City as provided in Section 5.04, or from recovering any additional payment actually due from Airline.
- E. Any payment not received by the due date shall be deemed delinquent and shall accrue interest at the lesser of the rate of eighteen percent (18%) per year calculated on a daily basis at the rate of five-hundredths of a percent (0.05%) per day from the due date until paid in full, or the maximum rate allowed by law.
- F. All payments due and payable herein shall be paid in lawful money of the United States of America, without set off, by check or wire transfer made payable to City and delivered or wired, as applicable, to the following address or account, or to such other address or account as City by service of written notice upon Airline, may otherwise direct the payment thereof from time to time during the term hereof:

Via Mail/Express
 City of Fresno
 Fresno Yosemite International Airport
 Attn.: Airport Accounting
 4995 East Clinton Way
 Fresno, CA 93727-1504

Via Wire Transfer
 City of Fresno - Airports
 Bank of America
 ABA #121000358
 Account: 1499610645

Section 5.06 Taxes

Airline shall pay all taxes of whatever character that may be lawfully levied, assessed, or charged upon the property, real and personal, occupied, used, or owned by Airline, or upon the rights of Airline to occupy and use the premises and emolument received thereby, or upon Airline's rights or operations hereunder or services provided by Airline at the Airport. Airline shall have the right, at its sole cost and expense, to contest the amount or validity of any tax or license as may have been or may be levied, assessed, or charged.¹

Section 5.07 Passenger Facility Charge (PFC)

A City shall have the right to assess passengers a PFC for the use of the Airport in accordance with the requirements of 14 CFR Part 158 ("PFC Regulations") and any

¹ Any interest in real property which exists as a result of possession, exclusive use, or a right to possession or exclusive use of any real property (land and/or improvements located therein or thereon) which is owned by the City of Fresno (City) is a taxable possessory interest unless the possessor of interest in such property is exempt from taxation. With regard to any possessory interest to be acquired by Lessee under this Lease, Lessee, by its signatures hereunto affixed, warrants, stipulates, confirms, acknowledges and agrees that, prior to executing this Lease, Lessee either took a copy of this Lease to the office of the Fresno County Tax Assessors or by some other appropriate means independent of City or any employee, agent, or representative of City determined, to Lessee's full and complete satisfaction, how much Lessee will be taxed, if at all.

other relevant governmental directives, statutes, orders or provisions. In accordance therewith and to the extent required by 14 CFR Part 158 the Collecting Carrier shall collect on behalf of and remit to City any such PFC charges. Any charges so collected shall, pending remittance to City, be held in trust in accordance with federal law. City shall have the right to use all such passenger facility charges collected in any lawful manner.

- B. Collecting Carrier and City shall be bound by and shall observe all of the provisions of 14 CFR Part 158 and any other relevant governmental directives, statutes, orders or provisions, as they apply to either or both parties.
- C. If Collecting Carrier fail(s) to collect, maintain in trust and remit PFC revenue to the City within the time limits and in the manner established by federal regulation, Collecting Carrier shall be deemed to be in default of this Agreement. Any late payment of PFCs shall be subject to interest compounded in accordance with Section 5.05 (E), to the extent allowed by law.
- D. PFCs to be Held in Trust for the City

- 1. In the event that Collecting Carrier fails to make payments of PFCs to City in accordance with the PFC regulations and within ten (10) calendar days after receipt of a written notice non-payment from City, City may require Collecting Carrier to establish a PFC trust account pursuant to this section 5.07. In the event City requires Collecting Carrier to establish a PFC trust account, and notwithstanding Section 158.49 of the PFC regulations, upon receipt of PFCs that are collected by Collecting Carrier, Collecting Carrier shall at its own cost establish and shall deposit the net principal amount of such PFCs in a trust account for City's benefit (the "Trust Account"). City and Collecting Carrier agree that the Trust Account shall be held in the name of Collecting Carrier as trustee for City provided that City and Collecting Carrier mutually agree to terms upon which amounts may be withdrawn from such account upon the joint direction of City and Collecting Carrier. If City and Collecting Carrier do not so agree, the Trust Account shall be held by an independent third party bank trustee, in which event such trustee's fees shall be payable by City. City shall have the right to select such trustee subject to the approval of the Collecting Carrier which approval will not be unreasonably withheld. The Trust Account shall be separate from and not commingled with all other Collecting Carrier funds, including PFCs collected on behalf of other airports. In accordance with Section 158.51 of the PFC regulations, any amounts required to be remitted to City under such section shall be paid in any event by Collecting Carrier, as trustee, or by such third party bank trustee, to City on or before the date specified in such section first out of the net principal amount, then, to the extent of any deficiency, by Collecting Carrier, out of income earned thereon and then, by Collecting Carrier, out of any available funds of Collecting Carrier. Funds in the Trust Account shall be invested solely in instruments issued or guaranteed by the United States government or any of its agencies, commercial paper rated A1 or P1 or better by, respectively, Standard & Poors or Moody's Investor Service, or federally insured bank certificates of deposit. Any income earned on funds in the Trust Account on or prior to the date of required remittance to City shall be the property of the Collecting Carrier and shall be paid directly to Collecting Carrier. Any income

earned on funds in the Trust Account after the date of required remittance to City shall be the property of the City and shall be paid immediately to City. If Collecting Carrier, as trustee for City, timely and properly funds and administers the Trust Account and pays over to the City the PFCs in accordance with PFC regulations and this Agreement for a period of eighteen (18) consecutive months, then Collecting Carrier may submit a written request to City that the Trust Account be terminated and that Collecting Carrier collect the PFCs in accordance with the provisions of Section 5.07. City shall not unreasonably deny Collecting Carrier's request. The City shall have the right to apply the provisions of this Section each time Collecting Carrier fails to timely remit PFCs in accordance with the PFC Regulations and within ten (10) days of written notice of non-payment from City.

2. In the absence of additional regulations governing the treatment of refunds, any refunds of PFCs due to passengers as a result of changes of itinerary shall be paid proportionately out of the net principal amount attributable to such PFCs and the amount that Collecting Carrier was permitted to retain under section 158.53 (a) of the PFC regulations attributable to such PFCs. Collecting Carrier hereby acknowledges that the net principal amount of all PFCs collected on behalf of City shall remain at all times property of City except to the extent of amounts refunded to passengers pursuant to the preceding sentence (which shall remain the property of City until refunded and become the property of the passenger upon and after refund). Other than the amounts that Collecting Carrier is entitled to retain pursuant to Section 158.53 of the PFC regulations, Collecting Carrier shall be entitled to no compensation.

Section 5.08 Records of Airline

Airline shall make available to City, upon the written request of the City, at the offices of the Airline at the Airport such books, records and accounts, or photocopies thereof, that are relevant to payment of rentals, fees and charges required under this Agreement for the current year and the preceding calendar year and shall make such records, or photocopies thereof, available for inspection and audit by City or its authorized representative at reasonable and mutually agreed upon hours and times during the entire term of this Agreement and for 3 years thereafter.

Section 5.09 Right of Set Off

The City shall have the right to set off any past due amount(s) by applying all or a portion of current payments to such past due amount(s). In the event a disputed charge becomes past due, if resolved in favor of Airline, said overpaid amounts shall be credited to the next amount due under this Agreement. If the Agreement is terminated, it shall be credited to amounts due by or to Airline. Past due amounts may include sums due on prior agreements, this Agreement or for usage of the Airport as a non-Signatory Airline. In the event the City exercises the right, it shall notify Airline. Airline shall be responsible for promptly submitting such a sum as will reflect the total amount needed to satisfy current amounts due. Regardless of the foregoing, City shall not have the right to offset past due amounts which Airline has notified the City, in writing, are disputed by Airline, provided that such written notice shall not prevent or limit the right of City to exercise any other right or remedy available to City under this Agreement or at law or in equity as a result of the non-payment of the amount in dispute by Airline.

ARTICLE 6: SURETY

Section 6.01 Due Date, Type, Form and Amount of Surety

Airline shall provide to City a Surety Deposit in an amount equal to three (3) months Agreement Fees and Charges. Such deposit shall be in the form of: (i) cash; (ii) a Surety Bond issued by an insurance company authorized to do business in the State of California and authorized to write such bonds in said State; (iii) a non-revocable Letter of Credit established in favor of City for the account of Airline by a federally chartered bank acceptable to City, guaranteeing the faithful performance of all of the covenants and conditions herein to be performed by Airline. Upon the expiration or termination of this Agreement, and the payment of all fees and charges due to the City for the privileges granted in this Agreement, the Security Deposit shall be refunded or the surety instrument returned to Airline, provided there are no other outstanding claims or charges against Airline. City shall not be required to pay, and City shall not pay, any interest on this Security Deposit.

Section 6.02 Drawdowns by City

If Airline defaults with respect to any provision of this Agreement, including but not limited to the provisions relating to payment of rentals, fees and charges or any other sums due and owing, City may, to the extent allowed by law, with or without prior notice to Airline, draw down on the surety provided by Airline, up to the full amount thereof, and apply such draw on amount(s) to correct any default by Airline, to pay any rentals or other sums in default, to reimburse City for any amount(s) which City may spend or become obligated to spend by reason of Airline's default, to compensate City for any other loss or damage which City may suffer by reason of Airline's default, or to pay any amount due or owing upon expiration or earlier termination of this Agreement.

- A. Within fifteen (15) calendar days following any draw on and application by City of any part or the entire surety amount provided by Airline, City shall provide Airline with notice of such draw on and application, in writing.
- B. In the event the amount of surety provided City by Airline shall, at any time and from time to time during the life hereof be reduced pursuant to the draw down provisions of this Agreement, Airline shall, within ten (10) days after written demand therefore is served upon Airline by City, deposit additional surety with City in a sum sufficient to restore the required surety to its original amount.
- C. In the event City finds it necessary to draw down on the surety instrument more than two times for any reason, the third draw down shall itself constitute grounds for default and breach of this Agreement by Airline.

Section 6.03 Return/Surrender/Release of Surety by City

The surety instrument shall be returned to Airline not later than sixty (60) days after termination of this Agreement, provided there are no outstanding claims against the Airline.

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ARTICLE 7: INDENTURE OF TRUST

Section 7.01 Subordination Indenture of Trust

This Agreement and all rights of Airline hereunder are expressly subordinated and subject to the lien and provisions of any pledge, transfer, hypothecation, or assignment made at any time by City pursuant to the terms, covenants, and conditions of present Indenture of Trust and future Supplemental Indentures. In conflicts between this Agreement and the Indenture of Trust, the Indenture of Trust shall govern. All definitional terms that are not specifically defined herein are to have the meanings set forth in the Indenture of Trust.

Section 7.02 Flow of Funds

Subject to the terms and provisions of the Indenture of Trust and other related instruments, it is mutually understood and agreed that, as long as any Bonds secured by the Indenture of Trust are outstanding, bond proceeds and all Airport revenues shall be deposited, maintained, and paid as set forth in the Indenture of Trust.

ARTICLE 8: MAINTENANCE AND OPERATION OF AIRPORT

Section 8.01 City's Responsibilities

In accordance with Exhibit "C", attached hereto and incorporated herein, and except to any extent otherwise expressly provided in this Agreement:

- A. City agrees that it will, with reasonable diligence, keep the Airport and its aerial approaches reasonably free from obstruction and interference for the safe and proper use thereof by Airline; and will develop, maintain, and operate the Airport in all respects in a manner at least equal to the standards or rating established by the FAA and any other governmental agency having jurisdiction thereof, except for conditions beyond the reasonable control of City. City shall not be liable to Airline for temporary failure to so perform, whether due to mechanical breakdown or for any other causes beyond the reasonable control of City.
- B. City, with its own forces or by contract, shall operate and maintain and keep in good condition the terminal building and all additions, improvements, facilities, and equipment now or hereafter provided by City at or in connection with the terminal building, except any improvements, facilities, and equipment constructed or installed by Airline and any Exclusive Use Leased Premises hereunder. City shall keep the terminal building, except Airline's Exclusive Use Leased Premises, in a neat, orderly, sanitary, and presentable condition.
- C. Consistent with this Agreement and constitutional and local law requirements City, with its own forces or by contract, shall at all times maintain the structure of all Leased Premises and repair latent defects in facilities provided by City.
- D. Consistent with this Agreement and constitutional and local law requirements City, with its own forces or by contract, shall at all times maintain the public, Preferential Use, Shared Use, and Common Use space areas of the terminal building so as to provide for reasonable unobstructed use thereof by passengers and invites, and shall keep such

area adequately supplied, equipped (including directional signs), furnished, and decorated.

- E. City shall supply or cause to be supplied appropriate and adequate equipment and maintenance for air conditioning, lighting, ventilation, heat, electrical, water, and sewerage facilities for terminal building public use areas and Airline's Leased Premises; adequate illumination in Common Use Space; and janitorial service in terminal building public use areas and Common Use Space, Shared Use Space, and Preferential Use Space.

Section 8.02 Airlines Responsibilities

Subject to the provisions of Section 8.04 and in accordance with Exhibit "C":

- A. Airline shall, at all times, keep its Leased Premises neat, orderly, sanitary, and presentable. Airline shall pay for all electric power used in its Exclusive Use Leased Premises and preferentially assigned loading bridges; shall be responsible for relamping and shall furnish its own janitorial service for its Exclusive Use Leased Premises; and shall cause to be removed at Airline's own expense from its Leased Premises all waste, garbage, and rubbish, and agrees not to deposit the same on any part of the Airport, except that Airline may deposit same temporarily in its Exclusive Use Space or in space designated by Director in connection with collection for removal.
- B. Airline shall maintain the apron area contiguous to its assigned Gates in a neat, clean, and orderly condition, free from litter, debris, refuse, petroleum products, or grease, and immediately remove all oil and grease spillage from its Aircraft Parking Areas that is attributable to Airline's activities, aircraft or equipment.
- C. Airline shall perform, at its sole expense, ordinary preventive maintenance and ordinary upkeep and repair (except structural repairs and repairs necessitated by latent defects in facilities provided by City) of its Exclusive Use Space including, but not limited to, all facilities, personal property, trade fixtures, and equipment. For purposes of this Section, structural repairs are defined as repairs to the roof, insulation, foundation and exterior walls of the terminal building.
- D. Airline shall immediately repair any damage in any other space at the Airport occasioned by the activities, fault or negligence of Airline, its servants, agents, employees, licensees, passengers, and invites.
- E. Airline shall not erect, maintain, or display on its Leased Premises or anywhere in the terminal building in the public view any billboards, banners, advertising, promotional signs, or materials without the prior written approval of Director.
- F. Airline expressly agrees that City shall not be liable to Airline, for bodily injury or for any loss or damage to real or personal property occasioned by flood, fire, earthquake, lightning, windstorm, hail, explosion, riot, strike, civil commotion, smoke, vandalism, malicious mischief, or acts of civil authority.
- G. Airline shall provide and maintain hand fire extinguishers for the interior of its Exclusive Use Space in accordance with applicable safety codes.

- H. Airline shall, in conducting any activity or business at the Airport, including environmental responses or remedial activities, comply with all applicable Environmental Laws, as discussed in detail in Section 14.19.

Section 8.03 City's Right to Inspect and Make Repairs

City, by its Director or authorized officers, employees, agents, contractors, subcontractors, and other representatives, shall have the right at any time in the case of emergencies, otherwise during normal business hours upon reasonable advance notice, to enter upon Airline's Exclusive Use Space, accompanied by an authorized Airline representative, if practicable, for the following purposes:

- A. To inspect such space to determine whether Airline has complied and is in compliance with the terms and conditions of this Agreement.
- B. Upon reasonable notice and opportunity to perform, except in emergencies, to perform such maintenance, cleaning, or repair as City reasonably deems necessary, if Airline fails to perform its obligations under Section 8.02, and to recover the actual cost of such maintenance, cleaning, or repair from Airline, plus a fifteen percent (15%) administrative charge from Airline on the next rent due.
- C. Upon reasonable notice, except in emergencies, to perform such maintenance, cleaning, or repair as City reasonably deems necessary, and which is the responsibility of the City under this Agreement.

Section 8.04 Alterations and Improvements

- A. Airline shall make no repairs, alterations, additions, improvements to, or installations on the Leased Premises without the prior written approval of City or Director.
- B. Plans and specifications for any such work shall be filed with and subject to the approval of City and Director and all work shall be done in accordance with local ordinances and California and Federal laws and regulations.
- C. All Airline alterations and improvements other than movable furniture, personal property, equipment, and trade fixtures shall become part of the realty and title shall vest with City at City's option and without cost, upon expiration, or early termination, of this Agreement.

Section 8.05 Payment Bond

Prior to the commencement of any improvements, City shall have the right to require that Airline obtain, or cause to be obtained, a contract surety bond, or such other form of security acceptable to City, in a sum equal to the full amount of the construction contract awarded by Airline for the improvements. Said bond shall name City as an obligee thereunder and shall be drawn in a form and from such company acceptable to City and licensed to do business in the State of California; shall guarantee the faithful performance of necessary construction and completion of improvements in accordance with approved final plans and detailed specifications; and shall protect City against any losses and liability, damages, expenses, claims

and judgments caused by or resulting from any failure to perform completely the work described. City also reserves the right to require that Airline acquires or causes to be acquired a payment bond with any contractor or contractors of Airline, as principal, in the sum equal to the full amount of the improvement contract awarded by Airline for the improvements. Said bond shall name the City as an obligee thereunder and shall guarantee payment of all wages for labor and services engaged, and of all bills for materials, supplies and equipment used in the performance of said improvement contract. Any work associated with such improvement shall not unreasonably interfere with the operation of the Airport, or otherwise unreasonably interfere with the permitted activities of other Airport tenants and users. Upon completion of approved improvement and within sixty (60) days of Airline's receipt of a certificate of occupancy, a complete set of as-built drawings shall be delivered to the City in a media type and format acceptable for the permanent record of the City.

Section 8.06 Leasehold Improvements

Airline shall be solely responsible for payment of all leasehold improvements made by Airline.

Section 8.07 Debts, Liens, Mortgages

Airline shall pay promptly when due and owing, all bills, debts and obligations incurred by Airline in connection with its operations or activities on Leased Premises at the Airport, and shall not permit the same to become delinquent. Except as expressly approved by City in writing, Airline shall not permit any mechanics' or material men or any other lien to be attached to or be foreclosed upon Leased Premises at the Airport or improvements thereto. Airline shall suffer no lien, mortgage, judgment or execution to be filed against the Leased Premises at the Airport or improvements thereon. If any lien shall be filed against the Leased Premises, Airline shall take action, including the payment of and/or bonding against the amount of the lien, to cause such lien to be removed within twenty (20) business days of recordation of the lien.

ARTICLE 9: DAMAGE OR DESTRUCTION OF PREMISES

Section 9.01 Damage or Destruction

- A. If the Airline Leased Premises or any portions thereof, or buildings or structures of which space may be a part, are damaged by fire or other casualty not caused by Airline, Director shall notify Airline within sixty (60) days whether the space will be repaired. If the space is to be repaired, it shall be repaired with due diligence by City, and the rent allocable to the particular building, rooms, or other portion of the space rendered untenantable shall be abated for the period from the occurrence of the damage to the completion of the repairs, provided that City shall exert its best effort to provide Airline with temporary substitute space, if available, at such rent as deemed necessary and reasonable by City, until such time as the repairs are completed.
- B. At the time of such damage, not caused by Airline, Airline shall notify Director within 30 days, if Airline will not be able to operate to its reasonable satisfaction without repair of the damaged space.
- C. If the Director shall fail to notify Airline of its decision within sixty (60) days after destruction, City shall be deemed to have elected to terminate this Agreement as to the space damaged and destroyed, and the Agreement shall automatically terminate as to

such space as of the date of the damage or the entire Agreement if Airline is not able to operate to its reasonable satisfaction as a result of the damage, provided Airline gave timely notice as required in 9.01B above.

ARTICLE 10: INDEMNIFICATION, EXEMPTION OF CITY, AND INSURANCE

Section 10.01 Indemnification

- A. Except to any extent expressly provided for in the Agreement, and to the furthest extent allowed by law, Airline shall indemnify, hold harmless and defend City and its officers, officials, employees, agents and volunteers (hereinafter referred to collectively as "City") from any and all loss, liability, fines, penalties, forfeitures, costs and damages (whether in tort or strict liability including damage by fire or other casualty) alleged to have been incurred by City or Airline, and from any and all claims, demands and actions in law or equity (including attorney's fees and litigation expenses) arising or alleged to have arisen directly or indirectly out of Airline's: (i) occupancy, maintenance and/or use of Leased Premises; (ii) use of any Common Use Space, Exclusive Use Space, Joint Use Space and Preferential Use Space, upon which the Leased Premises is located; or (iii) performance of, or failure to perform, this Agreement. Airline's obligations under the preceding sentence shall not apply to any loss, liability, fines, penalties, forfeitures, costs or damages caused by the negligence, gross negligence or willful misconduct of City.
- B. Airline acknowledges that any and all loss, liability, fines, penalties, forfeitures, costs and damages including all reasonable costs, expenses and liabilities for environmental investigations, monitoring, containment, abatement, removal, repair, cleanup, restoration, remediation and other response costs, including reasonable attorneys' fees and disbursements (whether in contract, tort or strict liability, including but not limited to personal injury, death at any time and property damage, including damage by fire or other casualty) arising out of or in any way connected with any violation of Environmental Laws, releases or discharges of a Hazardous Substance, or the exacerbation of a potential environmental hazard, in each case only to the extent occurring as a result of or in connection with: (i) Airline's occupancy, maintenance and/or use of the Leased Premises; (ii) Airline's use of any Common Use Space, Exclusive Use Space, Joint Use space and Preferential Use Space, upon which the Leased Premises is located; or (iii) Airline's activities or the activities of any of Airline's representatives (including, without limitation, any of Airline's officers, officials, employees, agents, volunteers, invitees, subtenants, consultants, subconsultants, contractors or subcontractors) in connection with Airline's operations under this Agreement, are expressly within the scope of the indemnity set forth above except to the extent caused by City or a third party not contractually related to Airline or resulting from a condition existing prior to Airline's first occupancy of the Leased Premises.
- C. Airline's occupancy, maintenance and use of the Premises, and use of all or any part of Airport, including, but not limited to, use of any Common Use Space, Exclusive Use Space, Joint Use Space and Preferential Use Space, upon which the Leased Premises is located, shall be at Airline's sole risk and expense. Airline accepts all risk relating to Airline's: (i) occupancy, maintenance and/or use of the Premises; (ii) Airline's use of any Common Use Space, Exclusive Use Space, Joint Use space and Preferential Use, upon which the Leased Premises is located; or (iii) performance of, or failure to perform, this Agreement City shall not be liable to Airline and its insurer(s) for, and Airline and its

insurer(s) hereby waive and release City from, any and all loss, liability, fines, penalties, forfeitures, costs or damages resulting from or attributable to an occurrence on or about the Premises, or all or any part of the Airport, including, but not limited to, use of any Common Use Space, Exclusive Use Space, Joint Use Space and Preferential Use Space, upon which the Leased Premises is located, in any way related to the Airline's operations and activities. This waiver shall not extend to any and all loss, liability, fines, penalties, forfeitures, costs or damages caused by the negligence, gross negligence, or by the willful misconduct of City or City's failure to comply with its obligations under this Agreement.

- D. Airline shall promptly notify City of any occurrence on Airline's use of any Common Use Space, Exclusive Use Space, Joint Use space and Preferential Use Space upon which the Leased Premises is located, resulting in injury or death to any person or damage to property of any person.
- E. If Airline should contract any work on the Premises or subcontract any of its obligations under this Agreement, Airline shall require each consultant, subconsultant, contractor and subcontractor to indemnify, hold harmless and defend City and its officers, officials, employees, agents and volunteers in accordance with the terms of this Section.
- F. The provisions of this Section shall survive the termination or expiration of this agreement.

Section 10.02 Insurance

- A. Throughout the life of this Agreement Airline shall pay for and maintain in full force and effect all policies of insurance required hereunder with an insurance company(ies) either (i) admitted by the California Insurance Commissioner to do business in the State of California and rated not less than "A-VII" in Best's Insurance Rating Guide, or (ii) authorized by City's Risk Manager or his/her designee. The following policies of insurance are required:

- i. COMMERCIAL GENERAL LIABILITY insurance which shall be at least as broad as the most current version of Insurance Services Office (ISO) Commercial General Liability Coverage Form CG 00 01 and include insurance for "bodily injury," "property damage" and "personal and advertising injury" with coverage for premises and operations (including the use of owned and non-owned equipment), products and completed operations, hangar keepers liability and contractual liability (including, without limitation, indemnity obligations under the Contract) with limits of liability of not less than the following:

- \$10,000,000 per occurrence for bodily injury and property damage
 - \$1,000,000 per occurrence for personal and advertising injury
 - \$10,000,000 aggregate for products and completed operations
 - \$10,000,000 general aggregate.

In the event Airline purchases an Umbrella or Excess insurance policy(ies) to meet the minimum limits of insurance set forth above, this insurance policy(ies) shall "follow form" and afford no less coverage than the primary insurance policy(ies).

- B. Airline shall be responsible for payment of any deductibles contained in any insurance policies required hereunder and Airline shall also be responsible for payment of any self-insured retentions. At no time shall City be responsible for the payment of any deductibles or self-insured retentions. Any deductibles or self-insured retentions must be declared to, and approved by, the City's Risk Manager or his/her designee. At the option of the City's Risk Manager or his/her designee, either (i) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects City, its officers, officials, employees, agents and volunteers; or (ii) Airline shall provide a financial guarantee, satisfactory to City's Risk Manager or his/her designee, guaranteeing payment of losses and related investigations, claim administration and defense expenses. At no time shall City be responsible for the payment of any deductibles or self-insured retentions.
- C. All policies of insurance required hereunder shall be endorsed to provide that the coverage shall not be cancelled, reduced in coverage or in limits except after 30 calendar day written notice has been given to City. Upon issuance by the insurer, broker, or agent of a notice of cancellation, non-renewal, or reduction in coverage or in limits, Airline shall furnish City with a new certificate and applicable endorsements for such policy(ies). In the event any policy is due to expire during this Agreement, Airline shall provide a new certificate, and applicable endorsements, evidencing renewal of such policy within 15 calendar days prior to the expiration date of the expiring policy.
- D. The General Liability insurance policies shall be written on an occurrence form and shall name City, its officers, officials, agents, employees and volunteers as an additional insured. Such policy(ies) of insurance shall be endorsed so Airline's insurance shall be primary and no contribution shall be required of City. The coverage shall contain no special limitations on the scope of protection afforded to City, its officers, officials, employees, agents and volunteers, subject to policy terms, conditions and exclusions.
- F. Airline shall furnish City with all certificate(s) and applicable endorsements effecting coverage required hereunder. All certificates and applicable endorsements are to be received and approved by the City's Risk Manager or his/her designee prior to City's execution of the Agreement. Such evidence of insurance shall be provided City at the following address:

City of Fresno - Airports Department
Properties Division
4995 E. Clinton Way
Fresno, CA 93727

Upon request of City, Airline shall immediately make available to City's Risk Manager or designee, at its corporate headquarters, a complete copy of any insurance policy required under this Contract, including all endorsements, with said copy certified by the underwriter to be a true and correct copy of the original policy. This requirement shall survive expiration or termination of this Agreement.

- G. Any failure to maintain the required insurance shall be sufficient cause for City to terminate this Lease. No action taken by City hereunder shall in any way relieve Airline of its responsibilities under this Lease.

- H. The fact that insurance is obtained by Airline shall not be deemed to release or diminish the liability of Airline, including, without limitation, liability under the indemnity provisions of this Agreement. The duty to indemnify City and its officers, officials, employees, agents and volunteers shall apply to all claims and liability regardless of whether any insurance policies are applicable. The policy limits do not act as a limitation upon the amount of indemnification to be provided by Airline. Approval or purchase of any insurance contracts or policies shall in no way relieve from liability nor limit the liability of Airline.
- I. If Airline should contract any work on the Premises or subcontract any of its obligations under this Agreement, Airline shall require each consultant, subconsultant, contractor and subcontractor to provide insurance protection in favor of City and its officers, officials, employees, agents and volunteers in accordance with the terms of each of the preceding paragraphs, except that the consultants', subconsultants', contractors' or subcontractors' certificates and endorsements shall be on file with Airline and City prior to the commencement of any work by the consultant, subconsultant, contractor or subcontractor.

Section 10.03 Nonliability of City

- A. Without wavier or limitation, City shall not in any event be liable for any acts or omissions of Airline, its officers, officials, employees, agents, volunteers, invitees, consultants, subconsultants, contractors or subcontractors, or for any conditions resulting from the operations or activities of Airline, its officers, officials, employees, agents, volunteers, invitees, consultants, subconsultants, contractors or subcontractors, or for any conditions resulting from the operations or activities of any other Airline, lessee, tenant, concessionaire, vendor, supplier, consultant, subconsultant, contractor, or subcontractor except to the extent caused by the negligence or willful misconduct of City or City's failure to comply with its obligations under this Agreement..
- B. City shall not be liable for Airline's failure to perform any of the obligations under this Agreement or for any delay by Airline in the performance thereof, nor shall any such delay or failure be deemed a default by City.

ARTICLE 11: ASSIGNMENT AND SUBLETTING

Section 11.01 Merger, Assignment and Subletting

Airline shall not at any time, directly or indirectly, transfer, convey, sublet, mortgage, pledge, or encumber its interest under this Agreement, or any part of the Leased Premises without the advance written approval of City, which approval shall not be unreasonably withheld or delayed. Regardless of the foregoing, Airline may assign its interest under this Agreement to any person, firm, or corporation with which Airline may merge or consolidate or which may succeed to the business of Airline, and Airline shall give written notice to Director of any such assignment and/or assignment and assumption as soon as practical, but not later than sixty (60) calendar days prior to such merger, consolidation, acquisition or succession, but shall not be required to provide non-public information.

Section 11.02 Relinquishment of Space

If Airline desires to relinquish any of its Exclusive Use Space or Preferential Use Space, Airline will notify Director in writing of the space available, and City or Director shall use reasonable efforts to reassign the space to another airline. No such reassignment, vacation, transference, conveyance or sublease shall release Airline from its obligations under this Agreement including responsibility for payment of rent, utilities, fees and other charges, without specific written consent by City to such release. Airline shall be responsible for returning all relinquished space to the condition upon it was given.

Section 11.03 Bankruptcy

Section 11.01 shall not apply to any valid assumption and/or assignment of this Agreement, the leased space, or any part thereof, by a trustee, or by Airline as a debtor in possession under the Bankruptcy Code of 1978, as amended, including the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 (collectively the "U. S. Bankruptcy Code"), provided that adequate assurance of future performance as provided by the U. S. Bankruptcy Code is to be provided, in writing, as a condition of the assumption and/or assignment of this Agreement. Such assurance shall include but shall not be limited to:

- A. Adequate assurance of the reliability of the proposed source for the rental, utilities, fees or other charges due under this Agreement upon the assumption and/or assignment of this Agreement;
- B. Adequate assurance that all other consideration due under this Agreement shall be forthcoming after the assumption or assignment of this Agreement and that any defaults thereunder shall be cured; and
- C. The procurement of a bond from a financially reputable surety covering any costs or damages which the City reasonably estimated the City would incur in the event that City, within three (3) years following the assumption and/or assignment of this Agreement, becomes entitled to and exercises any right to reassign the lease covered by this Agreement under Article 4.

Section 11.04 Consent

Consent by City to any type of transfer provided for by this Article 11 shall not in any way be construed to relieve Airline from obtaining further consent for any subsequent transfer, assignment and/or assumption of any nature whatsoever.

ARTICLE 12: DEFAULTS

Section 12.01 Default

If Airline and/or its affiliates, subsidiaries and code share partners (1) fails to pay rent or any other payment past due hereunder within ten (10) calendar days after receipt of written notice of a past due account under Section 5.05 or elsewhere in this Agreement, or (2) fails to commence immediately to keep and perform any of its other covenants and agreements within ten (10) calendar days after receipt of written notice, or (3) fails to continue to complete, in a timely

manner, any of its covenants and agreements after performance is commenced, or after the filing of any petition, proceedings, or action by, for, or against Airline under any insolvency, bankruptcy, or reorganization act of law, then an event of default shall occur under this Agreement and, at the election of City:

- A. Without terminating this Agreement, City may reenter the Leased Premises and improve and relet all or any part of it to others, for the account of Airline, including costs of renovation necessitated by the neglect of Airline, its agents, or its employees and a reasonable administrative fee to City (in accordance with its cost accounting procedures) for all costs incurred, for all sublease rentals received, and Airline shall promptly reimburse City for any deficiency in rentals or other payments received under such subletting, as compared to Airline's obligations hereunder. City shall use reasonable commercial efforts to sublet the premises.
- B. At any time before or after a reentry and reletting as provided in Article 11, City may terminate Airline's rights under this Agreement as provided in Article 13, without any restriction upon recovery by City for past due rentals and other obligations of Airline. City shall have all additional rights and remedies as may be provided to landlords by law.
- C. Notwithstanding any of the provisions hereof, automatically and immediately upon the occurrence of an event of default by Airline, the term of this Agreement shall convert to month-to-month, commencing on the date of the automatic conversion and shall terminate upon thirty (30) days written notice from the City to Airline. The conversion of the term of this Agreement pursuant to this Section shall not discharge any of Airline's obligations hereunder nor affect any of the City's other remedies set forth herein; provided, however, that the termination of this Agreement shall discharge subsequent Airline obligations hereunder.

ARTICLE 13: TERMINATION

Section 13.01 Conditions of Leased Premises at Termination

Upon termination of this Agreement, Airline shall yield and deliver to City the Leased Premises promptly and in a clean, sanitary condition, and, if necessary, restored to the satisfaction of City, reasonable wear and tear excepted.

Section 13.02 Events Permitting Termination by City

- A. City may terminate this Agreement upon sixty (60) calendar days' written notice and all of its obligations hereunder and may exercise all rights of entry and reentry upon the Leased Premises available under law, upon or after the occurrence of any one of the following events:
 - 1. Airline and/or its affiliates flying on behalf of Airline, subsidiaries and/or code share partners is in arrears in the payment of the whole or any part of the amounts agreed upon hereunder for a period of ten (10) days after Director has notified Airline in writing that payment was not received when due;
 - 2. Airline files in any court a petition in bankruptcy or insolvency or for the appointment of a receiver or trustee of all or a portion of Airline's property;

3. Airline makes any general assignment for the benefit of creditors;
4. Airline abandons the Leased Premises;
5. Airline defaults in the performance of any of the covenants and conditions required herein (except rental payments) to be kept and performed by Airline, and such default continues for a period of thirty (30) days after receipt of written notice from Director to cure such default;
6. Airline is adjudged a bankrupt in involuntary bankruptcy procedures;
7. Airline is made a party to any receivership proceeding in which a receiver is appointed for the property or affairs of Airline where such receivership is not vacated within sixty (60) days after the appointment of such receiver;
8. Airline reduces its regularly scheduled service at the Airport to less than two (2) flights per week day unless such reduction of service is directly attributable to circumstances for which Airline is not responsible, and which are beyond its reasonable control; or
9. The abolition, limitation, or restriction by any act of federal, state or local authority under which these Premises are being leased, except with respect to legislation that grants authority to a successor.
10. Airline and/or its affiliates, subsidiaries and/or code share partners fails to comply with PFC requirements including those requirements set forth in Section 5.07 of this Agreement.
11. Redevelopment of the Airport that necessitates relocation of Airline from Leased Premises.
- B. In any of the aforesaid events, City may take immediate possession of the Leased Premises in any lawful manner including any and all improvements thereon and remove Airline's effects.
- C. Failure of City to declare this Agreement terminated upon the default of Airline for any of the reasons set out shall not operate to bar or destroy the right of City to terminate this Agreement by reason of any subsequent violation of the terms of this Agreement.
- D. No receipt or acceptance of money by City from Airline after the expiration or termination of this Agreement, or after the service of any notice, or after the commencement of any suit, or after final judgment for possession of the Leased Premises, shall reinstate, continue, or extend the terms of this Agreement, or affect any such notice, demand or suit or imply consent for any action for which City's consent is required or operate as a waiver of any right or remedy of City including any right to lawfully retake and resume possession of the Leased Premises.

ARTICLE 14: GENERAL PROVISIONS

Section 14.01 Compliance with Law

- A. Airline shall not use the Leased Premises or any part thereof, or knowingly permit the same to be used by any of its employees, officers, agents, subtenants, invites, or licensees for any illegal purposes and shall, at all times during the term of this Agreement, comply with all applicable ordinances and laws of any City, county, or state government or of the U.S. Government, and of any political division or subdivision or agency, City, or commission thereof which may have jurisdiction to pass laws or ordinances or to make and enforce rules or regulations with respect to the uses hereunder or the Leased Premises.
- B. At all times during the term of this Agreement, Airline shall, in connection with its activities and operations at the Airport:
1. Comply with and conform to all present and future statutes and ordinances, rules and regulations promulgated thereunder, of all federal, state, local and other governmental bodies of competent jurisdiction that apply in any manner to Airline or Airline's operations and activities under this Agreement. This includes but is not limited to the FAA Assurances in Exhibit "E" which is attached hereto and incorporated herein.
 2. Make, at its own expense, all nonstructural improvements, repairs, and alterations to its Exclusive Use Space (subject to prior written approval of City), equipment, and personal property that are required to comply with or conform to any such statutes and ordinances.
 3. Be and remain under this Agreement an independent contractor of City with respect to all installations, construction and services performed by or on behalf of Airline hereunder, and otherwise.

Section 14.02 Notices

- A. Any notice under the terms of this Agreement shall be in writing and sent by certified mail, return receipt requested or by any nationally recognized overnight delivery service, or delivered personally. The deemed date of any notice shall be the date the notice is received if personally served, or 3 days following sufficient service by mail. If such notice is given by Airline it shall be submitted to:

Fresno Yosemite International Airport
4995 East Clinton Way
Fresno, CA 93727-1504
Director of Aviation
or to such revised address as notified by City

If such notice is given by City, it shall be submitted to:

United Air Lines, Inc.
77 West Wacker Drive, 15th Floor HDQOU

Chicago, IL 60601

A party may change its notice address of record by written notice thereof given in the manner provided herein.

B. If notice is given in any other manner or at any other place, it will also be given at the place and in the manner specified above.

Section 14.03 Successors and Assigns Bound

This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto.

Section 14.04 Governing Law, Venue and Attorney's Fees

- A. This Agreement and all disputes arising hereunder shall be governed by the laws of the State of California, and exclusive venue in any and all actions arising under this Lease shall be laid in a state or Federal court located in the Judicial District of Fresno County, California.
- B. In any action or proceeding which Lessor or Lessee may be required to prosecute to enforce its respective rights under this Lease, the unsuccessful party therein agrees to pay all costs incurred by the prevailing party therein, including reasonable interest and attorneys' fees, to be fixed by the court, and said costs, interest, and attorneys' fees shall be made a part of the judgment in said action.

Section 14.05 Subordination to Agreements with U.S. Government

This Agreement is subject and subordinate to the provisions of any agreements heretofore or hereinafter made between the City and the United States, relative to the operation or maintenance of the Airport, the execution of which has been required as a condition precedent to the transfer of federal rights or property to City for Airport purposes, or to the expenditure of federal funds for the improvement or development of the Airport, including the expenditure of federal funds for the development of the Airport in accordance with the provisions of the Federal Aviation Act of 1958 as it has been amended from time to time. City covenants that it has no existing agreements with the United States in conflict with the express provisions hereof.

Section 14.06 Nonwaiver of Rights

The non-enforcement by either party of the breach of any term, covenant or condition herein stipulated, shall never be construed to be a waiver of any other or succeeding breach of any term, covenant or condition herein imposed upon the other party, and the acceptance of payments of any amounts due or to become due hereunder in any other way or manner, or at any other time than herein provided, shall never be construed as a waiver of the right of City of any of the provisions herein imposed upon Airline.

Section 14.07 Federal Aviation Act, Section 308

Nothing herein contained shall be deemed to grant to Airline any exclusive right or privilege within the meaning of Section 308 of the Federal Aviation Act, as amended or succeeded, for the conduct of any activity on the Airport, except that, subject to the terms and provisions hereof, Airline shall have the right to exclusive possession of the Exclusive Use Space leased to Airline under the provisions of this Agreement.

Section 14.08 Severability

If one or more clauses, sections, or provisions of this Agreement shall be held to be unlawful, invalid, or unenforceable, it is agreed that the remainder of the Agreement shall not be affected thereby.

Section 14.09 Headings

The headings of the several articles and sections of this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit, or describe the scope or intent of any provisions of this Agreement and shall not be construed to affect in any manner the terms and provisions hereof or the interpretation or construction thereof.

Section 14.10 Bad Checks

Any checks returned due to insufficient funds or for any other reason caused by Airline will incur a charge for handling, to be paid by Airline upon proper invoice. This charge will consist of all identifiable expenses with a minimum charge of twenty-five dollars (\$25.00) for each check not to exceed the maximum charge allowed by law.

Section 14.11 Assignment by City or Other Successor in Interest

City may assign or otherwise convey its interest, rights, duties, and/or obligations hereunder to any extent allowed by law. In this regard City or its assignee may assign, pledge or take other appropriate action with respect to this Agreement and their rights and interests hereunder for any purpose relating to the issuance of bonds or other revenue generating devices.

Section 14.12 Authorization

Airline covenants that it is licensed and authorized to do business in the State of California.

Section 14.13 Removal of Disabled Aircraft

Airline shall promptly remove any of its disabled aircraft from any part of the Airport (including, without limitation, runways, taxiways, aprons, and aircraft parking positions) and place any such disabled aircraft in such storage areas as may be designated by Director. Airline may store such disabled aircraft only for such length of time and on such terms and conditions as may be established by Director. If Airline fails to remove any of its disabled aircraft promptly, Director may, but shall not be obligated to, cause the removal and storage of such disabled aircraft, provided, however, the obligation to remove or store such disabled aircraft shall be consistent with federal laws and regulations, including those of the FAA and the National Transportation Safety Board (NTSB). Airline agrees to reimburse City for all costs of such removal and storage;

and Airline, furthermore, hereby releases City from any and all claims for damage to the disabled aircraft or otherwise arising from or in any connected with such removal by City, except to the extent caused by the active negligence or willful misconduct of City, its agents, or its employees.

Section 14.14 Quiet Enjoyment

Except to any extent otherwise expressly provided in this Agreement, City covenants and agrees that Airline on paying the rent (and other charges herein provided for) and observing and keeping the covenants, conditions, and terms of this Agreement, shall lawfully and quietly hold, occupy and enjoy the Leased Premises during the term of this Agreement without hindrance or molestation by City or any person claiming under Lessor.

Section 14.15 Force Majeure

No party to this Agreement is responsible to the other party for nonperformance or delay in performance of the terms and conditions herein due to acts of God, acts of government, wars, riots, strikes, accidents in transportation, fuel or material shortages or other causes beyond the control of a party.

Section 14.16 Independent Contractor

Airline is and throughout this Agreement shall be an independent contractor and not an employee, partner or agent of the City. Neither party shall have any right to control, supervise or direct the manner or method or choice by which the other party or its contractors shall perform its or their work or function. However, each party shall retain the right to verify that the other is performing its respective obligations in accordance with the terms hereof.

Neither the Airline, nor any of its officers, associates, agents or employees shall be deemed an employee of the City for any purpose. Airline shall not be entitled to nor shall it receive any benefit normally provided to employees of the City such as, but not limited to, vacation payment, retirement, health care or sick pay. The City shall not be responsible for withholding income or other taxes from the payments made to Airline. Airline shall be solely responsible for filing all returns and paying any income, social security or other tax levied upon or determined with respect to the payments made to Airline pursuant to this Agreement.

Section 14.17 Partnership/Joint Venture

This Agreement does not evidence a partnership or joint venture between Airline and City. Except to any extent expressly provided for in this Agreement, (i) the City does not grant, convey or delegate to Airline any tangible or intangible property interest or express or implied agency, license, right or authority, (ii) Airline shall have no authority to bind the City absent its express written consent, (iii) either Party shall be free from obligations or liabilities under contracts entered by the other, and (iv) each Party shall bear its own costs/expenses in pursuit hereof.

Section 14.18 Compliance with ADA and Other Handicap Access and Nondiscrimination

Airline agrees that with respect to the Leased Premises including leased Aircraft Parking Areas and loading bridges, Airline shall be responsible, at Airline's cost, for compliance with the

Americans with Disabilities Act of 1990 ("ADA", 42 U.S.C. 12101 et seq.) and the regulations and Accessibility Guidelines for Buildings and Facilities issued pursuant thereto. Airline recognizes that the City is a public entity subject to Title II of the ADA. To the extent permitted by law, Airline shall assume and be obligated to comply with any obligations to which the City may be subject to under Title II of the ADA with respect to any programs, services, activities, alterations or construction conducted or undertaken by Airline at its premises. Airline shall also be responsible, at Airline's cost, for compliance with any applicable handicap accessibility laws, including, but not limited to, the Air Carriers Access Act ("ACAA", 49 U.S.C. 41705), and regulations implementing the ACAA.

Section 14.19 Compliance with Environmental Laws

Airline shall, in conducting any activity or business at the Airport, including environmental responses or remedial activities, comply with all applicable Environmental Laws, including but not limited to Environmental Laws regarding the generation, storage, use, transportation and disposal of solid wastes, Hazardous Materials, or other contaminants and regarding releases or threatened releases of Hazardous Materials or other contaminants in the environment.

- A. Review of Environmental Documents. Airline, at the request of City, shall make available for the inspection and copying upon reasonable notice at a reasonable time, any or all of the documents and materials Airline has prepared pursuant to any Environmental Law or submitted to any governmental regulatory agency; provided, that such documents and materials are not protected from disclosure by a court order, any available self audit privilege, attorney work product doctrine or attorney client privilege and are pertinent to Airline's rights and obligations under this Agreement at the Airport or to the Leased Premises. Such documents and materials released to the City shall be kept confidential to the fullest extent allowed by law. If any applicable Environmental Law requires Airline to file any notice or report of a release or threatened release of Hazardous Materials on, under or about the Leased Premises or the Airport, Airline shall provide a draft copy of such report or notice to the City to the extent practical given time constraints imposed by applicable Environmental Laws and Airline shall consult with City and give due consideration to the City's comments and concerns prior to submitting such notice or report to the appropriate governmental agency.
- B. Access of Environmental Inspection. On reasonable notice and at a reasonable time, City shall have access to the Leased Premises to inspect the same, with a representative of Airline to be present during such access and inspection, in order to confirm that the Airline is using the Leased Premises in accordance with applicable Environmental Laws. Airline, at the request of City and at City's expense, shall conduct such testing and analysis as is reasonable and necessary to ascertain whether Airline is using the Leased Premises in compliance with applicable Environmental Laws; provided that if the testing and analysis determines that Airline's use is not in compliance with applicable Environmental Laws, then Airline shall bear the reasonable cost of such testing and analysis . Any such tests shall be conducted by qualified independent experts chosen by Airline and subject to City's approval which approval will not be unreasonably withheld. Copies of reports from any such testing shall be provided to City upon receipt by Airline.
- C. Environmental Non-compliance. If, after reasonable notice to Airline and opportunity for Airline to commence measures to address compliance, Airline fails to comply with any

applicable Environmental Laws, City, in addition to its rights and remedies provided at law or in equity, may lawfully enter the Leased Premises and take all reasonable and necessary measures, at Airline's expense, to insure compliance with Environmental Laws.

- D. Duty to Notify City. In the event of a release or threatened release of Hazardous Material into the environment, excluding de minimis releases, relating to or arising out of Airline's use or occupancy of the Leased Premises or in the event any claim, demand, action or notice is made against Airline regarding Airline's failure or alleged failure to comply with any Environmental Laws at the Leased Premises, Airline promptly shall notify City by telephone, followed by written notice and shall provide City with copies of any written claims, demands, notices, or actions so made.
- E. Environmental Remediation. Airline shall undertake such steps to remedy and remove releases of any Hazardous Materials resulting from the acts or omissions of Airline on or under the Leased Premises, as are necessary and reasonable to protect the public health safety and the environment as required by applicable Environmental Laws. Such work shall be performed at Airline's sole expense after Airline submits to City a written plan for completing such work and receives the prior written approval of City which approval shall not be unreasonably withheld. City shall have the right to review and inspect all such work at any time using consultants and representatives of its choice at City's expense.. Specific cleanup levels for any environmental remediation work shall be in compliance with all of the applicable Environmental Laws. To the extent that City is named in any enforcement action or lawsuit by any party in connection with a release of Hazardous Materials or noncompliance with Environmental Laws caused by Airline at the Leased Premises, Airline shall defend City and indemnify and hold harmless City and its officers, employees and agents from any costs, damages or fines resulting therefrom, except to the extent caused by City or a third party not contractually related to Airline or resulting from a condition existing prior to Airline's first occupancy of the Leased Premises.

Section 14.20 Covenant Not to Grant More Favorable Terms

City shall not enter into any lease, contract or other agreement with any other airline providing service at the Airport which contains any rates, charges and/or terms more favorable to such airline than the rates and charges payable hereunder by the Airline or terms unless the City also makes those more favorable terms available to the Airline; provided, however, that this Section shall not be applicable to charges for the use of the Airport on a "per use" basis and provided further that this Section shall not be applicable for any waiver of rental, fees and charges for a limited period of time that may be implemented by City in compliance with U.S. Department of Transportation guidelines concerning the use of airport revenue.

Section 14.21 Interpretation of Provisions

Nothing herein contained shall be construed or interpreted, in any manner whatsoever, as limiting, relinquishing or waiving any of the rights of ownership enjoyed by City in and to Airport property, or in any manner waiving or limiting City's control over the operation, maintenance, etc., of Airport property or in derogation of such governmental rights as City possesses, except as is specifically set forth herein.

Section 14.22 Interpretation of Agreement

The parties acknowledge that this Agreement in its final form is the result of the combined efforts of the parties and that, should any provision of this Agreement be found to be ambiguous in any way, such ambiguity shall not be resolved by construing this Agreement in favor or against any party, but rather by construing the terms in accordance with their generally accepted meaning.

Section 14.23 Cumulative Remedies

No remedy or election hereunder shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.

Section 14.24 Non-Solicitation

Airline represents and warrants that it has not paid or agreed to pay any compensation, contingent or otherwise, to solicit or procure this Agreement or any rights/benefits hereunder.

Section 14.25 Precedence of Documents

In the event of any conflict between the body of this Agreement and any Exhibit or Attachment hereto, the terms and conditions of the body of this Agreement shall control and take precedence over the terms and conditions expressed within the Exhibit or Attachment. Furthermore, any terms or conditions contained within any Exhibit or Attachment hereto which purport to modify the allocation of risk between the parties, provided for within the body of this Agreement, shall be null and void.

Section 14.26 Entire Agreement

This Agreement, together with all exhibits, documents and instruments attached hereto and incorporated herein, constitutes the entire agreement between the parties hereto, and all other representations or statements heretofore made, verbal or written, are merged herein, and this Agreement may be amended only in writing, and executed by duly authorized representatives of the parties hereto.

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ARTICLE 15: SIGNATURE

IN WITNESS WHEREOF, City has caused this Agreement to be executed and issued by its Director of Aviation, and Airline, by the signature(s) of its duly authorized officer(s) hereunto below affixed, has accepted this Agreement and acknowledged and/or agreed to all of the terms, covenants, conditions, warranties, agreements, and provisions herein contained, as of the day and year first above written.

CITY OF FRESNO, CALIFORNIA
A Municipal Corporation

UNITED AIR LINES, INC.
A Delaware Corporation

By: _____
Kevin R. Meikle
Director of Aviation (Interim)

By: _____

Title: _____

Address for Notice:
City of Fresno
Airports Department
4995 E. Clinton Way
Fresno, CA 93727

Address for Notice:
United Air Lines, Inc.
77 West Wacker Drive, 15th Floor
HDQOU
Chicago, IL 60601

ATTEST:
Yvonne Spence, CMC
City Clerk

By: _____
Deputy

APPROVED AS TO FORM:
Francine M. Kanne
City Attorney, Interim

By: _____
Robert Abrams, Deputy

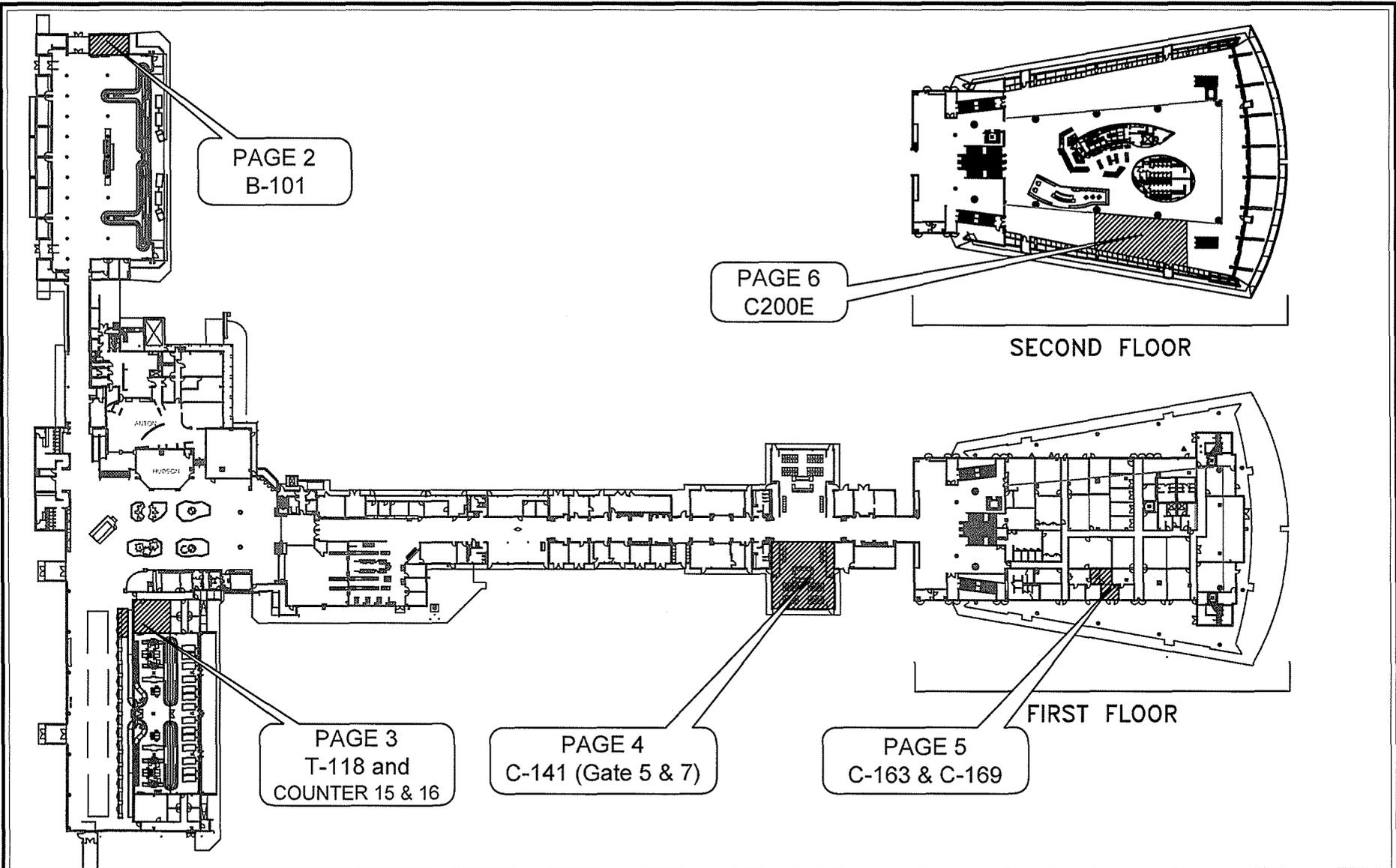
Attachments:

- Exhibit A Leased Premises Terminal Building
- Exhibit B Terminal Common Use Area
- Exhibit C Operation and Maintenance Responsibilities
- Exhibit D Affiliates, Subsidiaries and Code Share Partners
- Exhibit E FAA Assurances
- Exhibit F Monthly Operations Report

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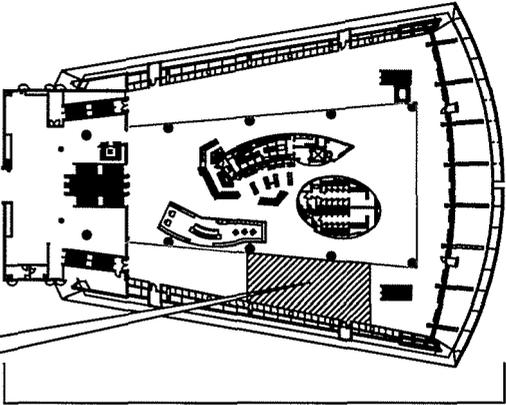
EXHIBIT "A"

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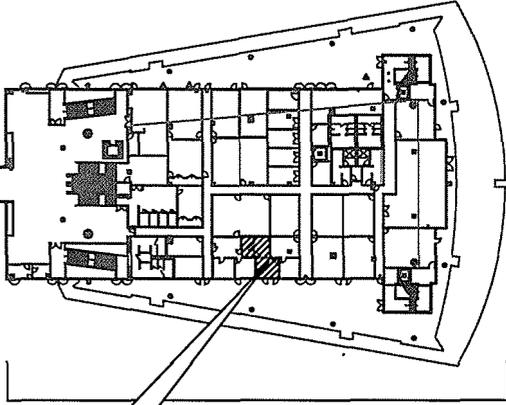


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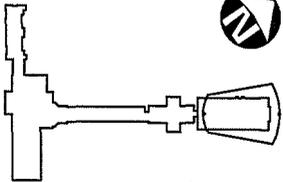
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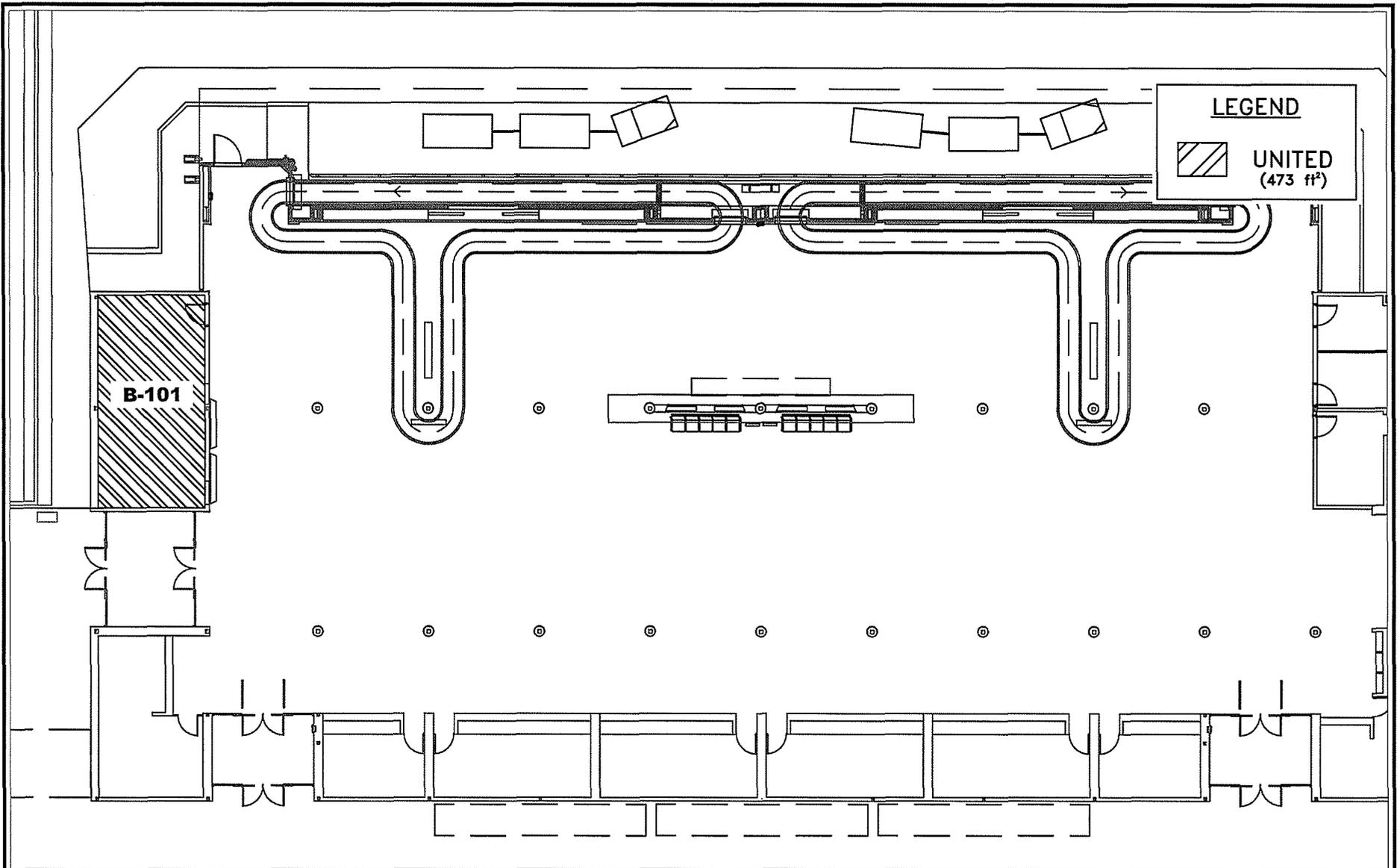
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PAGE 5
C-163 & C-169



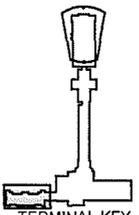
FIRST FLOOR

 TERMINAL KEY	 DEPARTMENT OF AIRPORTS DIRECTOR OF AVIATION (INTERIM) KEVIN R. MEIKLE, ARCHITECT	FRESNO YOSEMITE INTERNATIONAL AIRPORT TERMINAL COMPLEX UNITED LEASES LOCATIONS	KRA NO. _____ FUND NO. _____ ORG NO. _____ ACTIVITY _____ PROJECT I.D. _____	REVISIONS/REFERENCE REV NO. 1-1/24/2013, DJY
	 FRESNO YOSEMITE INTERNATIONAL AIRPORT CITY OF FRESNO DEPARTMENT OF AIRPORTS 4995 EAST CLINTON WAY FRESNO, CALIFORNIA 93727 PHONE: 558-821-4500	J:\ARCHIVE\25A\25A00399.DWG	APPROVED CONST. ENG. _____ OFFICE ENG. _____ CITY DESIGN ENG. _____	DR. BY: LNS CH. BY: MGP DATE: 8-20-12 SCALE: N/A

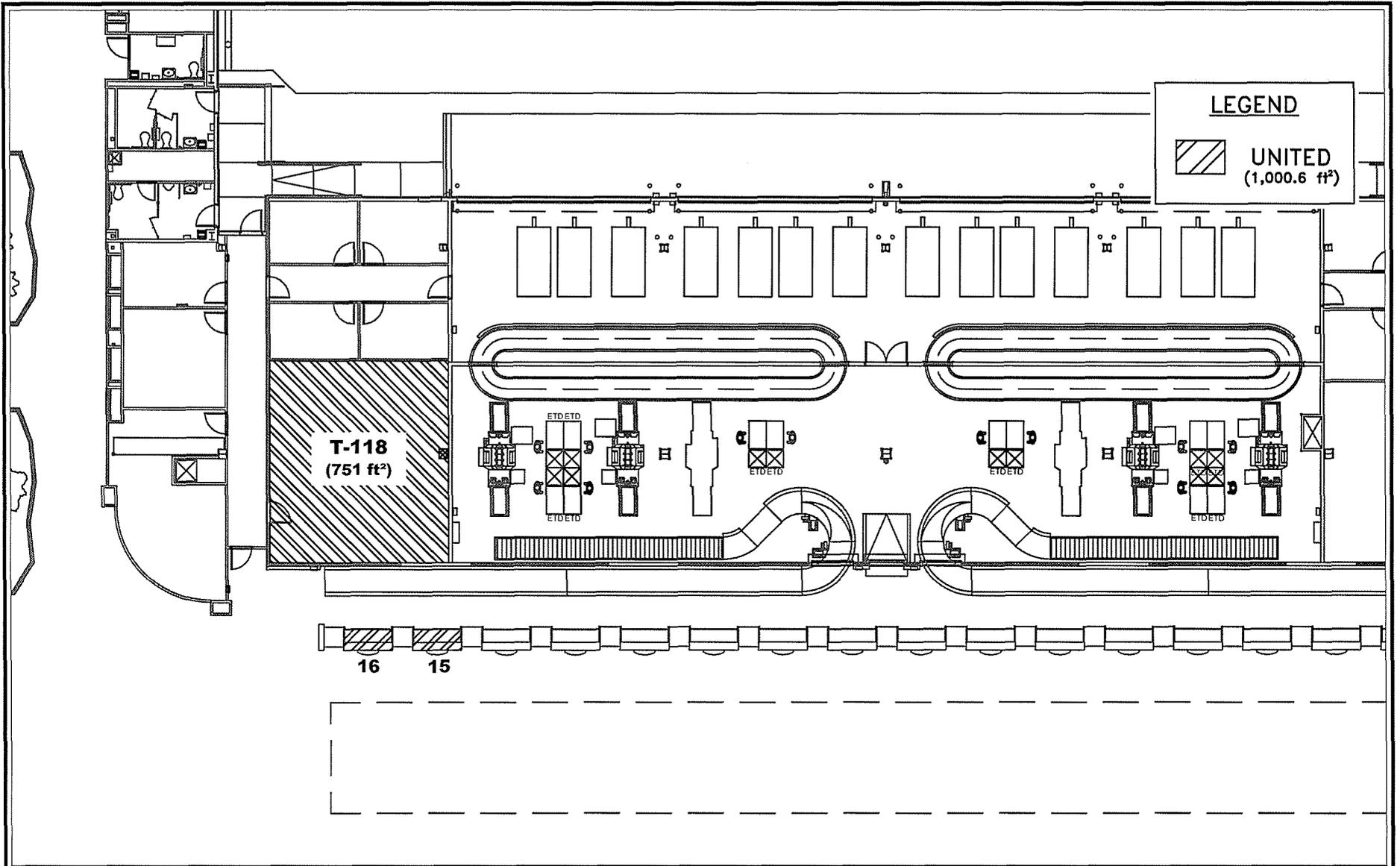


LEGEND
 **UNITED**
 (473 ft²)

B-101

  TERMINAL KEY	DEPARTMENT OF AIRPORTS DIRECTOR OF AVIATION (INTERIM) KEVIN R. MEKLE, ARCHITECT	FRESNO YOSEMITE INTERNATIONAL AIRPORT TERMINAL BAGGAGE CLAIM UNITED LEASE (B-101)	KRA NO. _____ FUND NO. _____ ORG NO. _____ ACTIVITY _____ PROJECT I.D. _____	REVISIONS/REFERENCE REV NO. _____
	 FRESNO YOSEMITE INTERNATIONAL AIRPORT CITY OF FRESNO DEPARTMENT OF AIRPORTS 4995 EAST CLINTON WAY FRESNO, CALIFORNIA 93727 PHONE: 559-621-4500	J:\ARCHIVE\25A\25A00399.DWG	CONST. ENG. _____ CITY DESIGN ENG. _____	APPROVED OFFICE ENG. _____

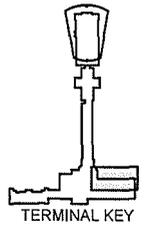
DR. BY: LNS
 CH. BY: MGP
 DATE: 8-20-12
 SCALE: 1" = 20'



LEGEND
 **UNITED**
 (1,000.6 ft²)

T-118
 (751 ft²)

16 15

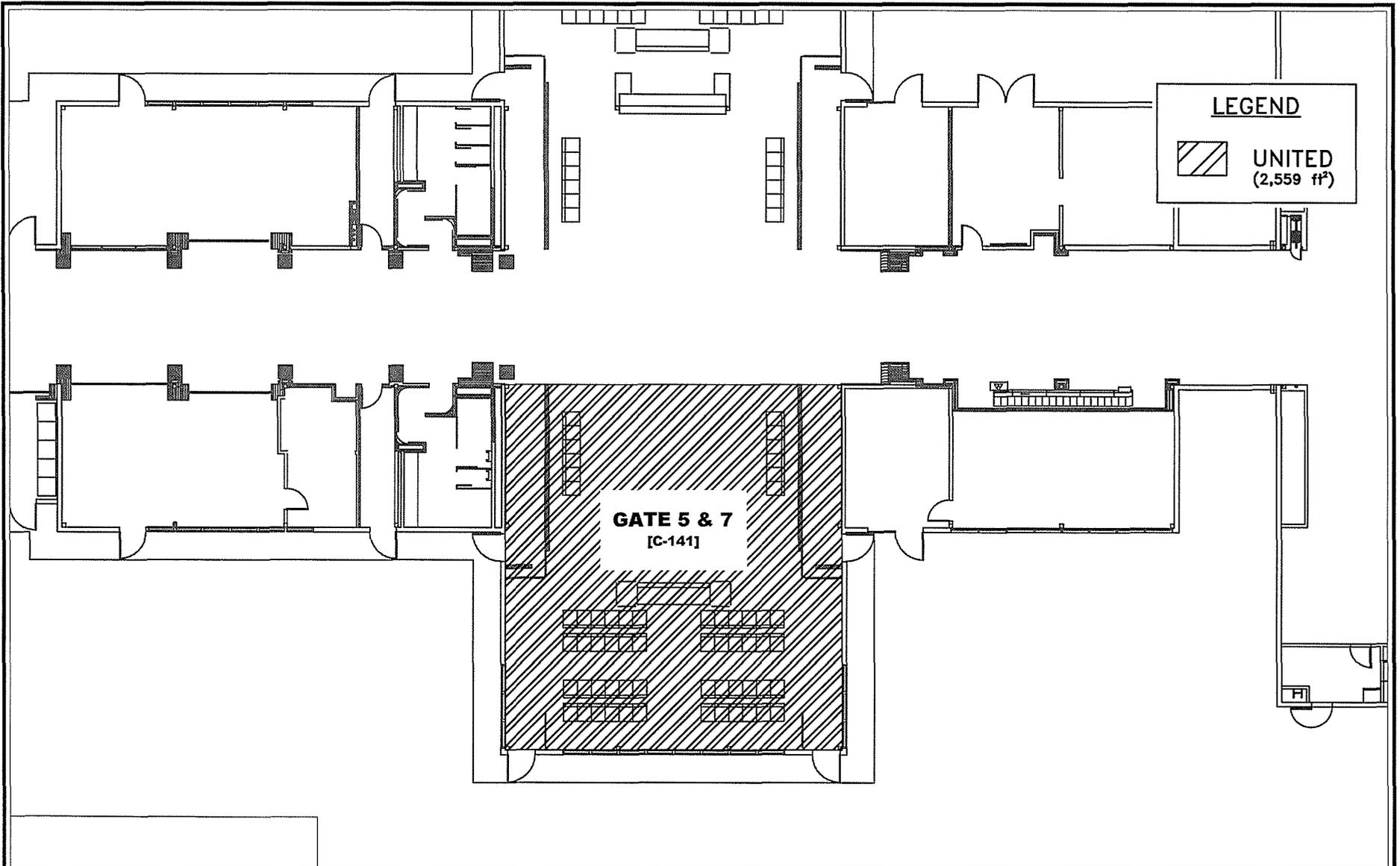


DEPARTMENT
 OF AIRPORTS
 DIRECTOR OF AVIATION (INTERIM)
 KEVIN R. MEIKLE, ARCHITECT
 FRESNO YOSEMITE
 INTERNATIONAL AIRPORT
 CITY OF FRESNO
 DEPARTMENT OF AIRPORTS
 4895 EAST CLINTON WAY
 FRESNO, CALIFORNIA 93727
 PHONE: 559-621-4500

FRESNO YOSEMITE INTERNATIONAL AIRPORT
 TERMINAL TICKETING LOBBY
 UNITED LEASE
 (T-118 & COUNTERS 15-A/B & 16-A/B)
 J:\ARCHIVE\25A\25A00399.DWG

KRA NO. _____
 FUND NO. _____
 ORG NO. _____
 ACTIVITY _____
 PROJECT I.D. _____
 CONST. ENG. _____
 CITY DESIGN ENG. _____
 DR. BY: LNS
 CH. BY: MGP
 DATE: 8-20-12
 SCALE: 1" = 20'

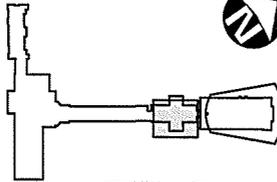
REVISIONS/REFERENCE
 REV NO. _____
 APPROVED
 OFFICE ENG. _____
 CITY DRAWING NO. 25-A-399
 SHEET NO. **3**
 OF 6 SHEETS



LEGEND

 **UNITED**
(2,559 ft²)

GATE 5 & 7
[C-141]



TERMINAL KEY

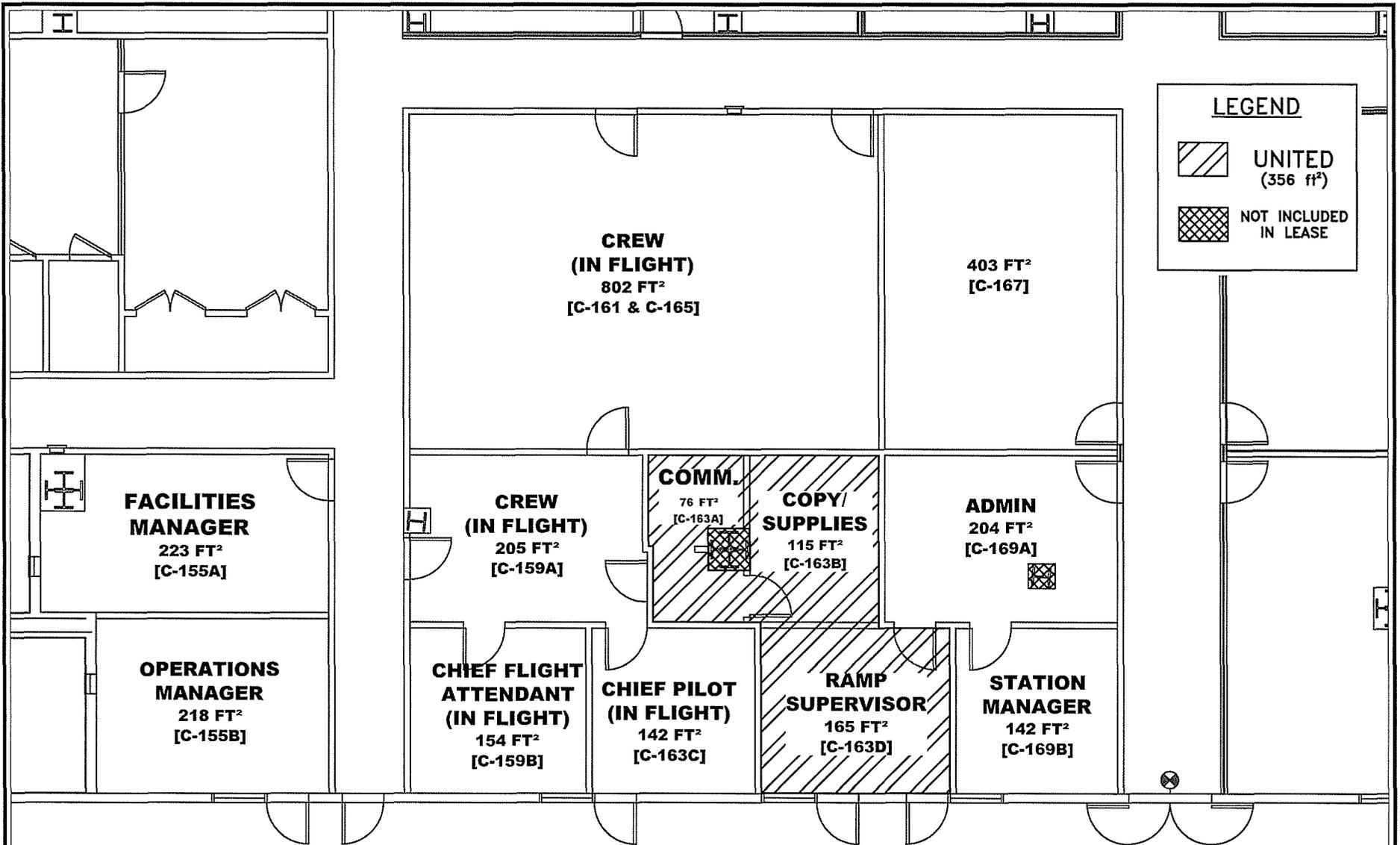
DEPARTMENT OF AIRPORTS
 DIRECTOR OF AVIATION (INTERIM)
 KEVIN R. MEIKLE, ARCHITECT
 FRESNO YOSEMITE INTERNATIONAL AIRPORT
 CITY OF FRESNO DEPARTMENT OF AIRPORTS
 4995 EAST CLINTON WAY
 FRESNO, CALIFORNIA 93727
 PHONE: 559-621-4500

FRESNO YOSEMITE INTERNATIONAL AIRPORT

FIRST FLOOR TERMINAL
 CONCOURSE UNITED LEASE
 (C-141 GATE 5 & 7)

J:\ARCHIVE\25A\25A00399.DWG

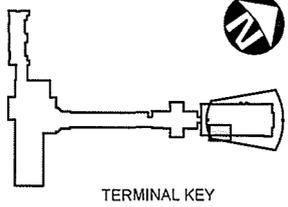
KRA NO. _____	REVISIONS/REFERENCE
FUND NO. _____	REV NO. _____
ORG NO. _____	
ACTIVITY _____	
PROJECT I.D. _____	
APPROVED	
CONST. ENG. _____	OFFICE ENG. _____
CITY DESIGN ENG. _____	
DR. BY: LNS	CITY DRAWING NO. 25-A-399
CH. BY: MGP	SHEET NO. 4
DATE: 8-20-12	OF 6 SHEETS
SCALE: 1" = 20'	



LEGEND

 **UNITED**
(356 ft²)

 **NOT INCLUDED**
IN LEASE



DEPARTMENT OF AIRPORTS
 DIRECTOR OF AVIATION (INTERIM)
 KEVIN R. MEKLE, ARCHITECT

 **FRESNO YOSEMITE**
INTERNATIONAL AIRPORT

CITY OF FRESNO
 DEPARTMENT OF AIRPORTS
 4995 EAST CLINTON WAY
 FRESNO, CALIFORNIA 93727
 PHONE: 559-621-4500

FRESNO YOSEMITE INTERNATIONAL AIRPORT

**FIRST FLOOR TERMINAL
 CONCOURSE UNITED LEASE
 (C-163 & C-169)**

J:\ARCHIVE\25A\25A00399.DWG

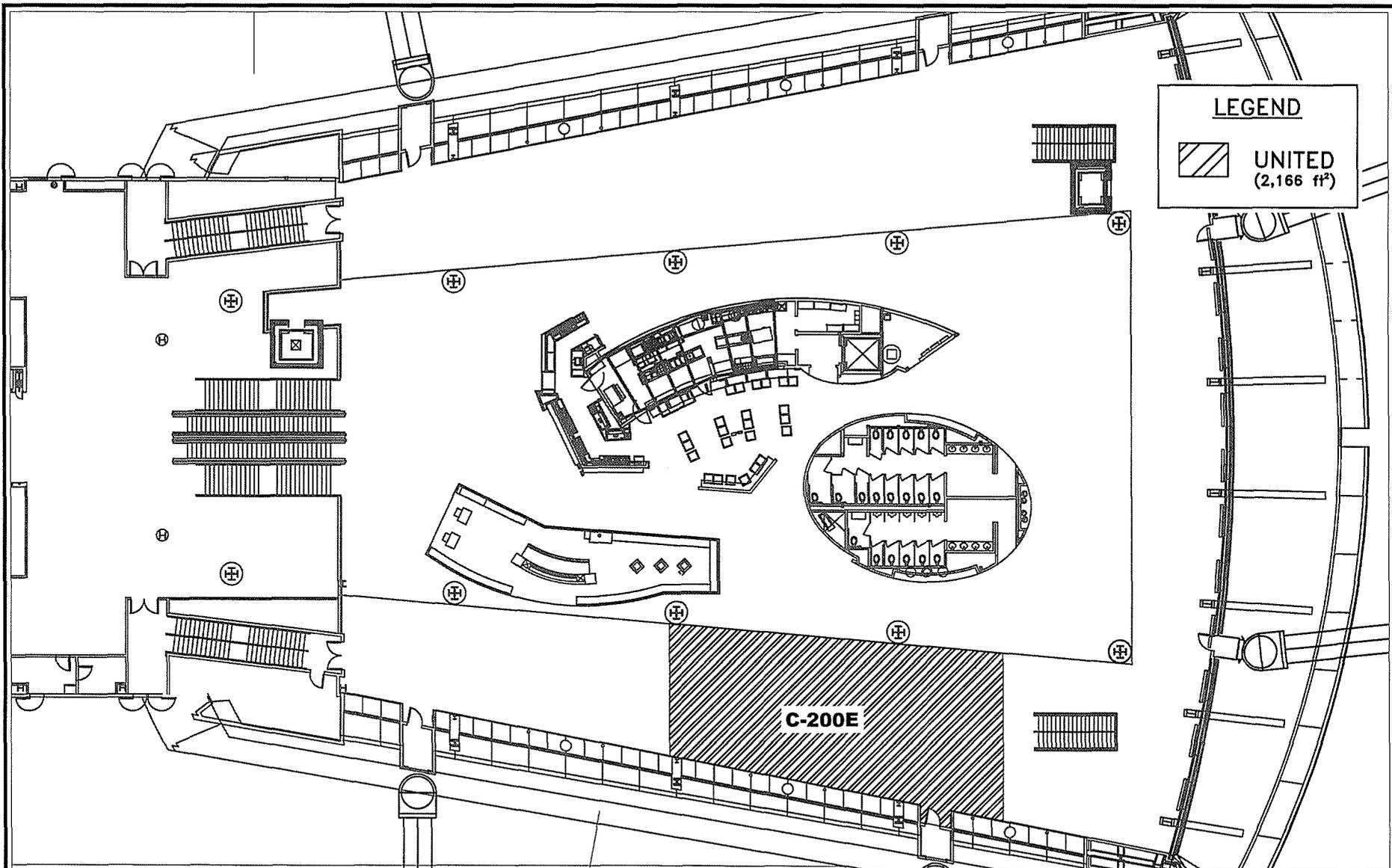
KRA NO. _____
 FUND NO. _____
 ORG NO. _____
 ACTIVITY _____
 PROJECT I.D. _____

REVISIONS/REFERENCE
 REV NO. 1-1/24/2013, DJY

APPROVED
 CONST. ENG. _____ OFFICE ENG. _____
 CITY DESIGN ENG. _____

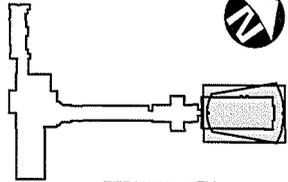
DR. BY: LNS
 CH. BY: MGP
 DATE: 8-20-12
 SCALE: 1" = 10'

CITY DRAWING NO. 25-A-399
 SHEET NO. **5**
 OF 6 SHEETS



LEGEND

 **UNITED**
(2,166 ft²)



TERMINAL KEY

DEPARTMENT OF AIRPORTS
 DIRECTOR OF AVIATION (INTERIM)
 KEVIN R. MEIKLE, ARCHITECT

 **FRESNO YOSEMITE INTERNATIONAL AIRPORT**
 CITY OF FRESNO
 DEPARTMENT OF AIRPORTS
 4995 EAST CLINTON WAY
 FRESNO, CALIFORNIA 93727
 PHONE: 559-621-4500

FRESNO YOSEMITE INTERNATIONAL AIRPORT

**SECOND FLOOR TERMINAL
 CONCOURSE UNITED LEASE
 (C-200E)**

J:\ARCHIVE\25A\25A00399.DWG

KRA NO. _____
 FUND NO. _____
 ORG NO. _____
 ACTIVITY _____
 PROJECT I.D. _____

CONST. ENG. _____
 CITY DESIGN ENG. _____

DR. BY: LNS
 CH. BY: MGP
 DATE: 8-20-12
 SCALE: 1" = 10'

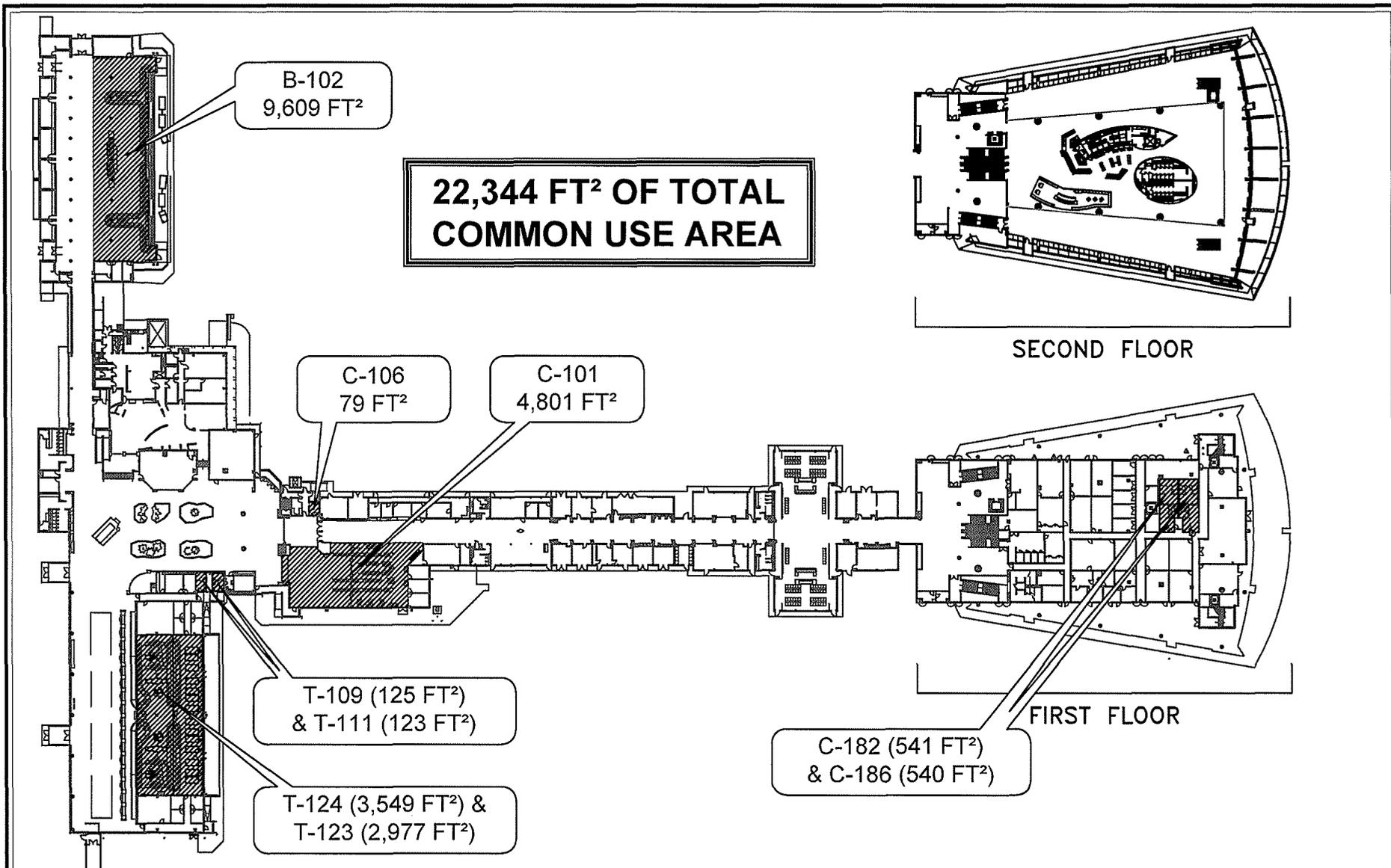
REVISIONS/REFERENCE
 REV NO. _____

APPROVED
 OFFICE ENG. _____

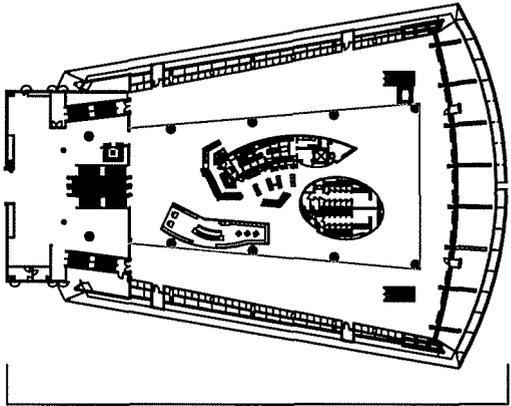
CITY DRAWING NO. 25-A-399
 SHEET NO. **6**
 OF 6 SHEETS

EXHIBIT "B"

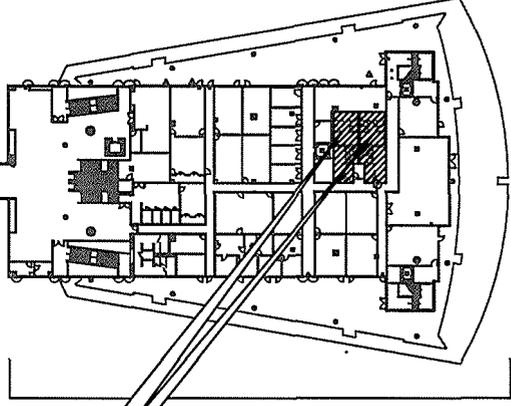
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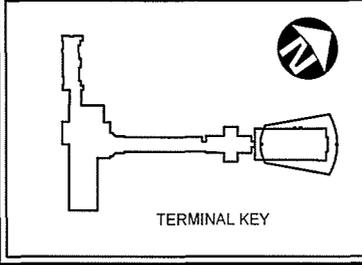
**22,344 FT² OF TOTAL
COMMON USE AREA**



SECOND FLOOR



FIRST FLOOR



DEPARTMENT
OF AIRPORTS

DIRECTOR OF AVIATION (INTERIM)
KEVIN R. MEIKLE, ARCHITECT

FRESNO YOSEMITE
INTERNATIONAL AIRPORT

CITY OF FRESNO
DEPARTMENT OF AIRPORTS
4895 EAST CLINTON WAY
FRESNO, CALIFORNIA 93727
PHONE: 559-621-4500

FRESNO YOSEMITE INTERNATIONAL AIRPORT

**TERMINAL CONCOURSE
COMMON USE LOCATIONS**

J:\ARCHIVE\25A\25A00406.DWG

KRA NO. _____
FUND NO. _____
ORG NO. _____
ACTIVITY _____
PROJECT I.D. _____

CONST. ENG. _____
CITY DESIGN ENG. _____

DR. BY: LNS
CH. BY: MGP
DATE: 8-20-12
SCALE: N/A

REVISIONS/REFERENCE
REV NO. _____

APPROVED
OFFICE ENG. _____

CITY DRAWING NO. 25-A-406
SHEET NO. **1**
OF 1 SHEETS

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EXHIBIT "C"

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Exhibit "C"

OPERATIONS AND MAINTENANCE RESPONSIBILITIES FRESNO YOSEMITE INTERNATIONAL AIRPORT

Joint Use and
Preferential Use

Item	Exclusive Use and Shared Use	Common Use	Hold Rooms	Aircraft Parking Areas
1. Air conditioning a. Maintenance b. Operation	FYI FYI	FYI FYI	FYI FYI	FYI FYI
2. Heating a. Maintenance b. Operation	FYI FYI	FYI FYI	FYI FYI	FYI FYI
3. Lighting a. Maintenance b. Bulb replacement	Airline Airline	FYI FYI	FYI FYI	FYI FYI
4. Electrical a. Maintenance b. Usage	FYI (a) Airline	FYI FYI, Airline (b)	FYI FYI	FYI FYI, Airline (b)
5. Water a. Operation b. Distribution c. Fixtures d. Usage	FYI FYI FYI Airline	FYI FYI FYI FYI	FYI FYI FYI FYI	FYI FYI FYI FYI
6. Sewage a. Operation b. Distribution c. Fixtures d. Usage	FYI FYI FYI Airline	FYI FYI FYI FYI	FYI FYI FYI FYI	FYI FYI FYI FYI
7. Restrooms a. Maintenance b. Janitorial	FYI Airline	FYI FYI	FYI FYI	FYI FYI
8. Building maintenance a. Structural b. Non-Structural c. Exterior	FYI Airline FYI	FYI FYI FYI	FYI FYI FYI	FYI FYI FYI
9. Ramp a. Sweeping b. Maintenance/Repair	N/A N/A	N/A N/A	N/A N/A	Airline (c) FYI

Joint Use and
Preferential Use

Item	Exclusive Use and Shared Use	Common Use	Hold Rooms	Aircraft Parking Areas
10. Custodial/Trash	Airline	FYI	FYI	Airline
11. Window cleaning				
a. Exterior	FYI	FYI	FYI	FYI
b. Interior	Airline	FYI	FYI	FYI
12. Access Control	Airline, FYI	FYI	N/A	FYI
13. Equipment				
a. Signage	Airline	FYI	FYI, Airline (d)	N/A
b. MUFIDs	N/A	FYI	FYI	N/A
c. Loading Bridges	N/A	FYI	N/A	FYI
d. Baggage Belts	N/A	FYI	FYI	FYI
e. Outgoing baggage	N/A	N/A	FYI	FYI
f. CUTE Systems	N/A	FYI	FYI	FYI
14. Painting/decorating				
a. Exterior	FYI	FYI	FYI	N/A
b. Interior	Airline	FYI	FYI	N/A
c. Ceiling	Airline	FYI	FYI	N/A

-
- (a) Airline is responsible for any electrical fixtures or services installed by Airline.
 - (b) Electrical usage consists of ground power for aircraft. Airline is responsible for any electrical fixtures or services installed by Airline.
 - (c) Airline is responsible for cleaning debris on ramp from terminal building to a point 20 feet beyond the tail of the aircraft. City maintains the runway, taxiways, and balance of the ramp on the airfield area.
 - (d) Airline must apply for and receive approval from City prior to any sign installation.

Note: All areas not part of Airline's leased premises will be City's responsibility; however, City will not be responsible for any systems or services installed by Airline unless otherwise agreed to by the parties in writing prior to installation.

EXHIBIT “D”

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FRESNO YOSEMITE
INTERNATIONAL AIRPORT

Listing of Airlines Affiliates, Subsidiaries, and Code Share Partners:

Airline Name: _____

1. _____

2. _____

3. _____

4. _____

5. _____

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EXHIBIT "E"

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ASSURANCES REQUIRED BY THE FEDERAL AVIATION ADMINISTRATION
(August 1998 Edition)

SECTION A
PURPOSE, CLASSES OF ACTIVITIES, APPLICABILITY OF ASSURANCES
AND
DEFINITION OF TERMS

1. PURPOSE:

The City of Fresno, California, an airport owner subject to both Federal Grant Agreement obligations and terms, covenants and conditions of Surplus Property Instruments of Disposal at the Fresno Yosemite International Airport (FYI) and Federal Grant Agreement obligations at Fresno-Chandler Downtown Airport (FCH), is required by the Federal Aviation Administration (FAA) to include specific provisions, addressing, among other things, the requirements of Title VI of the Civil Rights Act of 1964, Exclusive Rights prohibitions, and Affirmative Action items contained in Title 14 Code of Federal Regulations Part 152, within all agreements (including, without limitation, leases, licenses, permits, and contracts) between said City and any and all entities who use or perform work or conduct activities on City-owned airport premises for aeronautical or non-aeronautical purposes; therefore, the purpose of this Exhibit is to appropriately incorporate within the "Agreement," to which it is attached and made a part of by reference therein, the sixteen (16) numbered provisions contained within Section "B", "ASSURANCES," below.

2. CLASSES OF ACTIVITIES:

The applicability of each of the sixteen (16) numbered provisions contained within Section "B," "ASSURANCES," below, to that certain "Agreement" to which this Exhibit is attached and made a part of by reference therein, is, among other things, dependent upon the type of work to be performed and/or the type of activities to be conducted at the airport(s) by the Lessee, Permittee, Licensee, Operator, etc., named therein, pursuant to and in accordance with those certain rights, privileges, uses, and operations, expressly granted and/or authorized thereunder; therefore, the following activity classifications, as established by the FAA, are provided for the information and guidance of all concerned:

a. **Direct and Supportive Aeronautical:** The following activities, commonly conducted on airports, are AERONAUTICAL ACTIVITIES:

- (1) Air Carrier
- (2) Charter Operations
- (3) Pilot Training
- (4) Aircraft rental and sightseeing
- (5) Aerial Photography
- (6) Crop dusting
- (7) Aerial Advertising and Surveying
- (8) Aircraft Sales and Services
- (9) Sale of Aviation Petroleum products (whether or not conducted in conjunction with other included activities)
- (10) Repair and Maintenance of Aircraft
- (11) Sale of Aircraft Parts

- (12) Any other activities which, because of their direct relationship to the operation of an aircraft, can appropriately be regarded as an "aeronautical activity."

b. **Complimentary Aeronautical:** The following activities, when conducted on airports, are COMPLIMENTARY AERONAUTICAL ACTIVITIES:

- (1) Ground Transportation (taxis, car rentals, limousines)
- (2) Restaurants
- (3) Barber Shops
- (4) Auto Parking Lots
- (5) Recreational Facilities
- (6) Any other commodities, services or accommodations made available to the general public.

c. **Non-Aeronautical:** The following activities, when conducted on airports, being neither "Direct and Supportive Aeronautical" nor "Complimentary Aeronautical," as defined above, are NON-AERONAUTICAL ACTIVITIES.

- (1) Manufacturing
- (2) Agriculture
- (3) Any other activity not appropriately falling within the abovesaid "Direct and Supportive Aeronautical" and/or "Complimentary Aeronautical" classifications.

3. APPLICABILITY OF NUMBERED PROVISIONS WITHIN SECTION "B," "ASSURANCES," BELOW TO CLASS(ES) OF ACTIVITIES SPECIFIED WITHIN PARAGRAPH 2, ABOVE:

The applicability of the numbered provisions within Section "B," "Assurances," below, to the respective classes of activities specified within subparagraphs 2a, b, and c, of this Section "A," above, is as follows:

<u>ACTIVITY CLASS</u>	<u>NUMBERED PROVISIONS APPLICABLE TO CLASS</u>	
	<u>FYI AGREEMENTS</u>	<u>FCH AGREEMENTS</u>
Direct and Supportive Aeronautical	1 thru 16	1 thru 15
Complimentary Aeronautical	1 thru 14 & 16	1 thru 14
Non-Aeronautical	1 thru 14 & 16	1 thru 14

4. DEFINITION OF TERMS USED WITHIN SECTION "B," "ASSURANCES," BELOW

In order to facilitate ease of fulfillment of the requirement specified within paragraph 1 of this Section "A," this Exhibit is designed to be attached to and made a part of all City of Fresno Airport's "Agreements," including, without limitation, leases, licenses, permits, contracts, etc.; therefore, in the event the "Agreement" to which this Exhibit is attached and made a part of by reference therein shall be other than a lease or be a lease within which the parties thereto are therein called or referred to other than "Lessor" and "Lessee," then, where the terms "LESSOR," "LESSEE," and "LEASE" appear, as shown, within the sixteen (16) numbered "ASSURANCES" listed within Section "B," below, said terms shall be deemed to mean "CITY OF FRESNO, CALIFORNIA," "THE OTHER PARTY TO THE PARTICULAR AGREEMENT" (e.g., Licensee, Permittee, Concessionaire, Operator, etc.), and the "AGREEMENT" itself (regardless of title, type and/or description, including, without limitation, Leases, Agreements, Licenses, Permits, and Contracts) respectively; and where the terms "LAND LEASE" and "LEASED PREMISES"

(and all the terms "LAND LEASED" and "LEASED PREMISES" (and all reasonably readily identifiable derivations thereof) appear, said terms shall be deemed to mean the land(s) and/or premises specifically identified within the "Agreement" as being that/those to which leasehold interests are expressly granted and/or those in, upon, to and/or from which tenancies, occupancies, use(s), operation(s), and/or access(es) by the Lessee, Permittee, Licensee, Operator, Concessionaire, etc., are expressly authorized. In all cases, where the term "AIRPORT" appears, as shown, it shall be deemed to mean the particular airport(s) (i.e., either the Fresno Yosemite International Airport or the Fresno-Chandler Downtown Airport, or both) as identified within the "Agreement" between the parties as being the Airport(s) to which the "Agreement" pertains.

SECTION B **ASSURANCES**

1. The "LESSEE," for itself, its 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 if the "Agreement" to which this Exhibit is attached is a lease) that in the event facilities are constructed, maintained, or otherwise operated on the said property described in this "LEASE" for a purpose for which a U.S. Department of Transportation (DOT) program or activity is extended or for another purpose involving the provision of similar services or benefits, the "LESSEE" shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, DOT, Sub-title A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

2. The "LESSEE," for itself, its 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 if the agreement to which this Exhibit is attached is a lease) 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 said facilities, (2) that in the construction of any improvements on, over, or under such land and the furnishing of services there on, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subject to discrimination, (3) that the "LESSEE" shall use the "premises" in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Non-discrimination in Federally-Assisted Programs of the Department of Transportation Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

3. That in the event of breach of any of the above nondiscrimination covenants, "LESSOR" shall have the right to terminate the "LEASE" and to reenter and repossess said land and the facilities thereon, and hold the same as if said "LEASE" had never been made or issued. This provision does not become effective until the procedures of 49 CFR Part 21 are followed and completed including expiration of appeal rights.

4. "LESSEE" 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; PROVIDED, THAT the "LESSEE" may be allowed to make reasonable and nondiscriminatory discounts, rebates or other similar type of price reductions to volume purchasers.

5. Non-compliance with Provision 4 above shall constitute a material breach thereof and in the event of such non-compliance the CITY OF FRESNO, CALIFORNIA ("LESSOR") shall have the right to terminate this "LEASE" and the estate hereby created without liability therefor or at the election of the "LESSOR" or the United States either or both said Governments shall have the right to judicially enforce Provisions 1, 2, 3 and 4 above.

6. "LESSEE" agrees that it shall insert the above five (5) provisions in any lease, agreement, contract, etc., by which "LESSEE" grants a right or privilege to any person, firm or corporation to render accommodations and/or services to the public on the "premises" herein "LEASED."

7. The "LESSEE" assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to ensure that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, Sub-part E. The "LESSEE" assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart. The "LESSEE" assures that it will require that its covered suborganizations provide assurances to the "LESSEE" that they similarly will undertake affirmative action programs and that they will require assurances from their suborganizations, as required by 14 CFR 152, Subpart E, to the same effect.

8. The "LESSOR" reserves the right to further develop or improve the landing area of the "Airport" as it sees fit, regardless of the desires or view of the "LESSEE" and without interference or hindrance.

9. The "LESSOR" reserves the right, but shall not be obligated to the "LESSEE" to maintain and keep in repair the landing area of the "Airport" and all publicly-owned facilities of the "Airport," together with the right to direct and control all activities of the "LESSEE" in this regard.

10. This "LEASE" shall be subordinate to the provisions and requirements of any existing or future agreement between the "LESSOR" and the United States, relative to the development, operation or maintenance of the "Airport."

11. There is hereby reserved to the "LESSOR," its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the "premises" herein "LEASED." This public right of flight shall include the right to cause in said airspace any noise inherent in the operation of any aircraft used for navigation or flight through the said airspace or landing at, taking off from or operation on the "Airport."

12. "LESSEE" agrees to comply with the notification and review requirements covered in Part 77 of the Federal Aviation Regulations in the event future construction of a building is planned for the "LEASED PREMISES," or in the event of any planned modification or alteration of any present or future building or structure situated on the "LEASED PREMISES."

13. The "LESSEE," by accepting this "LEASE," expressly agrees for itself, its successors and assigns that it will not erect nor permit the erection of any structure or object, nor permit the growth of any tree on the "land leased" hereunder which would exceed the height limits of Part 77 of the Federal Aviation Regulations. In the event the aforesaid covenants are breached, "LESSOR" (the owner) reserves the right to enter upon the "land leased" hereunder and to

remove the offending structure or object and cut the offending tree, all of which shall be at the expense of the "LESSEE."

14. The "LESSEE," by accepting this "LEASE," agrees for itself, its successors and assigns, that it will not make use of the "LEASED PREMISES" in any manner which might interfere with the landing and/or taking off of aircraft at and/or from the "AIRPORT" (either the Fresno Yosemite International Airport or the Fresno-Chandler Downtown Airport, or both, as applicable) or otherwise constitute a hazard. In the event the aforesaid covenant is breached, the "LESSOR" (owner) reserves the right to enter upon the "premises hereby leased" and cause the abatement of such interference at the expense of the "LESSEE."

15. It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right within the meaning of Section 308a of the Federal Aviation Act of 1958 (49 U.S.C. 1349a).

16. This "LEASE" and all the provisions hereof shall be subject to whatever right the United States Government now has or in the future may have or acquire, affecting the control, operation, regulation and taking over of said "AIRPORT" or the exclusive or non-exclusive use of the "AIRPORT" by the United States during the time of war or national emergency.

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EXHIBIT "F"

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FRESNO YOSEMITE INTERNATIONAL SIGNATORY AIRLINES MONTHLY OPERATIONS REPORT

AIRLINE NAME: _____	For Period: _____ <div style="text-align: right; font-size: small;">(Month) (Year)</div>
---------------------	---

SECTION A: STATISTICAL INFORMATION	(1) - ENPLANED	(2) - DEPLANED	(3) - TOTAL
1 Passengers (Scheduled)	-	-	-
2 Passengers (On-Line Charters)	-	-	-
3 Passengers (NON-REV)	-	-	-
4 Air Mail (In Pounds)	-	-	-
5 Air Freight/Express (In Pounds)	-	-	-

SECTION B: LANDING INFORMATION - SCHEDULED FLIGHTS							
Type Aircraft Flown (Make/Model/Series)	# PAX Flt. Landings	MCGL Wt. of Aircraft	Total Aircraft Wt.	Rate per 1,000 lbs.	Calculated Landing Fees	Min. Fee - \$18.23 Per Landing	Landing Fees Due
1 _____	-	-	-	x \$2.35/1,000=	\$ -	0	\$ -
2 _____	-	-	-	x \$2.35/1,000=	\$ -	0	\$ -
3 _____	-	-	-	x \$2.35/1,000=	\$ -	0	\$ -
4 _____	-	-	-	x \$2.35/1,000=	\$ -	0	\$ -
5 _____	-	-	-	x \$2.35/1,000=	\$ -	0	\$ -
Total:						-	\$ -

Landing Fees Due: If the minimum fee exceeds calculated fee for an individual aircraft type. Pay the minimum fee

SECTION C: LANDING INFORMATION - TRAINING FLIGHTS					
Type Aircraft Flown (Make/Model/Series)	Total Landings	MCGL Wt. of Aircraft	Total Aircraft Wt.	Rate per 1,000 lbs.	Landing Fees Due
1 _____	-	-	0	x \$1.18/1,000=	\$ -
2 _____	-	-	0	x \$1.18/1,000=	\$ -
3 _____	-	-	0	x \$1.18/1,000=	\$ -
Total:					\$ -

SECTION D: STORAGE/RON FEES - APPLICABLE TO AIRCRAFT PARKED IN EXCESS OF 4 HOURS									
Type Aircraft Stored (Make/Model/Series)	Rate D/M	Actual # Days Stored	# of Days Used for Calculation (10+ - Enter 10)	MCGL Wt. of Aircraft	Rate per 1,000 lbs.	Calculated Storage Fees	Min. Fee \$24.48/Day \$244.80/Mo	Storage Fees Due	
1 _____	-	-	-	-	x \$1.18/1,000=	\$ -	-	-	
2 _____	-	-	-	-	x \$1.18/1,000=	\$ -	-	-	
Total:								\$ -	

Rates: Daily (D) = 4-24 Hours, Monthly (M) = 10+ Days
Storage Fees Due: If the minimum fee (\$24.48/day, \$244.80/month) exceeds the calculated fee for an individual aircraft type, pay the minimum fee.

SECTION E: AIRPORT SECURITY REIMBURSEMENT			SECTION F: AIRLINE TERMINAL EQUIPMENT CHARGE		
Number of Scheduled Passengers Enplaned	Rate Per Enplanement	Total Security Reimbursement	Number of Scheduled Passengers Enplaned	Rate Per Enplanement	Total Airline Equipment Charge
-	x \$ 1.00	= \$ -	-	x \$ 0.30	= \$ -

SUMMARY OF FEES DUE	This Report Prepared and Submitted By:		
Total Due Section B : \$ -			
Total Due Section C : \$ -			
Total Due Section D : \$ -			
Total Due Section E : \$ -	(Please Print Name)	(Signature)	
Total Due Section F : \$ -			
Total Fees Due : \$ -	(Date)	(Area Code and Phone Number)	

SUBMIT REPORT BY THE 10TH DAY OF MONTH, FOR THE PRIOR MONTH REPORT MUST BE COMPLETE AND SIGNED
 PLEASE MAKE CHECK PAYABLE TO THE CITY OF FRESNO, AND REMIT WITH THIS REPORT TO: City of Fresno - Airports 4995 East Clinton Way, Fresno, CA 93727-1525
 MCGL Wt. = Maximum Gross Certificated Landing Weight

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