

AIRPORT COMPETITION PLAN UPDATE

BOISE AIRPORT



Prepared for: **Federal Aviation Administration**

February 2026



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OVERVIEW

Boise Airport Summary

Located in the southwest portion of the State of Idaho, the City of Boise City (the "City") is located in Ada County and is Idaho's capital and largest metropolitan area. The City is governed by a mayor and six City Council members.

Since 1939, Boise Airport (the "Airport") has been owned and operated by the City. The Airport is operated as an economically self-sustaining enterprise fund of the City. The Airport Director manages the day-to-day operations of the Airport and is advised by an eight-member Airport Commission. With consent of the City Council, the Mayor appoints up to eight members of the Commission to serve in an advisory function.

The Airport is located about five road miles south of downtown Boise, and is the principal air carrier airport serving southwestern Idaho. The Airport occupies about 5,000 acres and has two east-west parallel runways. Runway 10R-28L is 9,763 feet long and Runway 10L-28R is 10,000 feet long. Both runways are 150 feet wide and, together with all associated approach surfaces and runway protection zones, meet all FAA standards. A lighted taxiway system connects the runway to the passenger terminal building.

The terminal was expanded in 2003 to provide a new elevated roadway system, ticket lobby, baggage claim, concessions, conference center, security checkpoint, and gates for use by smaller aircraft on Concourse C. Concourse B provides 11 gates with passenger boarding bridges. Two of the Concourse B gates are two-position gates. The terminal and concourses encompass 415,054 square feet of space and provide a total of 21 gates, with an additional 15 remote remain overnight (RON) parking positions.

Vehicle parking for the passenger terminal complex includes public, employee and rental car space. A total of 5,511 public parking spaces are provided at the Airport. A short-term parking facility provides 299 spaces. The main parking garage includes 2,023 long term parking spaces. The east parking garage, BOI's most recent addition to its parking portfolio, includes an additional 1,105 spaces for long term parking. A surface parking lot provides an additional 222 long-term spaces. A surface economy parking lot, which is located approximately 1.5 miles from the Airport terminal, has 1,862 spaces. Phase 1 of a Consolidated Rental Car (CONRAC) facility consisting of a six-story customer service building and ready/return and rental car storage garage will be completed the fall of 2026. There is also an employee parking garage consisting of approximately 700 spaces.

Air cargo, general aviation, and support facilities are provided at the Airport. The Idaho National Guard has significant operations at the Airport, and the Air Force (Air National Guard) and Army Corp of Engineers (Army National Guard) lease approximately 550 acres of the Airport.

In calendar year 2024 the number of enplaned passengers at the Airport totaled 2,472,058. The Airport's two largest carriers, Alaska and Southwest, enplaned 50.4% of passengers.

Requirement for a Competition Plan and Updates

49 USC § 47106(f) requires commercial service airports that meet certain criteria to submit a competition plan to the U.S. Secretary of Transportation in order to obtain FAA approval of a Passenger Facility Charge (PFC) application or an Airport Improvement Program (AIP) grant. The purpose of the competition plan is to highlight actions of the Airport to reduce barriers to entry and enhance competitive access to the Airport for the airline industry.

Airports covered under 49 USC § 47106(f) include commercial service airports that:

- Account for more than 0.25% of the total number of passenger boardings each year at such airports (i.e., medium- and large-hub airports); and
- Are served by one or two airlines that control more than 50% of passenger boardings.

For calendar year 2024, Boise Airport was classified as a medium-hub airport accounting for between 0.25% to 1.0% of total annual U.S. commercial enplanements and Alaska and Southwest airlines, together, accounted for 50.4% of the Airport's enplaned passengers. Boise Airport is considered a covered airport pursuant to 49 USC § 47106(f)(4).

The initial Competition Plan for Boise Airport was submitted on February 10, 2022 and was approved by the FAA Office of Airport Planning and Programming on May 24, 2022. This update ("Update") is being submitted to fulfill the FAA's requirements in Order 5100.38D, Change 1, Appendix W-5 *Requirements for Initial Plan Submittal and Updates*. First, it is the first of two updates required following an initial Competition Plan and second, the Airport executed a new airport use and lease agreement after the approval of the initial Competition Plan.

The Update includes information regarding relevant changes in competitive circumstances at the airport since the previous FAA approval, a copy of the current Airline Agreement (Appendix A), and a description of the changes in lease terms and leasing practices or policies included in the lease document.

Also included in the Update is an update on the concourse development project that will ensure an adequate supply of gates and support space will be available for existing and new entrant carriers. Details on the project can be found in Section VIII.2.

New to this update is a table showing how this competition plan meets the requirements for Competition Plan content. It follows the Appendices.

Responses to FAA Recommendations

The following recommendations were provided by the FAA upon its review of the initial Competition Plan. Responses to the recommendations follow, as required by Order 5100.38D, Change 1, Table W-4.

Recommendation #1 – Designate a Competitive Access Liaison

Requests from new entrants still come through the Airport Business Development office. Carriers can call the general information number or use the email address provided on the Airport's website

to be directed to the Airport's Business Development Manager. Existing carriers can contact Airport Property/ Contracts Coordinator at Boise Airport, directly.

Recommendation #2 – Develop a formal policy for announcing gate and RON availability

A formal policy to announce gate and RON availability was not adopted, however all existing carriers have access to the "Go Apron" software program which shows gate availability. New entrants can contact the Airport's Business Development Manager for available gates and scheduling information. The process for accommodating new service and for service by a new entrant can be found in Section I.3. Currently there are no gates available to lease on a preferential use basis, however depending on schedule, flights can be accommodated on common use gates. The Airport will be implementing common use technology at the existing common gates to better utilize the gates in service until the construction of Concourse A is completed.

Recommendation #3 - Establish formal dispute resolution procedures

The Airport Business Development Manager is the primary channel for airline dispute resolution regarding the use of airport facilities. The Airport will review the circumstances behind any complaints and work with the airlines and subtenant to resolve the issue based on the Airport's Rules and Regulations and any applicable Agreements. It is worth noting that effective January 1, 2023, a gate use and assignment policy was added to the Boise Airport Rules and Regulations setting procedures for gate assignments when two or more airlines request the use of a common use gate or accommodation at an unassigned preferential use gate.

Recommendation #4 – Reminder to ensure that the Airport's ability to impose or use a PFC is not impaired by MII

There are no MII provisions relating to the approval of capital projects impairing the authority of the Airport to impose a passenger facility charge or to use the passenger facility revenue.

Recommendation #5 – Place a copy of the Competition Plan on the Airport's website

The initial Competition Plan and the FAA's approval letter are available on the Airport's website at www.iflyboise.com.

Summary of the Key Initiatives to Foster Airline Competition at the Airport

The City recognizes that providing the necessary facilities, equipment, and operational arrangements at the Airport is vital to foster airline competition and enhance air service at the Airport. This will increase the connectivity of Boise to the rest of the country and lead to significant economic benefits for the Boise area.

The City has taken several key actions at the Airport which already have enhanced the competitive landscape for airline service at the Airport and eased the ability of both new entrant airlines and current airline tenants/partners to grow service. These are summarized as follows and described in more detail later in this document:

New Airline Agreement. The current Airline Use and Lease Agreement (the "Airline Agreement") was effective October 1, 2022. It was noted in the initial Competition Plan that the City was in

negotiations with its airline partners for a new successor agreement that would support airline competition.

Changes made to key provisions of the Airline Agreement included:

- The City now has the right to recapture underutilized gates from signatory airlines via minimum gate utilization thresholds. This gives the City the right (but not the obligation) to recapture gates for common use or assignment to a new entrant carrier. (More details are provided in Section I.6II.5.)
- The current Airline Agreement eliminated the right of an existing carrier to charge a new carrier for use of the gate. Instead, the Airport charges the new carrier a per-turn fee. (More details are provided in Section I.8.)
- The Majority-in-Interest (MII) provision in the current Airline Agreement is less restrictive with regard to the deferment of projects following MII disagreement, it increased the project cost threshold for MII review and decreased the amount of time a project can be delayed. It also includes a pre-approved list of capital projects that are excluded from MII review. (More details are provided in Section VII).
- The rates and charges methodology was changed under the current Airline Agreement. The goal was to make rates and charges reasonable and not unjustly discriminatory to all existing carriers, as well as carriers that may seek to provide air services at the Airport.
 - The rates and charges methodology changed to a hybrid agreement with revenue sharing. The terminal is compensatory; the airfield is residual. The old system used prior year actual data as the basis for the rates and charges calculation and the new system uses budgeted data for upcoming fiscal years (FY) with a recalculation adjustment following year-end actuals. (More details are provided in Section V.7.).
- Under the current Airline Agreement, to be granted signatory status, a carrier is committed to paying the City an average of \$250,000, annually, through rentals, fees, and charges during the term of the Agreement. (More details are provided in Section V.3.)
- The current Airline Agreement calls for non-signatory airlines to pay a premium of 15% of signatory rentals, fees, and charges. (More details are provided in Section V.7)
- The City now consults with the signatory airlines on capital improvement projects during the annual budget process. Certain projects are subject to signatory airline approval. (More details are provided in Section VI.3.)

Construction of New Gates and Support Space. The City is planning a concourse development project in order to ensure that an adequate supply of gates and support space are available for existing and new entrant carriers.

Construction of Concourse A is anticipated to begin in 2027 and be open for service in 2030. The Concourse A southern apron was completed in 2025, temporarily supplying five additional RON positions. Concourse A has been designed to include 10 gates with common use equipment to allow for flexibility in gate assignments and ease of new entrant carriers. The project also includes a new central utility plant (CUP) and the replacement and expansion of the baggage handling system (BHS).

I. AVAILABILITY OF GATES AND RELATED FACILITIES

This section summarizes the current availability of aircraft gates at Boise Airport.

1. Number of gates available at the airport by lease arrangement

There are 22 gates adjacent to the terminal concourses and 15 remote RON parking positions, as follows:

| | Total gates/parking positions | |
|------------------------------|-------------------------------|------------|
| | Initial CP | Updated CP |
| Concourse B Gates | 11 | 11 |
| Concourse C Gates | <u>12</u> | <u>11</u> |
| Total gates | 23 | 22 |
| Remote RON Parking Positions | 6 | 15 |

Gate C12 was removed from service.

An additional 9 remote RON parking positions are now available.

Of the 22 gates adjacent to the concourses, 12 are capable of accommodating narrowbody jets, and one of those can also accommodate widebody jets such as the Boeing 767 aircraft.

All leased holdrooms and gates at the Airport are considered preferential use. The Airport also currently controls common use gates (not currently preferentially leased).

Of the 22 gates adjacent to the concourses, 13 are leased on a preferential-use basis in accordance with the Airline Agreement currently in effect at the Airport, while nine gates are common use gates. All 15 of the remote RON parking positions are common use positions.

All 11 gates in Concourse B and two gates in Concourse C are equipped with Passenger Boarding Bridges (PBBs).

Table 1 summarizes the gate status at the Airport as of January 2026, including the airlines using each gate and the type of aircraft each gate is capable of accommodating.

The location of the gates and remote RON parking positions are shown graphically in Figure 1.

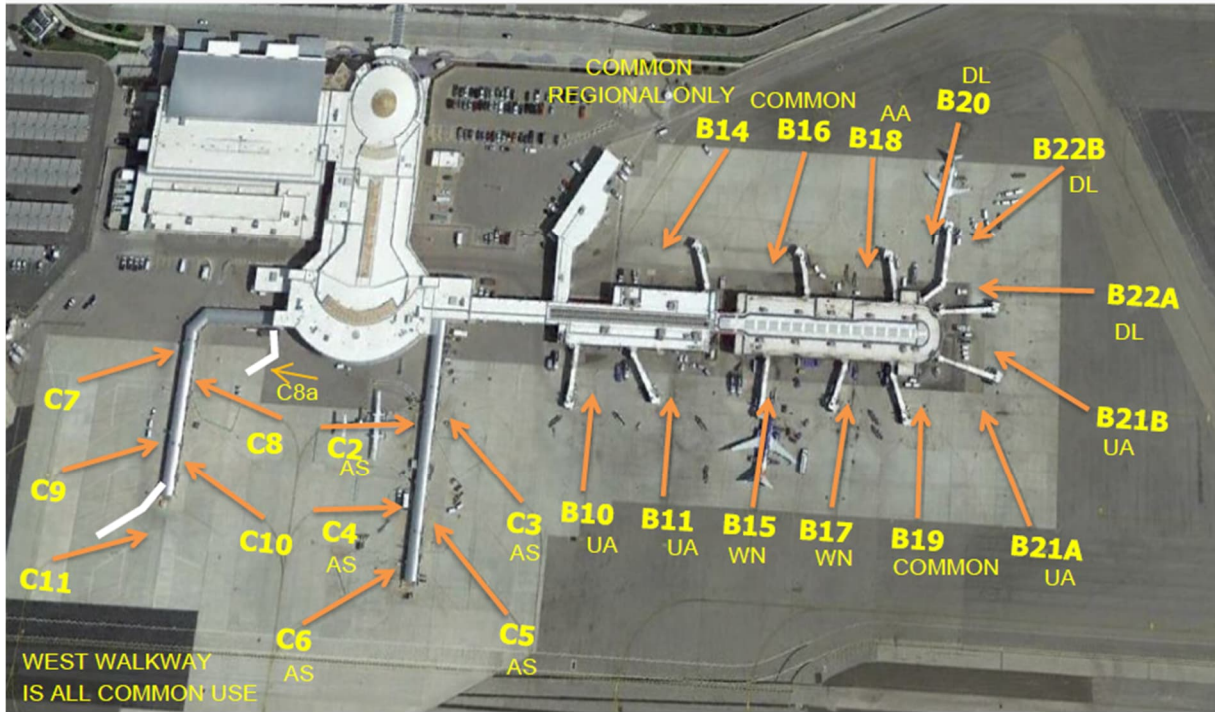
Of the carriers that have served the Airport for more than three years and are currently serving the Airport, Allegiant is the only signatory airline that relies exclusively on common use gates. Prior to ceasing service at the Airport in November 2025, Spirit was also a signatory airline that only used a common-use gate.

(Order 5100.38D, Change 1, Table W-3(a)(1, 2, and 3))

Table 1
SUMMARY OF AIRCRAFT GATES
Boise Airport
January 2026

| Concourse | Gate | Gate category | Airlines using | Passenger boarding bridge equipped | Aircraft type capability |
|--------------------------|--|---------------|--|---------------------------------------|---------------------------------------|
| Concourse B | B10 | Preferential | United | Yes | Narrowbody, RJs, Turboprops |
| | B11 | Preferential | United | Yes | Narrowbody, RJs, Turboprops |
| | B14 | Common | United/Delta | Yes | RJs, Turboprops |
| | B15 | Preferential | Southwest | Yes | Narrowbody, RJs, Turboprops |
| | B16 | Common | Allegiant/Frontier/ Southwest/Sun Country | Yes | Narrowbody, RJs, Turboprops |
| | B17 | Preferential | Southwest | Yes | Narrowbody, RJs, Turboprops |
| | B18 | Preferential | American | Yes | Narrowbody, RJs, Turboprops |
| | B19 | Common | American | Yes | Narrowbody, RJs, Turboprops |
| | B20 | Preferential | Delta | Yes | Narrowbody, RJs, Turboprops |
| | B21A/B | Preferential | United | Yes | Narrowbody, RJs, Turboprops |
| B22A/B | Preferential | Delta | Yes | Widebody, Narrowbody, RJs, Turboprops | |
| Concourse C | C2 | Preferential | Alaska | No | RJs, Turboprops |
| | C3 | Preferential | Alaska | No | RJs, Turboprops |
| | C4 | Preferential | Alaska | No | RJs, Turboprops |
| | C5 | Preferential | Alaska | No | RJs, Turboprops |
| | C6 | Preferential | Alaska | No | RJs, Turboprops |
| | C7 | Common | Alaska | No | RJs, Turboprops |
| | C8 | Common | Alaska | No | RJs, Turboprops |
| | C8a | Common | Alaska | Yes | Narrowbody, RJs, Turboprops |
| | C9 | Common | Alaska | No | RJs, Turboprops |
| | C10 | Common | Alaska | No | RJs, Turboprops |
| | C11 | Common | Alaska | Yes | Narrowbody, RJs, Turboprops |
| Remain overnight parking | R2 | Common | | | Narrowbody, RJs, Turboprops |
| | R3 | Common | | | Narrowbody, RJs, Turboprops |
| | R4 | Common | | | Narrowbody, RJs, Turboprops |
| | R5 | Common | | | Narrowbody, RJs, Turboprops |
| | West Tango 1 | Common | | | Widebody, Narrowbody, RJs, Turboprops |
| | West Tango 2 | Common | | | Widebody, Narrowbody, RJs, Turboprops |
| | West Tango 3 | Common | | | Widebody, Narrowbody, RJs, Turboprops |
| | West Tango 4 | Common | | | Widebody, Narrowbody, RJs, Turboprops |
| | West Tango 5 | Common | | | Widebody, Narrowbody, RJs, Turboprops |
| | East Deice 1 | Common | | | Widebody, Narrowbody, RJs, Turboprops |
| | East Deice 2 | Common | | | Widebody, Narrowbody, RJs, Turboprops |
| | East Deice 3 | Common | | | Widebody, Narrowbody, RJs, Turboprops |
| | West Deice | Common | | | Widebody, Narrowbody, RJs, Turboprops |
| | Taxilane Kilo | Common | | | Widebody, Narrowbody, RJs, Turboprops |
| SE Cargo | Common | | | Widebody, Narrowbody, RJs, Turboprops | |
| Notes: | <p>Gate B21A/B is considered a single gate with two parking positions. Gate B22A/B is considered a single gate with two parking positions. Gate R2 is restricted if Gate B21A/B is in use. Gates C8 and C10 cannot be used if Gate C8a is in use. Gate B14 changed from a preferentially leased gate to a common use gate.</p> | | | | |
| Source: | Boise Airport records, January 2026. | | | | |

Figure 1
OVERVIEW OF AIRCRAFT GATES
Boise Airport



2. Gate monitoring and samples of gate use monitoring charts

The Airport Operations Department has responsibility for overseeing gate assignments at the Airport in accordance with the Gate Use and Assignment Policy. Since April 2021, Boise Airport has used "GoApron", a gate monitoring and management software platform. Each airline is required to input its future flight schedules into the software, and common use gate assignments at any particular time are allocated based on underlying analysis and output provided by GoApron.

A sample selection of diagrams and schematics produced by the GoApron software for Boise Airport is shown in Appendix B.

(Order 5100.38D, Change 1, Table W-3(a)(4))

3. Description of the process for accommodating new service and for service by a new entrant

No changes from the initial Competition Plan.

Requests from new entrants to add service from the Airport is coordinated via the Airport's Business Development Manager through the Airport Business Development Office. Interested carriers can call the general information number or use the email address provided on the Airport's website to be directed to the Airport's Business Development Manager. Existing carriers seeking to add service at the Airport add proposed service additions to the GoApron interface and associated gate assignments are identified using the software. Once the needs of the requesting airline for additional facilities have been identified, and the anticipated level of additional flight activity is known (e.g., flights per day, aircraft type, etc.), the Airport will work with the airline to ensure that the carrier's needs will be met. The GoApron software will be used to identify specific gates for accommodating flight operations.

(Order 5100.38D, Change 1, Table W-3(a)(5))

4. Description of any instances in which the PFC competitive assurance #7 operated to convert previously exclusive-use gates to preferential-use gates or has it caused such gates to become available to others

No changes from the initial Competition Plan.

Not applicable.

(Order 5100.38D, Change 1, Table W-3(a)(6))

5. Gate utilization per week and month reported for each gate

Table 2 below provides the gate assignments and gate utilization for the airlines that operated at the Airport in calendar year 2025. The utilization is for an average week and average month over the period. The table is new to the competition plan update.

Table 2
GATE UTILIZATION BY AIRLINE
Boise Airport
Calendar Year 2025

| Airline | Flights | No. of gates | Gate assignment | Turns per week per gate | Turns per month per gate |
|---|---------------|--------------|---------------------------|-------------------------|--------------------------|
| Leased Gates | | | | | |
| Alaska (a) | 10,613 | 5 | C2, C3, C4, C5, C6 | 40.8 | 176.9 |
| American (a) | 2,025 | 1 | B18 | 38.9 | 168.8 |
| Delta (a) | 6,024 | 2 | B20, B22A/B | 57.9 | 251.0 |
| Southwest (a) | 5,410 | 2 | B15, B17 | 52.0 | 225.4 |
| United (a) | 4,425 | 3 | B10, B11, B21 A/B | 28.4 | 122.9 |
| Total Leased | 28,497 | 13 | | 42.2 | 182.7 |
| Common Use Gates | | | | | |
| Alaska | | 6 | C7, C8a, C8, C10, C9, C11 | | |
| Allegiant, Southwest, Frontier, Sun Country | | 1 | B16 | | |
| American, Spirit | | 1 | B19 | | |
| Delta, United | | 1 | B14 | | |
| Total Common Use (b) | 590 | 9 | | 1.3 | 5.5 |
| Airport Total | 29,087 | 22 | | 25.4 | 110.2 |

(a) Includes operations on common use gates.

(b) Excludes operations by Alaska, American, Delta, Southwest, and United.

Sources: Boise Airport records and Airline Data Inc., accessed January 2026.

(Order 5100.38D, Change 1, Table W-3(a)(7))

6. Policy regarding "recapturing" gates that are not being fully used

Article 6 of the current Airline Agreement identifies the terms under which the Airport can recapture preferential-use gates that are not being adequately utilized. See Appendix A.

While an airline has the priority right to use its assigned preferential use gates and related terminal area, the Airport is able to recover one or more of an airline's gates to another airline if the leasing airline's "gate utilization" over the most recent 180 day period is less than the "utilization threshold", the Airport Director determines that there is reasonable need for the preferential use of the gate(s) by another airline, and if a requesting airline meets or exceeds the utilization threshold through its current or proposed schedule.

Gate utilization is defined as the average of an airlines' and its affiliates' daily turns per gate at all the airline's preferential use gates, combined, and utilization threshold is defined as an average of four (4) turns per gate per day.

Article XVII of the previous agreement governed the procedures for assigning preferentially leased gates and was included as Appendix B of the initial Competition Plan. While an airline had the priority right to use its non-exclusively leased premises and equipment (including gates, as applicable), the Airport was able to assign that premises or equipment to another airline when it is not being actively used by the preferentially occupying airline. In this context “actively being used” meant the period from 45 minutes prior to a scheduled aircraft arrival time, or thirty (30) minutes after a scheduled departure time. The Agreement did not, however, provide the City with the right to recapture underutilized gates from signatory airlines.

(Order 5100.38D, Change 1, Table W-3(a)(10))

7. Circumstances of accommodating a new entrant or expansion during the 12 months preceding the filing

Frontier reached out in December 2024 to begin discussions on returning to the Airport. They entered into a Non-signatory Agreement effective May 2025. They were accommodated on Gate B16 as their schedule fit best with that common use gate and Sun Country (seasonal service) was relocated to a different common use ticket counter position so Frontier could use four contiguous ticket counter positions.

(Order 5100.38D, Change 1, Table W-3(a)(8))

8. Use/lose or use/share policies for gates and other facilities

As noted above in Item 6, the current Airline Agreement (Article 6) describes the policies and conditions under which the Airport can recapture preferential-use gates and the related terminal area that are being underutilized.

The policy for accommodating an existing airline or a new entrant on a preferentially leased gate can be found in Article 6 of the current Airline Agreement. See Appendix A.

The previous Airline Agreement contained no provision for the recapture of gates, only for the accommodation of airlines on leased gates.

Both the current and the previous Airline Agreements provided the Airport with certain rights to assign flights to preferential gates. Under the current agreement, a requesting airline seeking use of another airline’s preferential gate is charged an applicable per-turn fee. In the previous agreement, the existing airline was able to charge the requesting airline for use of the gate directly. This was removed from the Airline Agreement as it was a potential barrier to competition.

(Order 5100.38D, Change 1, Table W-3(a)(10))

9. Plans to make gates and related facilities available to new entrants or to air carriers that want to expand service at the airport

The current Capital Improvement Program (CIP) for the Airport includes a \$400 million project to build a new Concourse A during the 2027-2030 period. Concourse A is being designed to include 10 gates (all of which would be PBB equipped) to accommodate new entrant carriers at the Airport

and expanded service by existing carriers, and includes common use gate and ticket counter equipment.

The Concourse A development project was identified as part of the Master Plan update for Boise Airport that was finalized in December 2019 and is a significant part of the Airport's ability to accommodate anticipated aviation activity growth in the future.

As part of the negotiation process for the next Airline Agreement (the timing of which is unknown), the City will evaluate the optimal split between preferential use gates and common use gates at the Airport (including Concourse A), so as to ensure sufficient gate availability and flexibility for new entrant carriers or existing carriers wishing to expand service at the Airport.

(Order 5100.38D, Change 1, Table W-3(a)(11))

10. Availability of an airport competitive access liaison for requesting carriers, including new entrants

As described under section I.2 above, GoApron software is the key tool for managing gates usage at Boise Airport. Any existing carrier seeking to add service at the Airport adds its proposed service additions to the GoApron interface and associated gate assignments are identified using the software. The signatory airlines have preferential use of their leased gates. Existing carriers can contact Airport Property/ Contracts Coordinator at Boise Airport, directly, if needed.

Any new carrier wishing to initiate service at the Airport initially contacts the Airport via the general information number or use the email address provided on the Airport's website, and is referred to the Airport Business Development Manager in Airport Business Development Office for identification of the specific logistics – date service is to be initiated, destinations, number of flights per day/week, type of aircraft to be used, etc. This information is then communicated to and coordinated with the Airport Operations Department and fed into GoApron for specific initial gate assignments. The airline is then responsible for adding its schedule into GoApron.

Additionally, the Airport Business Development Office will work with new entrant carriers to identify other facility requirements – ticket counters, baggage arrangements, office space needs, etc.

(Order 5100.38D, Change 1, Table W-3(a)(12))

11. The resolution of any complaints of denial of reasonable access by a new entrant or an air carrier seeking to expand service in the 12 months preceding the filing of the plan

No changes from the initial Competition Plan.

There have been no complaints regarding denial of reasonable access by a new entrant or an air carrier seeking to expand service in the last 12 months.

(Order 5100.38D, Change 1, Table W-3(a)(9))

12. The number of aircraft RON positions available at the airport by lease agreement and distribution by carrier.

Please see Section I.1, Table 1.

(Order 5100.38D, Change 1, Table W-3(a)(13))

II. ARRANGEMENTS FOR LEASING AND SUBLEASING

This section summarizes leasing and subleasing arrangements at Boise Airport. The initial term of the current Airline Agreement expired on September 30, 2025 and the City exercised an option (the first of two) to extend the term of the agreement for one year (September 30, 2026). If the specific lease clauses described in the subsections below were amended or updated as part of the negotiation process for the current Airline Agreement, the changes are noted.

1. Whether a subleasing or handling arrangement with incumbent carrier is necessary

At Boise Airport, the following are the arrangements for handling by the commercial carriers:

| | Above Wing | Below Wing |
|-------------|------------------------|------------------------|
| Alaska | Horizon Air Industries | Horizon Air Industries |
| Allegiant | Internal | Internal |
| American | Internal/Piedmont | Piedmont |
| Delta | Internal | Unifi |
| Frontier | Menzies Aviation | Menzies Aviation |
| Southwest | Internal | Internal |
| Sun Country | Jackson Jet Center | Jackson Jet Center |
| United | Menzies Aviation | Menzies Aviation |

Article 14 of the current Airline Agreement provides for contract assignments, subletting, and handling agreements, as well as airline affiliates operating on behalf of mainline carriers.

New entrant airlines are not required to enter into subleasing or handling agreement with any incumbent carriers at the Airport.

(Order 5100.38D, Change 1, Table W-3(b)(1))

2. How the airport assists requesting airlines to obtain a sublease or handling arrangement

While there are no formal arrangements for the Airport to assist a requesting airline to sublease space or enter into a handling arrangement, the Airport Business Development Office, in coordination with Airport Operations Division, would be available to assist on a case-by-case basis if any airline were to request assistance. All such arrangements would need to adhere to Article 14 of the Airline Agreement.

Any airline starting service at the Airport must have either a Signatory, Non-Signatory or Affiliate Operating Agreement and demonstrate evidence of insurance.

(Order 5100.38D, Change 1, Table W-3(b)(2))

3. Airport oversight policies for sublease fees

Article 14 of the current Airline agreement provides that in the case of subleases, the sublessee airline should not pay space rentals greater than 110% of the rental rate paid by the leasing airline to the Airport with no allowance to cover administration costs. Subleases require written consent of the City and proposed sublease agreements must include information including term, the area to be subleased and the sublease rentals to be charged. The sublessee must also execute a separate agreement with the City for operating at the Airport.

Article XIV of the previous Airline Agreement provided that in the case of subleases, the sublessee airline should not pay space rentals that exceed the rental rate paid by the leasing airline to the Airport, with an allowance for an administrative fee not to exceed 15% of the rental rate. The leasing airline could also charge the sublessee reasonable fees to cover the sublessee's use of the airline's capital improvements fixtures and equipment in that space, any utility charges paid by the leasing airline, and any other payments to third parties for services and supplies related to the space that are paid by the leasing airline (with an allowance for an additional 15% markup to cover administration costs).

(Order 5100.38D, Change 1, Table W-3(b)(3))

4. Process by which availability of facilities for sublease or sharing is communicated to another interested carrier

No changes from the initial Competition Plan.

There is no formal process for signaling the availability of facilities for sublease or sharing, but the Airport disseminates such information to the carriers as part of routine interactions.

(Order 5100.38D, Change 1, Table W-3(b)(4))

5. Airport policies regarding sublease fees

No changes from the initial Competition Plan.

As noted above, Article 14 of the current Airline Agreement governs subleasing fees and arrangements.

6. How complaints by sub-tenants about excessive sublease fees are resolved. How independent contractors who want to provide such service as ground handling are accommodated

As noted above, the parameters related to sublease fees are described in Article 14 of the current Airline Agreement.

Currently there are four independent contractors providing ground handling services on the Airport related to the commercial airlines – Unify, Piedmont, Horizon Air (a subsidiary of Alaska), Menzies Aviation, and Jackson Jet Center (the FBO). Independent handlers need to obtain a Business Activity Permit from the Airport and demonstrate evidence of insurance to do so.

(Order 5100.38D, Change 1, Table W-3(b)(7))

7. Formal dispute resolution procedure

There are no formal dispute resolutions in place, beyond what is included in the Airline Agreement for the signatory carriers. The Airport Business Development Manager is the primary channel for airline dispute resolution regarding the use of airport facilities. The Airport will review the circumstances behind any complaints and work with the airlines and subtenant to resolve the issue based on the Airport's Rules and Regulations and any applicable Agreements.

(Order 5100.38D, Change 1, Table W-3(b)(5))

There have been no disputes over subleasing arrangements at the Airport over the past 12 months. No changes from the initial Competition Plan.

(Order 5100.38D, Change 1, Table W-3(b)(6))

8. Copies of Lease and Use Agreement in effect at the airport

See Appendix A for a copy of the Airline Use and Lease Agreement effective October 1, 2022.

(Order 5100.38D, Change 1, Table W-3(b)(8))

III. PATTERNS OF AIR SERVICE

Information regarding the patterns of air service at Boise Airport is not required per 49 U.S.C. 47106(f)(2) and has been removed from this Update.

IV. GATE ASSIGNMENT AND USE POLICY

This section summarizes the Airport's policies related to gate and Remain Overnight (RON) parking position assignments.

1. Gate assignment and use policy and method of informing carriers of gate assignment policy

Per Article 6 of the current Airline Agreement, common use gates are assigned by the Airport in accordance with its Gate Use and Assignment Policy which is in Chapter 7.32 of the Boise Airport Rules and Regulations (see Appendix C). The Rules and Regulations are located on the Airport's website and are provided to new entrants. The policy includes gate scheduling and assignment procedures (including off-schedule and irregular operations), and standards for gate usage. Articles 6 and 7 of the current Airline Agreement provide information on gate use and assignment and rentals, fees, and charges.

As described in Section I of this Update, the Airport Operations Department has responsibility for overseeing gate assignments at the Airport and utilizes the GoApron software platform as a tool for this purpose. Specific gate assignments for common use gates are communicated to the airlines via the GoApron software, the output of which is available to and communicated with the airlines via the software.

The airlines are given preference for their leased gates and the common use gates that they customarily use. Currently the Airport only assigns those gates to other airlines in emergencies. The airlines have their own podiums and computer equipment at the Concourse B gates and their own computer equipment on the Concourse C gates.

A formal written policy covering the priority use for common use gates was introduced into the Boise Airport Rules and Regulations, effective January 1, 2023 (after the initial Competition plan was approved). Prior to this, there was no formal written policy. The policy is intended to maximize and facilitate the efficient use of gates while supporting the equitable treatment of all airlines. It was designed to resolve conflicts that arise when two or more carriers request the use of a common use gate or accommodation at a preferential gate that is not preferentially assigned to such carriers.

(Order 5100.38D, Change 1, Table W-3(d)(1))

2. Methods for announcing to carriers when gates become available

The GoApron software is used to communicate gate availability to the airlines serving the Airport. New entrants can coordinate with the Airport's Business Development Manager for available gates and scheduling information.

Additionally, as part of routine meetings between Airport staff and the airlines to discuss operational issues in general, Airport staff informs the airlines of any intentions to convert gates from preferential use to common use (or vice versa), and also any changes with regard to RON policies and procedures.

(Order 5100.38D, Change 1, Table W-3(d)(2)(3))

3. Policies on assigning RON positions

Each of the 22 aircraft gates in Concourse B and Concourse C serves as a RON position at the Airport, and the airlines with preferential gates can use those gates for RON purposes.

The remote RON parking positions can be used on a first-come, first-served basis, unless prior arrangements have been made with the Airport Operations Department. Airport Operations monitors the use of the remote and common use RON positions and coordinates RON parking needs when requested by an airline or aircraft operator.

New entrants can coordinate with the Airport's Business Development Manager for available RON positions and scheduling information.

(Order 5100.38D, Change 1, Table W-3(d)(3))

V. GATE USE REQUIREMENTS

This section summarizes gate use requirements at the Airport. If the provisions of the previous Airline Agreement described herein were amended or updated as part of the negotiation process for the current Airline Agreement, the changes will be noted.

1. Gate use monitoring policy

No changes from the initial Competition Plan.

As described in Section I, the Airport uses the GoApron software platform to monitor and manage gate use at the Airport and to communicate gate availability to the carriers serving the Airport. The Airport Operations Department monitors the usage of gates.

(Order 5100.38D, Change 1, Table W-3(c)(1))

2. RON monitoring policy

The Airport Operations Department monitors the usage of the remote RON positions and coordinates remote and common use RON parking needs when requested by an airline or aircraft operator. The usage of remote RON positions is on a first-come, first-served basis unless coordinated in advance with the Operations Department.

(Order 5100.38D, Change 1, Table W-3(c)(1))

3. Requirement for signatory status

Under Article 1 of the current Airline Agreement, to be granted signatory status, a carrier is committed to paying the City an average of \$250,000, annually, through rentals, fees, and charges during the term of the Agreement. If at any time during the term of the agreement the signatory airline's total rentals, fees, and charges owed amount to less than \$250,000 on an average annual basis, the airline is obligated to pay the City the difference. There is no minimum amount of space or number of gates that a signatory airline needs to sign up for. Only signatory airlines are eligible to be assigned preferential use gates.

Under the previous Airline Agreement, the Airport imposed no minimum requirements on an airline as a condition of being granted signatory status. There was no minimum amount of space or number of gates that a signatory airline needed to sign up for, and all passenger airlines serving the Airport were eligible to sign the Airline Agreement and become a signatory airline if they so wished.

Airlines that are affiliates of a mainline carrier (such as Horizon Air, which is affiliated with Alaska Airlines) operate at the Airport under the "umbrella" of the mainline carrier. Under the current Airline Agreement, each such affiliated carrier enters into a "Boise Airport Affiliate Operating Agreement" ("Affiliate Agreement"), which includes the City, the signatory airline and the affiliate carrier as parties. Under the Affiliate Agreement, the affiliate airline is allowed the same use and access to Airport premises and equipment as the signatory airline, and is charged the same rentals, fees, and charges as the signatory airline. There were no material changes between the Affiliate Agreements in the previous and current Airline Agreements.

List of Signatory Airlines in Calendar Year 2025

Alaska Airlines (Horizon Air)
 Allegiant Air
 American Airlines
 Delta Air Lines
 Spirit Airlines (ceased operations at BOI in October 2025)
 Southwest Airlines
 United Airlines

Carriers providing service at the Airport that do not wish to become a signatory to the Airline Agreement can operate on a non-signatory basis, in accordance with the terms of a Non-Signatory Airline Operating Agreement. These non-signatory airlines, which currently are Frontier and Sun Country, operate from common use gates.

The current Airline Agreement calls for non-signatory airlines to pay a premium of 15% of signatory rentals, fees, and charges.

The previous Airline Agreement called for non-signatory airlines to pay a premium of 50% of signatory rentals, fees, and charges.

(Order 5100.38D, Change 1, Table W-3(c)(2))

4. Minimum use requirements for a lease

There are no minimum use requirements at present for an airline to remain a signatory to the Airline Agreement, in terms of things such as threshold aircraft operations, number of seats, or a minimum amount of terminal space that needs to be leased, however the signatory airlines are obligated to commit to paying the City an average of \$250,000, annually, through rentals, fees, and charges during the term of their Agreement.

(Order 5100.38D, Change 1, Table W-3(c)(3,5))

5. Accommodation priorities

It is the City's objective and priority to ensure that adequate gate capacity is available at the Airport to accommodate existing airlines wishing to add or expand service, and to new entrant carriers wishing to enter the Boise market.

The current Airline Agreement provides for both preferential-use gates and common use gates. Signatory airlines (Alaska, American, Delta, Southwest, and United) operate from preferential-use gates and also operate flights on the common use gates. Signatory airline Allegiant and non-signatory airlines (Frontier and Sun Country) operate flights from the common use gates. The allocation of airlines to the various gates is shown earlier in Table 1.

The Airport is currently implementing Common Use Terminal Equipment (CUTE) at the existing common use gates which will enhance the flexibility for airlines to use those gates.

Article 6 of the current Airline Agreement provides information on and the procedure for the accommodation of carriers. See Appendix A. If a carrier is seeking to expand service or a new entrant is seeking entry into the Airport and a leased or common use gate is unavailable, the Airport Director may grant that carrier the right of temporary or shared use of an airline's leased gate, including the use of related passenger boarding bridges and related terminal areas (except the airline's exclusive use space). This is an option only for those periods of time the leased gates are not scheduled for use and the City must first attempt to accommodate the carrier at common use gates before scheduling operations at any leased gate.

Article XVII of the previous Airline Agreement provided information on access to non-exclusively leased space. An airline would have access to another airline's non-exclusive space when not actively being used by the airline. The City could assign use of non-exclusive space by (i) first utilizing holdrooms and aircraft parking positions which are not leased to others, and then (ii) by assigning non-exclusive space which is not actively being utilized by an airline. The carriers would be required to first utilize their own non-exclusive gates prior to requesting use of another carrier's non-exclusive gate. The City would designate specific non-exclusive premises for temporary or shared use.

(Order 5100.38D, Change 1, Table W-3(c)(4))

6. Common use gate usage policies

Gate usage policies are outlined in Article 6 of the Airline Agreement and Chapter 7.32 (*Gate Use and Assignment Policy: Effective 01/01/2023*) of the Boise Airport Rules and Regulations. The GoApron software platform is used as the tool for ensuring that all flights can be accommodated. Common use gate utilization is managed and monitored by the Airport Operations Department.

The *Gate Use and Assignment Policy* is intended to maximize and facilitate the efficient use of Gates while supporting the equitable treatment of all Airlines. Airlines are expected to accommodate themselves as much as reasonably possible on their preferential use gates before requesting the use of common use gates.

The prioritization of use for common use gates is as follows:

- Emergency flights have priority of all other flights
- Level 1 priority: Existing scheduled service by signatory airlines
- Level 2 priority: New scheduled service by signatory airlines
- Level 3 priority: Existing scheduled service by non-signatory airlines
- Level 4 priority: New scheduled service by non-signatory airlines
- As available: Charter, itinerant, and other non-scheduled flight operations

Flights of the same priority level would be assigned gates with the following secondary priorities:

- Most restrictive Airplane Design Group (ADG) to least; then
- Largest seating capacity to smallest; then
- Through flights are assigned before a RON aircraft (unless the RON aircraft can be moved off of the Gate after deplaning); then

- Flights of airlines offering year-round service are assigned before flights of airlines offering seasonal service

The policies and priorities were drafted after the initial Competition Plan was approved.

(Order 5100.38D, Change 1, Table W-3(c)(6))

7. Methods for calculating rental rates for leased and common use gates

Common use (per-turn) fees are derived from the terminal rental rate set in accordance with the provisions of the Airline Agreement as stated in the Airport Rates and Charges schedule.

Under the current agreement, the terminal building rental rate per square foot, per year, at the Airport is calculated as follows:

- The direct and allocated indirect operation and maintenance expenses to the terminal building cost center are added to any applicable amortization and depreciation and debt service allocable to the terminal.
- The total terminal requirement is divided by the useable space of the terminal (379,000 sq ft in FY 2025) and then multiplied by airline rented space (112,000 sq ft in FY 2025).¹
- The portion of the net cash flow sharing pool allocable to the terminal and the total of all passenger boarding fees paid by the signatory airlines not on a per-turn basis are deducted.
- The resulting total is divided by the airline rented space in the terminal (including exclusive, preferential, and common-use space) to obtain the signatory airline terminal rental rate per square foot.
- A 15% premium is applied to the signatory airline terminal rental rate to obtain the non-signatory airline terminal rental rate.

The signatory airline terminal rental rate was \$44.37 per square foot for FY 2025.

Common use (per-turn) fees relate to operations which are not occurring at an airline's preferentially occupied gates (i.e., either on another airline's preferentially assigned gate or on a common use gate).

The per-turn fee for a holdroom is calculated as the total holdroom space times the signatory rental rate divided by an assumed number of annual uses (the total number of holdrooms times the average number of turns per day, times 365). For non-signatory airlines operations, a 15% premium is added to the signatory airline per-turn fee.

For operations involving aircraft with 100 seats or less, a 50% reduction is applied to the per-turn fee.

See Appendix A, Exhibit D-4 for an illustration of the per-turn fee calculation.

¹ The Airport's fiscal year is the 12 months ended September 30.

Under the previous agreement, the terminal building rental rate per square foot, per year, at the Airport was calculated as follows:

- The direct and allocated indirect Operation and Maintenance Expenses to the terminal building cost center are added to any applicable depreciation and Debt Service allocable to the terminal.
- Nonairline revenues generated in the terminal (including rental car fees and charges) are deducted.
- Capital improvements funded from the Capital Improvement Fund above a threshold of \$1,841,648 are deducted.
- The resulting total is divided by the estimated airline rented square footage in the terminal (including exclusive, preferential, and common-use space) to obtain the terminal rental rate per square foot. The airlines rented 109,701 square feet of space in the terminal.

Separately for Concourse B and Concourse C, the gate use (holdroom) fee was calculated as the total holdroom square feet for the common use gates in the respective concourse times the rental rate divided by 365 (i.e., to calculate a fee per day). Depending on whether the aircraft was operating from a Concourse B gate or a Concourse C gate, there were additional fees also.

(Order 5100.38D, Change 1, Table W-3(c)(7))

VI. FINANCIAL CONSTRAINTS

The Airport's terminal facilities underwent a major expansion and renovation, which was completed in 2004. The terminal and concourses encompass 415,054 square feet of space providing both preferential- and common use gates. The City's most recent six-year capital improvement program (CIP) covering FY 2025 through FY 2031 totals \$1.5 billion with approximately \$967 million in terminal related projects including construction of a new Concourse A, a new CUP, a new BHS, and improvements to Concourse B.

1. Major source of revenue for terminal projects

The City expects that several funding sources will be used to develop the above-mentioned terminal projects including passenger facility charges (PFCs), Bipartisan Infrastructure Law (BIL) grants, general airport revenues bonds (GARBs), and available Airport cash balances. The City currently expects to issue Bonds in 2027, primarily to finance the development of Concourse A, the BHS and the CUP.

The new Concourse A will extend to the west of the Airport terminal initially providing seven new gates with the ability to expand up to 10 gates as demand grows in the future. Concourse A will also include restrooms, restaurants, and retail stores. Construction is expected to be complete by 2030. Upon completion of Concourse A, Concourse B will be remodeled to increase the size of the passenger waiting areas and update customer amenities such as restrooms, seating, and charging areas. Concourse B was initially constructed in 1984 and expanded in 1995. A freestanding CUP is proposed to the west of the existing terminal and the BHS will be expanded and replaced.

Along with these large projects, several other passenger experience enhancements are included in the CIP such as expansion of the TSA checkpoint, additional ticket counters, reconfigured vertical transportation, additional baggage claim, and additional restrooms.

The rates and charges methodology is compensatory in the terminal and residual on airfield.

(Order 5100.38D, Change 1, Table W-3(e)(1,2))

2. Use of PFCs for gates and related terminals

In 1994, the City received approval from the FAA to impose a PFC of \$3 per eligible enplaned passenger at the Airport. Effective FY 2002, the City increased the PFC per eligible enplaned passenger to \$4.50, with the FAA's approval. The City received approval from the FAA to collect and use a total of \$106.1 million in PFC revenues for debt service related to PFC-approved project costs, and the payment of PFC-approved project costs on a pay-as-you-go basis. These PFC funded costs included terminal related projects, a majority of which was used to fund Concourse C construction and enabling work. As of mid-2015, the City had collected PFCs up to the authorized limit approved in its first four PFC applications, and PFC collections ceased in 2015.

In 2020, the FAA approved a fifth PFC application for the Airport, to collect and use \$11.2 million of PFCs to partially finance six airfield and terminal projects. Terminal related projects approved as part of this application included passenger boarding bridge upgrades, public address system

upgrades, and planning and program management related to terminal upgrades. The authorized PFC collection amount under this PFC application was reached on October 1, 2021.

In 2021, the FAA approved a sixth PFC application for the Airport, to collect and use \$15.5 million of PFCs to partially finance 19 projects, the majority of which were airfield and terminal improvements, including \$500,000 for gate management utilization planning software.

In 2023, the FAA approved a seventh PFC application for the Airport, to collect and use \$8.7 million of PFCs to partially finance 14 projects, the majority of which were airfield projects. Approval to amend the application up to \$10.5 million was granted in October 2025.

In 2024, the FAA approved an eighth PFC application for the Airport, to collect and use \$16.4 million of PFCs to partially finance 14 projects, half of [the approved amount?] which were terminal projects. Among other projects, the application included funding for the design of Concourse A, an expansion of the ticketing lobby, and a family restroom. Approval to amend the application up to \$32.9 million was granted in October 2025. Approximately \$2.7 million of the increase was attributable to the design of Concourse A. The current expiration date of PFC 8 is January 1, 2028.

The Airport is currently working on a new application to request \$28.9 million in PFC funding for 6 projects including the initial phases of apron construction for Concourse A and passenger boarding bridges.

PFC revenues are expected to be pledged toward debt service on a 2027 bond issue that will be used to partially fund the new Concourse A, BHS, and CUP. The City expects to submit an application to the FAA for approval to impose and use PFCs for this purpose during calendar year 2026.

(Order 5100.38D, Change 1, Table W-3(e)(3))

3. Availability of discretionary income for capital improvement projects

Article 8 of the current Airline Agreement states that as part of the annual budget process, the City provides the signatory airlines with an updated forecast of the capital improvement program, including proposed capital projects, the costs thereof, the anticipated impact to rentals, fees, and charges, and the sources of funds for the capital projects and the City consults with and gives due consideration to the input of the signatory airlines regarding the proposed projects, the costs thereof and the sources of funding. Certain projects are subject to signatory airline approval (to be discussed further in Section VII).

The previous Airline Agreement established a Capital Improvement Fund and a Discretionary Fund. Monies in the Capital Improvement Fund were to be used on a priority basis for terminal and airfield capital and equipment projects but could also be used for parking and environmental projects. Monies in the Discretionary Fund could be used for any lawful purpose and use that was not subject to signatory airline approval.

Due in large part to many years of conservative financial planning and reserve funds being held in anticipation of large capital upgrades, the Airport has been able maintain adequate liquidity estimating a fiscal year-end 2025 balance of approximately \$77 million, or 464 days cash on hand.

(Order 5100.38D, Change 1, Table W-3(e)(4))

VII. AIRPORT CONTROLS OVER AIRSIDE AND GROUND SIDE CAPACITY

The City has an agreement with seven passenger airlines (the signatory airlines). The term of the current Airline Agreement extends through September 30, 2026. The City has the option to extend the Airline Agreement for one additional year (September 30, 2027).

1. Majority-in-interest (MII) clauses covering projects

The terms of the current Airline Agreement, with certain exceptions, establish procedures through which signatory airlines are notified and can provide input on capital expenditures for improvements and developments that are to be included in space rentals and landing fees charged for the use and/or occupancy of terminal and airfield facilities. A project is considered to be disapproved if a Majority-in-Interest (MII) of signatory airlines submits disapprovals. A Majority-in-Interest means at least 66 2/3% in number of the signatory airlines, representing at least 66 2/3% of signatory airline total landed weight for the most recent 12 month period for which landed weight data are available. The Airline agreement provides lists of capital projects that were pre-approved by the signatory airlines during negotiations (Exhibits F1 and F2) and are therefore exempt from MII review unless construction bids exceed 110% of total estimated costs. Also excluded from MII review are capital projects with a net cost of less than \$2 million. Though subject to Signatory Airline consultation, projects necessary to preserve the safety or security of the Airport, project that are the result of a government mandate, and projects of an emergency nature are exempt from MII review.

In the event that an MII disapproves a capital project with a net cost of over \$2 million but less than \$7 million, the City may proceed with the project as long as the project is deferred nine (9) months after the disapproval. If the capital project with a net cost over \$7 million is disapproved, the City may proceed with the project as long as the project is deferred twelve (12) months after the disapproval. The disapproval shall not extend beyond the expiration of the term of the Airline Agreement. The City can bring a disapproved project up for vote ("reconsideration") a maximum of two times, but if it fails to be approved, the City shall not proceed with the project until either the end of the deferral period or the expiration of the Agreement.

The previous Agreement did not include a list of pre-approved projects, but it did exclude from MII review: equipment purchases of less than \$405,000 (adjusted annually); capital projects totaling \$1.3 million for one budget year (adjusted annually); and capital projects required for public safety or security, or mandated by a governmental authority. The previous Agreement provided that the City could proceed with a disapproved capital project as long as the project was deferred twenty-one (21) months after disapproval. There was no provision for post-disapproval reconsideration.

(Order 5100.38D, Change 1, Table W-3(f)(1))

2. Projects delayed because MII clauses invoked

Under the current Agreement, there have been no project delays at the Airport because the MII clause of the Airline Agreement was invoked.

(Order 5100.38D, Change 1, Table W-3(f)(2))

3. Plans to modify existing MII agreements

Negotiations for a new Airline Agreement have not yet commenced, but the City will explore all options including eliminating or significantly relaxing the MII clause, giving the Airport more flexibility in terms of meeting the expanding service development needs of the airlines serving Boise (and enhancing the ability of new airlines to enter the market). Restrictive MII clauses in airline agreements can be a hinderance to airline competition because they may limit an airport's ability to implement capital improvements and projects that would enhance airline competition on a timely basis in ways that best meet the operations needs the airport.

As noted above, an MII disapproval finding on any particular project at Boise Airport that the City wishes to undertake would delay the implementation of that project by a minimum of 9 months, potentially leading to restricted competition and a less than optimal operating environment at the Airport for that period of time.

(Order 5100.38D, Change 1, Table W-3(f)(3))

VIII. AIRPORT INTENTIONS TO BUILD OR ACQUIRE GATES TO BE USED AS COMMON FACILITIES

This section describes Boise Airport's plans to develop Concourse A – a new concourse with an initial complement of seven gates, which will accommodate current traffic and expected future growth at the Airport, and increase the overall contact gate availability at the Airport from 22 gates to 29 gates. The design provides for three additional gates in Concourse A, for a total of 10 gates.

1. Common use gates available

As described in Section I, there are currently nine common use gates at Boise Airport – three in Concourse B and six in Concourse C, as well as 15 remote RON parking positions.

2. Common use gates scheduled to be built

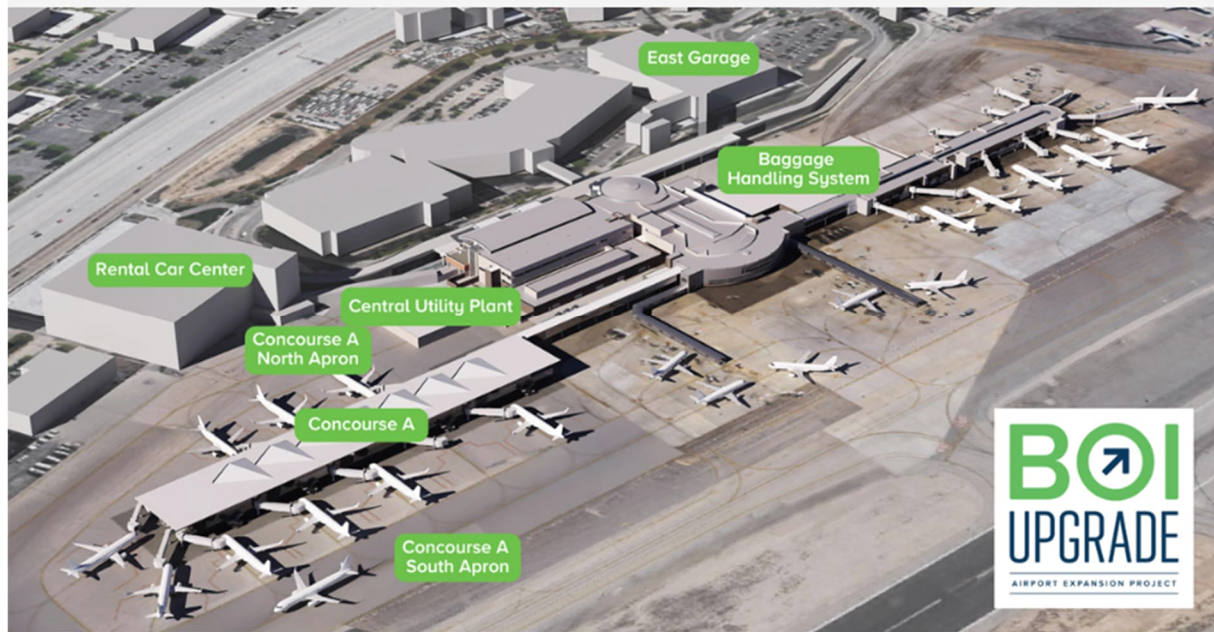
During 2026-2027, Boise Airport expects to undertake an approximately \$570 million project to build Concourse A, including associated apron works, but excluding the CUP and BHS. Concourse A is expected to be open for service by 2030 with seven gates.

As shown in Figure 2, the current design adds mainline gates along the front and back sides of a new Concourse A facility (the first seven gates would involve front side of the concourse only). Development and expansion of Concourse A would be similar in configuration to the buildout of Concourse B. Aircraft access to the front side Concourse A gates would be via Taxiway A, while a new taxilane would provide access to the gates located along the back side of Concourse A. It is being designed to include common use equipment to allow for flexibility in gate assignments and ease of new entrant carriers.

It is expected that the initial buildout of seven new gates in Concourse A (and 10 new gates at full build out) will help to ease the current gate constraints.

(Order 5100.38D, Change 1, Table W-3(g)(1,2))

Figure 2
OVERVIEW OF CONCOURSE A DEVELOPMENT – PHASE 1 CONCEPT
 Boise Airport



3. International gates available for domestic use and fee differences between international gate use for domestic service and domestic gates

No changes from the initial Competition Plan.

Currently, Boise does not have direct service to locations outside the U.S. The Airport does not have an international passenger processing or customs capability for scheduled airline service. No gates at the Airport are designated for international use (either dedicated international, or on a “swing” basis).

(Order 5100.38D, Change 1, Table W-3(g)(3))

4. Carrier reliance on common use gates

As shown in Table 1, Allegiant, Frontier, and Sun Country operate exclusively from common use gates at the Airport. Alaska, American, Delta, Southwest, and United primarily operate from preferential use gates, but also operate from common use gates. Southwest uses common use Gate B16 for daily operations, American uses Gate B19 for daily operations and Alaska uses common use Gates C7 through C12 for daily operations. On occasion Delta and United use Gate B14.

(Order 5100.38D, Change 1, Table W-3(g)(4))

IX. AIRFARE LEVELS AS COMPARED TO OTHER LARGE AIRPORTS

Information regarding airfare levels as compared to other large airports is not required per 49 U.S.C. 47106(f)(2) and has been removed from this Update.

X. PUBLIC AVAILABILITY OF COMPETITION PLAN

1. Method for making the Competition Plan available to the public

The initial Competition Plan and the FAA's approval letter are available on the Airport's website at www.iflyboise.com. Upon approval, this 2026 Update will also be posted on the Airport's website.

(Order 5100.38D, Change 1, Table W-3(H)(1))

APPENDIX A
COPY OF AIRLINE USE AND LEASE AGREEMENT

BOISE AIRPORT
AIRLINE AIRPORT USE AND LEASE AGREEMENT

between

THE CITY OF BOISE CITY

and

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ARTICLE 1
DEFINITIONS; INTERPRETATION

Section 1.1 Definitions.

“**Affiliate**” means an Air Carrier that is (1) operating at the Airport for the benefit of Airline, under the same or substantially similar livery as Airline, and (a) is owned by Airline, or (b) is a subsidiary of, or under common control with the same corporate parent of, Airline, or (c) is under contract to Airline in respect of such operation; or (2) if operating under its own livery, is not selling any seats on an aircraft in its own name and all seats on such aircraft are being sold in the name of Airline, subject to ARTICLE 15. For purposes of this Agreement, an Air Carrier shall only be deemed an Affiliate of Airline while operating at the Airport on behalf of that Airline.

“**Agreement**” means this Airline Airport Use and Lease Agreement.

“**Air Carrier**” means any air carrier or foreign air carrier, as defined in 49 U.S.C. § 40102, as amended, operating an Air Transportation Business from time to time at the Airport.

“**Air Transportation Business**” means the business operated by Airline to and from the Airport for the commercial transportation by air of persons, property, cargo, mail, or any combination thereof, as a common carrier for compensation or hire, in commerce, as defined in the Federal Aviation Act of 1958, as amended.

“**Airline Parties**” means, collectively, Airline, and any of its Affiliates, and their officers, volunteers, representatives, agents, employees, contractors, subcontractors, licensees, subtenants, or suppliers.

“**Airline Premises**” means those areas in the Terminal assigned to Airline as Exclusive Use Premises, Preferential Use Premises, Common Use Facilities, and Joint Use Facilities, as defined herein, and as shown on **Exhibit A** and **Exhibit B**, attached hereto; provided, however, that, in the case of Common Use Facilities and Joint Use Facilities, such areas will only constitute “Airline Premises” during the period of time for which Airline has the right to use such areas.

“**Airline Rentals, Fees, and Charges**” means, for any period, the rentals, fees, and charges estimated, calculated, and payable pursuant to ARTICLE 7 and the City’s current Schedule of Rates and Charges, payable by Air Carriers pursuant to this Agreement for such period; provided, however, that when used with reference to an individual Signatory Airline, “Airline Rentals, Fees, and Charges” shall mean only those fees and charges payable by such Signatory Airline.

“**Airline**” means the Air Carrier which is the Signatory Airline to this Agreement.

“**Airport Director**” means the director of the Airport and his or her duly authorized designee(s).

“**Airport**” means the Boise Airport as it presently exists and as it is hereafter modified or expanded.

“Applicable Laws” means all laws, statutes, ordinances, rules, and regulations (including without limitation Environmental Laws) lawfully issued or promulgated by any Governmental Authority governing or otherwise applicable to Airline or the Airport (including Airport Rules and Regulations adopted by the City), as any of the same may now exist or may hereafter be adopted or amended, modified, extended, re-enacted, re-designated, or replaced from time to time and judicial interpretations thereof.

“Baggage Claim Systems” means all the equipment that delivers inbound checked bags from inbound aircraft to arriving passengers through and including baggage claim devices and non-public conveyance equipment.

“Baggage Make-up Systems” means all the equipment that delivers outbound checked bags from passenger check-in areas through and including checked bag security screening conveyors, baggage make-up devices and interline belts.

“Baggage Systems” means equipment and related systems for the delivery of bags to arriving passengers and outbound aircraft, including both Baggage Claim Systems and Baggage Make-up Systems.

“Bonds” means all notes, bonds or other obligations or indebtedness issued pursuant to and secured by a pledge of revenues or net revenues of the Airport, on either a senior or subordinate basis, under the Indenture. The term “Bonds” does not include other bonds, such as special facility bonds, that are not secured by general Airport revenues and issued pursuant to a separate indenture, which may be issued to finance capital projects at or related to the Airport.

“Capital Outlay” means, for the purposes of ARTICLE 7 and **Exhibit C** herein, any expenditure made to acquire, purchase, or construct a single capital item, asset, or project for the purpose(s) of improving, developing, preserving, or enhancing the Airport and having a net cost to the City in excess of the cost and useful life thresholds currently stated in the City’s financial reports as minimums for treating such item, asset, or project as a Capital Outlay.

“Capital Project” means, for the purposes of ARTICLE 8 herein, any expenditure made to acquire, purchase, or construct a single capital item or project for the purpose(s) of improving, developing, preserving, or enhancing the Airport and having a Net Cost (as that term is defined in Section 8.5(b) herein) to the City in excess of Two Million Dollars (\$2,000,000) and a useful life in excess of one (1) year and shall include expenses incurred for development, study, analysis, review, design, or planning efforts; provided, that the Two Million Dollar (\$2,000,000) amount shall be adjusted annually beginning the first day of the next Fiscal Year beginning after the Effective Date and for each succeeding Fiscal Year by the increase in CPI.

“Chargeable Landing” means all Revenue Landings and those Non-Revenue Landings whenever the same aircraft departs the Airport as a revenue flight.

“City” means the City of Boise City, Idaho.

“Common Use Facility Fee” means the per Turn fee described in Section 7.6 payable to the City by an Air Carrier for the right to use a Common Use Gate and related facilities assigned to such Air Carrier for the processing of passengers and baggage (or, pursuant to subsection Section

6.7(a)(iii)(E), the per Turn fee payable to the City by an Air Carrier for the right to use and be accommodated on a Gate preferentially assigned to another Air Carrier), as established from time to time by the City based on calculations set forth in **Exhibit D** attached hereto.

“Common Use Facilities” means those non-exclusive areas of the Airport, used in common by Airline, along with other authorized users of the Airport, along with all facilities, improvements, equipment, and services which are, or hereafter may be, provided for such common use, as shown in **Exhibit A** and **Exhibit B**, attached hereto.

“Consumer Price Index” or **“CPI”** means the consumer price index for all urban consumers (or “CPI-U”) published by the U.S. Bureau of Labor Statistics for the most current 12-month period such data is available at the time of the applicable measurement or adjustment under this Agreement. If CPI is no longer calculated by the U.S. Bureau of Labor Statistics, the Airport Director shall, in his or her reasonable judgement, select such other index as may be generally published that measures the increase in consumer costs, which index shall be substituted for CPI. Specific dollar amounts referenced in this Agreement as being increased by CPI shall be adjusted by multiplying such amounts by a factor of one (1) plus the percentage increase (but not decrease), if any, in CPI during the most recently ended twelve-month period for which such CPI is available.

“Cost Center” means those areas of the Airport grouped together for the allocation of costs, revenues, and expenses of the Airport in order to, among other things, calculate Airline Rentals, Fees, and Charges in accordance with the methodology illustrated in **Exhibit D**. The Airport Cost Centers include the following:

“Administrative Cost Center” means the Cost Center that includes all direct and indirect costs for all administrative functions of the Airport. The Administrative Cost Center’s costs shall be allocated to the direct Cost Centers then in effect, in the same proportions that the costs in those Cost Centers bear to the total costs charged to all those other Cost Centers. If a cost is clearly identifiable to a particular Cost Center, then it will be directly allocated to that particular Cost Center and not to the Administrative Cost Center.

“Airfield Cost Center” means the Cost Center that includes the landing area (including those portions of Airport provided for the landing, take-off, and taxiing of aircraft, including runways, taxiways, runway and taxiway lights, and other appurtenances in connection therewith), the taxiing area, the aircraft parking area, the ramp area, infield areas, access, and perimeter roads, airfield equipment storage and maintenance areas, aircraft rescue and firefighting (“ARFF”) facilities, the inflight catering facility, all other airfield related facilities, and all non-leased ground located inside the security fence required under 49 CFR Part 1540 as they may be amended and Airport fencing as required under 14 CFR Part 139 as it may be amended; it does not include any of the leased grounds and/or improvements that may be within the perimeter security fence. The ramp area shall include the pavement immediately adjacent to the Terminal that is used for the parking and related maneuvering of aircraft and support vehicles and the loading and unloading of passengers and cargo; and pavement designated for remain overnight (“RON”) aircraft parking,.

“Ground Transportation and Other Areas Cost Center” means the Cost Center that includes all areas and existing and future facilities and improvements used for vehicle parking, rental car operations, Transportation Network Companies’ (“TNCs”) activities, shuttle bus activities, and the roadways, walkways, and access roadways used for ingress and egress to and from the Terminal building, cargo areas, taxi, bus, and courtesy vehicle loading areas along with landscaped areas which are not part of the Ada County Highway District system. This cost center shall also include all facilities and improvements that are not otherwise included in the Airfield Area, Terminal, and Industrial Areas cost centers. Certain Airport roadways that may be dedicated to a particular purpose or function at the Airport may be designated in the same Cost Center as the particular purpose or function is designated.

“Industrial Areas Cost Center” means the Cost Center that includes the current and future facilities and areas of the Airport and all activities delineated within the property as described in **Exhibit K**, as may be updated from time to time without need to amend this Agreement, which includes certain nonaeronautical development and hotel facilities.

“Security Cost Center” means the Cost Center that includes all direct and indirect costs for all security functions of the Airport (which, for the sake of clarity, does not include costs related to ARFF services). The Security Cost Center’s costs shall be allocated to the direct Cost Centers then in effect, in the same proportions that the costs in those Cost Centers bear to the total costs charged to all those other Cost Centers. If a cost is clearly identifiable to a particular Cost Center, then it will be directly allocated to that Cost Center

“Terminal Cost Center” means the Cost Center that includes all direct and indirect costs and revenues for the Terminal and other related and appurtenant facilities; and a portion of the enplanement/deplanement roadway in front of the Terminal building.

“Deplaned Passenger” shall mean any revenue passenger disembarking an aircraft at the Terminal, including any such passenger that shall subsequently board another aircraft of the same or a different Air Carrier or the same aircraft, if previously operating under a different flight number.

“Effective Date” has the meaning set forth in Section 2.1 of this Agreement.

“Enplaned Passenger” means any revenue passenger boarding an aircraft at the Terminal, including any such passenger that previously disembarked from another aircraft of the same or a different Air Carrier or from the same aircraft, if previously operating under a different flight number.

“Environmental Laws” means any and all applicable Federal, State of Idaho, and local statutes, ordinances, regulations, and rules relating to environmental quality, health, safety, contamination, and clean-up, as they currently exist or may exist in the future, including, without limitation, the Clean Air Act, 42 U.S.C. §7401 et seq.; the Clean Water Act, 33 U.S.C. §1251 et seq., the Water Quality Act of 1987; the Federal Insecticide, Fungicide, and Rodenticide Act (“FIFRA”), 7 U.S.C. §136 et seq.; the Noise Control Act, 42 U.S.C. §4901 et seq.; the Resource Conservation and Recovery Act (“RCRA”), 42 U.S.C. §6901 et seq., as amended by the Hazardous and Solid Waste Amendments of 1984; the Safe Drinking Water Act, 42 U.S.C. §300f et seq.; the

Comprehensive Environmental Response, Compensation and Liability Act (“CERCLA”), 42 U.S.C. §9601 et seq., as amended by the Superfund Amendments and Reauthorization Act, and the Emergency Planning and Community Right to Know Act, and the Radon Gas and Indoor Air Quality Research Act; the Hazardous Material Transportation Act, 49 U.S.C. §9601 et seq.; the Toxic Substance Control Act (“TSCA”), 15 U.S.C. §2601 et seq.; all State environmental protection, superlien, and environmental clean-up statutes, with implementing regulations and guidelines and all local laws, regulations, and ordinances insofar as they are equivalent or similar to the Federal laws recited above or purport to regulate Hazardous Materials, and judicial interpretations of each of the foregoing.

“**Environmental Permit**” means any and all permits, licenses, approvals, authorizations, consents, or registrations required by applicable Environmental Laws, whether Federal, State, or local, which pertain to the production, use, treatment, generation, transportation, processing, handling, disposal, or storage of Hazardous Materials.

“**Exclusive Use Premises**” means any office space, operation/staging space, storage area, employee break room, baggage service office, ticket service office, or other area made available for Airline’s use, on an exclusive basis pursuant to the provisions of this Agreement and as more fully depicted on **Exhibit B**, but shall not include Gates, ticket counters, holdrooms, or Baggage Systems.

“**Federal Aviation Administration**” or “**FAA**” means the Federal Aviation Administration created under the Federal Aviation Act of 1958, as amended, or any successor agency thereto.

“**Final Recapture Notice**” has the meaning set forth in Section 6.8(d) of this Agreement.

“**Fiscal Year**” means such fiscal year used by the City, which as of the Effective Date is October 1st through September 30th.

“**Gate Use and Assignment Policy**” means the City’s written policy for the assignment and use of Gates at the Airport, in accordance with ARTICLE 6 of this Agreement, as such policy may be promulgated by the City and as may be amended from time to time by the City after consultation with the Signatory Airlines in accordance with this Agreement; provided, however, that no such amendment shall contravene the terms of this Agreement.

“**Gate**” means that portion of the Terminal consisting of a holdroom (or a portion thereof as the case may be) and all appropriate appurtenant space plus the associated Terminal Aircraft Apron and the associated Passenger Boarding Bridge (if any). Gates may be assigned on a common use basis (“Common Use Gates”) or on a preferential basis (“Preferential Use Gates”) in accordance with the terms of this Agreement.

“**Governmental Authority**” means any Federal, state, county, municipal, or other governmental entity (including the City in its governmental capacity), or any subdivision thereof, with authority over, as applicable, the Airport, Air Carriers, or Airline.

“**Hazardous Materials**” means any and all (a) substances, products, by-products, waste, or other materials of any nature or kind whatsoever which is or becomes listed, regulated, or addressed under any Environmental Laws, and (b) any materials, substances, products, by-

products, waste, or other materials of any nature or kind whatsoever whose presence in and of itself or in combination with other materials, substances, products, by-products, or waste may give rise to liability under any Environmental Law or any statutory or common law theory based on negligence, trespass, intentional tort, nuisance, strict or absolute liability, or under any reported decisions of any state or federal court; and (c) any substance, product, by-product, waste, or any other material which may be hazardous or harmful to the air, water, soil, environment or affect industrial hygiene, occupational, health, safety, and/or general welfare conditions, including, without limitation, fuel, petroleum based and/or asbestos based materials, products, by-products, or waste, radioactive materials or waste, lead or lead-containing materials, urea formaldehyde foam insulation, MBTE, perfluoroalkyl and polyfluoroalkyl substances, and polychlorinated biphenyls.

“Indentures” means the Trust Indentures authorizing and providing for the issuance of revenue bonds by the City secured by a pledge of revenues or net revenues of the Airport, on either a senior or subordinate basis, as such indenture may be supplemented or amended from time to time.

“Indemnified Parties” means the City, its successors and assigns, and each of their elected and appointed officials, officers, directors, agents, employees, contractors, subcontractors, volunteers, consultants, representatives, and/or subdivisions.

“Initial Recapture Notice” has the meaning set forth in Section 6.8(c) of this Agreement.

“Joint Use Facilities” means the portion of the City-owned Baggage Systems in the Terminal assigned to Airline for its use on a shared use basis, as depicted on **Exhibit B**, and for which Airline is responsible for Airline Rentals, Fees, and Charges together with other Air Carriers using such areas in accordance with Section 7.5.

“Joint Use Space” means, for purposes of calculating Airline Rentals, Fees, and Charges, the areas depicted on **Exhibit B** as joint use space, which includes the Joint Use Facilities, the Common Use Facilities, and certain other areas depicted on **Exhibit B**, and for which Airline is responsible for Airline Rentals, Fees, and Charges together with other Air Carriers using such areas in accordance with Section 7.5.

“Landing Fee” means the fee described in Section 7.2 of this Agreement.

“Majority-in-Interest” has the meaning set forth in Section 8.5 of this Agreement.

“Maximum Gross Landed Weight” means for any aircraft operated by Airline or an Affiliate of Airline, the maximum landing weight of such aircraft as set forth in Airline’s FAA-approved operation manual for such aircraft.

“Net Cash Flow Sharing Pool” means all Revenues, except Other Airport Revenues, received by the City, less fully allocated O&M Expenses, debt service, depreciation, reserve replenishment requirements, and any other cash obligations for all of the Cost Centers in total except the Industrial Areas Cost Center, which is not included in the Net Cash Flow Sharing Pool. Portions of the Net Cash Flow Sharing Pool shall be credited to the Terminal Cost Center and the

Airfield Cost Center in order to reduce Airline Rentals, Fees, and Charges pursuant to ARTICLE 7 and the City's current Schedule of Rates and Charges.

“Non-Airline Revenues” means those rentals, fees, charges and other income received by City from all Airport operations, other than from Air Carriers, including income from lessees, permittees, concessionaires, users, and patrons.

“Non-Revenue Landing” means any aircraft landing by Airline at the Airport for a flight for which Airline receives no revenue, and shall include irregular and occasional ferry or emergency, which shall include any flight that, after having taken off from the Airport and without making a landing at any other airport, returns to land at the Airport because of meteorological conditions, mechanical or operating causes, or any other reason of emergency or precaution.

“Non-Signatory Airline” means any Air Carrier using the Airport for scheduled cargo or passenger service that is not a Signatory Airline.

“Operations and Maintenance Expenses” or **“O&M Expenses”** means the expenses of the City to operate, maintain, and administer the Airport, including without limitation the performance by the City of any of its obligations related thereto as set forth in this Agreement.

“Other Airport Revenues” means all Revenues of the City that are not derived from the Airfield or Terminal, including, but not limited to, grants (including any federal funding provided for the operation, development, and maintenance of the Airport in connection with the COVID-19 pandemic), donations from third parties, and funds allocated to the City for economic development purposes from any sources, including but not limited to, the State of Idaho, and includes interest or investment income on the related fund balances.

“Parties” means the City and Airline collectively, with each individually, a “Party.”

“Passenger Boarding Bridge” means an enclosed passenger loading bridge and any preconditioned air system(s), ground power supply unit(s) and other related equipment attached to the bridge or a concourse at a Gate.

“Preferential Use Premises” means those portions of the Terminal and Terminal Aircraft Aprons assigned to Airline, as shown in **Exhibit A** and **Exhibit B**, attached hereto, to which Airline shall have priority over other users, subject to the terms and conditions of this Agreement.

“Prior Use and Lease Agreement” means any agreement between the City and an Air Carrier under which the Air Carrier operated at the Airport and which governed the terms and conditions of such Air Carrier's air transportation operations at the Airport prior to the Effective Date.

“Requesting Air Carrier” has the meaning set forth in Section 6.5 of this Agreement.

“Revenue Landing” means any aircraft landing by Airline at the Airport for which Airline receives revenue.

“**Revenues**” means all income accrued by the City in accordance with GAAP, including investment earnings, from or in connection with the ownership or operation of the Airport or any part thereof, or the leasing or use thereof. PFCs and CFCs and the interest earned therefrom shall be excluded from the calculation of Revenues.

“**Rules and Regulations**” means the lawful rules and regulations governing the conduct and operation of the Airport promulgated from time to time by the City or the Airport Director, including without limitation the City’s duly adopted and generally applicable policies, operating directives, standard procedures, and the Airport Security Plan, in each case as such may be in force and amended from time to time.

“**Scheduled Expiration Date**” means September 30, 2025.

“**Signatory Airline**” means Airline and each other Air Carrier that (1) commits to having scheduled operations such that its Airline Rentals, Fees, and Charges under this Agreement amount to at least two hundred fifty thousand dollars (\$250,000) on an average annual basis during the Term of this Agreement (or, for all-cargo Air Carriers, leases facilities on the Airport from the City for at least the Term of this Agreement and its Airline Rentals, Fees, and Charges under this Agreement and rentals, fees, and charges under its cargo facilities lease with the City together amount to at least two hundred fifty thousand dollars (\$250,000)); and (2) has executed an airline use and lease agreement with the City substantially similar to this Agreement. If at any time during the Term of the Agreement a Signatory Airline’s total Airline Rentals, Fees, and Charges owed to the City under this Agreement (or, for all-cargo Air Carriers, such Airline Rentals, Fees, and Charges plus any rentals, fees, and charges under its cargo facilities lease with the City) amount to less than two hundred fifty thousand dollars (\$250,000) on an average annual basis, such Signatory Airline shall still be obligated to pay to the City, at minimum, two hundred fifty thousand dollars (\$250,000) in Airline Rentals, Fees, and Charges under this Agreement. Only Signatory Airlines are eligible to be assigned Preferential Use Gates.

“**Terminal Aircraft Apron**” means those areas of the Airport that are designated for the parking of passenger aircraft and the loading and unloading of passenger aircraft and, as approved by the City, support vehicles.

“**Terminal**” means the terminal building and connected concourses which serve Air Carriers and other terminal tenants and activities, all as currently indicated on **Exhibit B** as such exhibit may be amended from time to time.

“**Transportation Security Administration**” or “**TSA**” means the Transportation Security Administration created under the Aviation and Transportation Security Act (“**ATSA**”), Public Law 107-71 of 2001, as amended, or any successor agency thereto.

“**Turn**” means an inbound and outbound aircraft operation at a Gate at the Terminal, which may include remaining at the Gate overnight or being towed to a remote parking position between inbound and outbound operations.

Section 1.2 Cross-References.

All references to articles, sections, and exhibits in this Agreement pertain to material in this Agreement, unless specifically noted otherwise.

Section 1.3 Interpretation.

Words in this Agreement may be construed as follows:

- (a) Words used in the singular include the plural and vice-versa.
- (b) Words used in the present tense include the future.
- (c) Words used in the masculine include the feminine and neutral, and vice-versa.
- (d) Capitalized words indicate a defined term in this Agreement.
- (e) All references to a number of days mean calendar days, unless otherwise expressly indicated.
- (f) The term “including” shall be construed to mean “including, without limitation.”

Section 1.4 Incorporation of Exhibits.

- (a) The following Exhibits are hereby incorporated and made a part of this Agreement:

| <u>Exhibit</u> | <u>Title</u> |
|-----------------------|--|
| Exhibit A | Airline Premises |
| Exhibit B-1 | Comprehensive Airport Terminal Space Exhibit |
| Exhibit B-2 | Gate Assignments as of Effective Date |
| Exhibit C | Airport-Airline Maintenance Matrix |
| Exhibit D | Rates and Charges Exhibits |
| Exhibit E | Form of Airline Activity Report |
| Exhibit F-1 | Pre-Approved Capital Projects |
| Exhibit F-2 | Pre-Approved CIP Projects |
| Exhibit G | Initial Terminal Facilities Planning Committee |
| Exhibit H | Designation of Airline’s Affiliates |
| Exhibit I | Form of Affiliate Operating Agreement |

Exhibit J Required Federal Provisions

Exhibit K Industrial Areas Cost Center Properties

(b) Any changes to the Exhibits that occur from time to time consistent with the terms of this Agreement shall be reflected in revised Exhibits provided by the City to Airline. Such revised Exhibits shall be deemed to be effective without requiring a formal amendment to this Agreement.

ARTICLE 2 TERM

Section 2.1 Effective Date.

(a) Subject to execution and delivery by both Airline and the City prior to or on October 1, 2022, this Agreement shall become effective and binding upon the parties hereto as of October 1, 2022 (the “Effective Date”). If, however, the City and Airline execute or deliver this Agreement after October 1, 2022, the Effective Date shall be such date as is mutually agreed to by the City and Airline and reflected on the signature pages of this Agreement.

Section 2.2 Term of Agreement.

(a) The term of this Agreement shall commence on the Effective Date and, unless otherwise terminated earlier pursuant to the provisions of this Agreement, shall expire on September 30, 2025 (such date, the “Scheduled Expiration Date” and the term, the “Initial Term”), subject to the two one-year extension options described below in Section 2.4 and Section 2.5.

Section 2.3 Prior Agreement.

(a) On the Effective Date, any Prior Use and Lease Agreement between the City and shall terminate without further action required by either the City or Airline, provided that the termination of such prior agreement shall not be construed as a waiver, relinquishment, or release of any claims, damages, liability, rights of action, or causes of action that either of the parties hereto may have against the other under such prior agreement and that have accrued before the Effective Date of this Agreement. Airline’s liability that survives the termination of the prior agreement shall not be terminated by the execution of this Agreement. It is understood that for the purposes of this Agreement, Airline’s cargo facility lease with the City, if any exists at the Effective Date, shall not be considered a Prior Use and Lease Agreement.

Section 2.4 First Option to Extend Initial Term.

(a) If, not less than 180 days prior to the Scheduled Expiration Date, the City notifies the Signatory Airlines in writing that it intends to extend the Term of this Agreement for an additional one-year period, ending September 30, 2026, and Airline subsequently notifies the City in writing that it also wishes to extend this Agreement past the Scheduled Expiration Date as such no more than 90 days after receiving the City’s written notice of such extension option, then the Term of this Agreement shall be extended for such additional one-year period, ending September 30, 2026, on all of the same terms and conditions set forth herein, including without limitation the

assignment of the Airline Premises to each Signatory Airline, unless sooner terminated pursuant to the provisions of this Agreement (the additional period, the “First Extended Term” and, with the Initial Term, the “Term”). If, after the City notifies Airline of its desire to extend this Agreement pursuant to this Section, Airline does not notify the City that it wishes to extend this Agreement past the Scheduled Expiration Date no more than 90 days after receiving the City’s written notice of such extension option, this Agreement shall terminate with respect to Airline and Airline shall become a Non-Signatory Airline on the Scheduled Expiration Date.

Section 2.5 Second Option to Extend Term.

(a) If, not less than 180 days prior to the expiration of the First Extended Term, the City notifies the Signatory Airlines in writing that it intends to extend the Term of this Agreement for an additional one-year period, ending September 30, 2027, and Airline subsequently notifies the City in writing that it also wishes to extend this Agreement as such no more than 90 days after receiving the City’s written notice of such extension option, then the Term of this Agreement shall be extended for such additional one-year period, ending September 30, 2027, on all of the same terms and conditions set forth herein, including without limitation the assignment of the Airline Premises to each Signatory Airline, unless sooner terminated pursuant to the provisions of this Agreement (the additional period, the “Second Extended Term” and, with the Initial Term and the First Extended Term, the “Term”). If, after the City notifies Airline of its desire to extend this Agreement pursuant to this Section, Airline does not notify the City that it wishes to extend this Agreement past the expiration of the First Extended Term no more than 90 days after receiving the City’s written notice of such extension option, this Agreement shall terminate with respect to Airline and Airline shall become a Non-Signatory Airline upon the date of the expiration of the First Extended Term.

Section 2.6 Holding Over.

(a) If Airline, at the request of or without objection by the City, shall continue to occupy the Airline Premises and conduct its Air Transportation Business beyond the Term of this Agreement, such holding over shall not constitute a renewal of this Agreement, but shall be considered a month-to-month tenancy only, with or without the consent of the City. The month-to-month tenancy shall be subject to all terms and conditions of this Agreement. No such holding over shall be deemed to operate as a renewal or extension of the Term. Such month-to-month tenancy may be terminated by the City or Airline by giving thirty (30) days prior written notice of said termination to the other Party at any time.

(b) If Airline shall hold over in any portion of the Airline Premises after the termination of this Agreement and the City objects or does not consent to such holdover, Airline shall occupy such portion of the Airline Premises as a tenant at will. The City may relocate Airline in such case without compliance with the provisions of ARTICLE 3 hereof. During such tenancy, Airline shall pay to the City Non-Signatory rates for Airline Rentals, Fees, and Charges. If Airline fails to vacate the Airline Premises within sixty (60) days after written notice of termination from the City, Airline shall pay the City one hundred fifty percent (150%) of Airline Rentals, Fees, and Charges for each period beginning more than sixty (60) days after such notice, and the City reserves the right to determine Airline Rentals, Fees, and Charges according to any methodology permitted under Applicable Law.

Section 2.7 Surrender.

Airline covenants and agrees to yield and deliver peaceably to the City possession of the Airline Premises upon the expiration or earlier termination of this Agreement promptly and in substantially the same condition as at the Effective Date or, if improved, in substantially the same condition as of the completion date of the last improvement made by Airline or the City to the Airline Premises, in each case excepting reasonable wear and tear.

Section 2.8 Airline Removal of Property.

(a) The personal property placed or installed by Airline at the Airport including, but not limited to, trade fixtures and trade equipment, shall remain the property of Airline and must be removed on or before the expiration of the Term or earlier termination of Airline's occupancy of some or all of its Airline Premises at Airline's sole risk and expense. Airline shall not abandon any of its property on the Airline Premises or any other portion of the Airport without the written consent of the Airport Director. Any damage to the Airport, City property, or any portion thereof resulting from such removal shall be paid for by Airline. In the event of termination of this Agreement, Airline shall have thirty (30) days after such termination during which to remove such property. However, the City shall have the right to assert such lien or liens against said property as the City may by Applicable Law be permitted, including for unpaid Airline Rentals, Fees, and Charges, provided, however, nothing herein shall give the City any right or lien with respect to Airline's aircraft. So long as any such property remains in the Airline Premises, Airline's obligation to pay Airline Rentals, Fees, and Charges shall continue with respect to such Airline Premises.

(b) If Airline's property is not removed as herein provided, the City may, at its option, after written notice to Airline and at Airline's sole risk and expense, remove such property to a public warehouse for storage, or retain the same in the City's possession and, after the expiration of thirty (30) days sell the same, with notice and in accordance with Applicable Law, the proceeds of which shall be applied, first, to the expenses of such removal and sale, second to any sum owed by Airline to the City, and any balance remaining shall be paid to Airline minus reasonable administrative costs to be paid to the City.

ARTICLE 3
PREMISES

Section 3.1 Exclusive Use Premises.

The City grants to Airline, subject to the terms and conditions of this Agreement including without limitation ARTICLE 6 and the City's Gate Use and Assignment Policy, the exclusive right to use the Exclusive Use Premises (if any) identified in **Exhibit A**.

Section 3.2 Preferential Use Premises.

The City grants to Airline, subject to the terms and conditions of this Agreement including without limitation ARTICLE 6 and the City's Gate Use and Assignment Policy, the right to use, on a preferential basis, the Preferential Use Premises (if any) identified in **Exhibit A**.

Section 3.3 Joint Use Facilities.

The City grants to Airline, subject to the terms and conditions of this Agreement including without limitation ARTICLE 6 and the City's Gate Use and Assignment Policy, the right to use, jointly with other assigned Air Carriers, the Joint Use Facilities identified in **Exhibit B**.

Section 3.4 Common Use Facilities.

The City grants to Airline, subject to the terms and conditions of this Agreement including without limitation ARTICLE 6 and the City's Gate Use and Assignment Policy, the right to use, on a common use basis, the Common Use Facilities identified in **Exhibit B**; provided, however, that the City shall at all times have exclusive control and management of the Common Use Facilities in accordance with the terms of this Agreement.

Section 3.5 Americans with Disabilities Act and Air Carrier Access Act.

(a) Airline shall be solely and fully responsible for ensuring that Airline's operations, wherever they may occur at the Airport, and any improvements made by Airline pursuant to Section 8.6, shall at all times comply with the Americans with Disabilities Act, 42 U.S.C. §§12101, *et seq.*, as amended from time to time ("ADA"), and the Air Carrier Access Act, 49 U.S.C. §41705, as amended from time to time ("Access Act"), including the regulations promulgated under the ADA and the Access Act. If found to be in violation of or in non-compliance with the ADA or the Access Act by a Governmental Authority with jurisdiction, Airline shall develop a work plan to correct any violations or non-compliance with the ADA or the Access Act. Airline shall deliver to the City, upon the City's request, a copy of each such report and work plan. The City's approval of or acceptance of any aspect of Airline's activities under this Agreement shall not be deemed or construed in any way as a representation that such item, activity, or practice complies with the ADA or the Access Act. Airline agrees to indemnify, defend, and hold the City harmless from any and all costs incurred by the City with respect to Airline's failure to comply with the ADA or the Access Act for Airline's operations or any improvements made by Airline at the Airport.

(b) Airline, with respect to its operations at the Airport and any improvements constructed by or on behalf of Airline at the Airport, shall comply, at its own expense, with all Applicable Laws concerning the general area of civil rights, minorities, and accessibility, now in force or hereafter prescribed or promulgated by any Governmental Authority, whether foreseen or unforeseen or ordinary or extraordinary.

Section 3.6 Signage Release.

Airline hereby grants to the City a revocable, non-exclusive license and authorizes the City to display the Airline's name, logo, and service marks without any modification, solely in connection with the operation of the Airport, including electronic display screens (i) installed at the Airport as part of the City's Multi-Use Flight Information Display System ("MUFIDS"); or (ii) installed at any remote facility which receives an electronic, telephonic, or other type of input or feed from the City. This authorization shall continue as long as Airline operates at the Airport until revoked in writing by the Airline, plus a reasonable time period to remove Airline's name, logo, and service marks. The Airline will indemnify and hold harmless the City from any loss, damage, cost, or expense (including reasonable attorneys' fees) arising out of or resulting from

any claims during or after the Term of this Agreement as a result of any such authorized use of the displays, including but not limited to claims for trademark or service mark infringements. Subject to the foregoing license, Airline's name, logos, and service marks shall remain the property of the Airline. The City acknowledges that it has no interest in the Airline's name, logo, and service marks except as provided herein and will not take any action or fail to take any action which could impair the Airline's rights in the same.

ARTICLE 4 AIRLINE RIGHTS AND PRIVILEGES

Section 4.1 Use of the Airport.

Subject to the provisions of this Agreement, Airline shall have the right, in addition to all rights granted elsewhere in this Agreement, to use areas of the Airport as designated in this Agreement for the following purposes:

(a) To land, take off, fly, taxi, tow, park, perform minor repairs and maintenance, load, and unload Airline's aircraft and other equipment of Airline used in the operation of scheduled, shuttle, courtesy, test, ferrying, training, inspection, emergency, special, charter, sightseeing, and other flights, including, but not limited to, the right to load and unload Airline's aircraft upon areas designated by the City, provided, further, that Airline shall not perform major maintenance or repairs of aircraft or equipment on the ramp unless specifically authorized by the City;

(b) To transport, load, and unload Air Carrier crews and other personnel, passengers, cargo, baggage, property, and mail to, from, and at the Airport by such loading and unloading devices, automobiles, buses, trucks, and such other means of conveyance as Airline may choose or require in connection with its Air Transportation Business at the Airport; provided, however, that the City reserves the right to require any vehicle operated on the airside to be permitted by the City and any person driving such a vehicle to have obtained a security badge, to have completed training, and to hold a City-issued airside driving permit;

(c) To install, subject to the prior approval of the Airport Director which may not be unreasonably withheld and to maintain and operate, alone or in conjunction with any other Air Carrier(s), or through a nominee, such radio, communications, meteorological, and aerial navigation equipment, facilities, and associated wiring, as may be necessary for the conduct of Airline's Air Transportation Business at the Airport. Airline shall provide electronic flight arrival and departure information to the City's installed systems, if requested by the City, and shall cooperate with the City's installation and maintenance of centralized and remote flight information displays; provided that the placement and type of installations by Airline authorized hereunder shall not interfere with Airport navigational aids or with similar rights granted to other tenants or governmental agencies. In the event of such interference, the Airport Director may require removal, relocation, or modification at the sole cost of Airline to eliminate such interference (subject to Section 8.6, in the case of project-related costs);

(d) To use, in common with others, the public address system serving the Terminal;

(e) To use water and electric power systems currently supplied by the City at or adjacent to the Airline Premises; to use those aircraft support systems which have been purchased

and installed by the City, including Passenger Boarding Bridges, auxiliary power systems (as may be installed), and such other miscellaneous aircraft and aircraft-related support equipment and facilities at, adjacent to, or in the proximity of Airline's then-assigned aircraft parking positions which are currently provided by the City, provided that Airline pay any associated usage fees which may be established by the City from time to time;

(f) To have the right of ingress to, and egress from, the Airport, including without limitation, the Airline Premises, and such right shall extend to Airline's employees, agents, passengers, business invitees, suppliers of materials and providers of service, and their equipment, vehicles, machinery, and other property, subject to Airport and FAA Security rules and regulations;

(g) To use the areas designated by the City as employee parking facilities for the parking of its employees' vehicles under such reasonable terms and conditions as the City may from time to time prescribe, and upon and subject to the payment of reasonable fees therefor as may be established by the City from time to time, provided that the City is not obligated to provide such employee parking facilities;

(h) To install, maintain, and use identifying signs in Airline's Exclusive Use Premises and Preferential Use Premises, at its sole cost and expense; provided further that all such signs of whatever number, size, design, color, nature, or location in Airline's Preferential Use Premises shall require written approval by the Airport Director prior to any installation, which approval shall not be unreasonably withheld;

(i) To maintain and operate, in the Airline Premises, administrative offices, operations offices, lockers, and related facilities for its employees, baggage, mail handling, and storage facilities and equipment; provided, however, that the particular Airline Premises are designed to be used for said purpose or said use has been approved, in writing, by the Airport Director;

(j) To enplane and deplane passengers, handle reservations, ticketing, billing, and manifesting of passengers, and handle baggage, express mail, and other express shipments, cargo, property, and mail, in the Airline Premises; provided, however, that the particular Airline Premises are designed to be used for said purpose or said use has been approved, in writing, by the Airport Director; and

(k) To provide, but not sell, limited refreshments to Airline's passengers in Airline Premises during irregular operations, provided that such refreshments are limited in nature.

Section 4.2 Restrictions and Reservations.

The City specifically reserves and retains all rights not specifically granted herein, including but not limited to those with respect to licensing or contracting for concessions, general consumer services, fixed base operators, or other commercial aeronautical services, and related aviation services at the Airport, including, but not limited to food, beverage, retail, advertising, and vending, within the Terminal, whether in Airline Premises or public areas of the Airport. The City will not license or authorize concession or consumer services on the Airline Premises.

Section 4.3 Common Use Terminal Equipment (CUTE).

The City and Airline agree that the installation and use of Common Use Terminal Equipment (CUTE) that may be utilized for passenger processing by all Air Carriers on Common Use Gates is to the benefit of the Airport. The City reserves the right to place CUTE on Common Use Gates. However, in order to further discuss and consider whether or how the Airport should install, use, and purchase additional CUTE, and other related issues, the Parties agree to form a working group that will meet during the twelve (12) months following the Effective Date of this Agreement and, no later than the expiration of such 12-month period, make a formal recommendation jointly to the Airport Director as to how the City should proceed with purchasing and integrating CUTE at the Airport.

ARTICLE 5
MAINTENANCE AND OPERATION OF AIRPORT

Section 5.1 Designation of Operation and Maintenance Responsibilities.

In addition to the obligations of Airline and the City set forth in this ARTICLE 5, responsibilities for maintenance, cleaning, and operation of the Airport shall be as set forth in **Exhibit C**, attached hereto and made a part hereof.

Section 5.2 City Obligations.

(a) The City shall, with reasonable diligence, develop, improve, and at all times maintain and operate the Airport with qualified personnel and keep the Airport in an orderly, clean, neat, and sanitary condition, and good repair, unless such maintenance, operation, or repair shall be Airline's obligation pursuant to this ARTICLE 5 and/or **Exhibit C**.

(b) The City shall, to the extent permitted by Applicable Law, use reasonable efforts to keep the Airport and its aerial approaches free from ground obstruction for the safe and proper use thereof by Airline.

(c) The City shall not be liable to Airline for temporary failure to furnish all or any of such services to be provided in accordance with this Section and/or **Exhibit C** when such failure is due to mechanical breakdown not caused by the City's negligence or any other cause beyond the reasonable control of the City. Further, the City shall not be liable to Airline in damages, or for any reduction in Airline Rentals, Fees, and Charges, or otherwise, for the interruption of utility services (including heating, ventilation, or air conditioning): (i) to the extent any utility shall become unavailable from any public utility company, public authority, or any other person or entity supplying or distributing such utility; or (ii) for any interruption in any service hereunder (including, without limitation, any heating, ventilation, or air conditioning) caused by the making of any necessary repairs or improvements; or (iii) which results from any cause beyond the reasonable control of the City. In no event shall the City be responsible to Airline for indirect or consequential damages.

(d) The City will maintain (1) Passenger Boarding Bridges owned by the City; (2) preconditioned air systems owned by the City; (3) associated 400 Hertz units owned by the City; (4) inbound and outbound baggage handling systems and baggage conveyors owned and installed

by the City when available for Airline's use; (5) lightning detection systems; and (6) other systems that may be acquired by the City in the future.

(e) The City shall use commercially reasonable efforts to obtain uniform compliance by all tenants with its applicable Rules and Regulations. However, the City shall not be liable to Airline for any violation or non-observance of such Rules and Regulations by any tenant, concessionaire, or other person at the Airport.

(f) THE CITY MAKES NO WARRANTY, EITHER EXPRESS OR IMPLIED, AS TO THE CONDITION OF THE AIRLINE PREMISES OR THAT THE AIRLINE PREMISES SHALL BE SUITABLE FOR AIRLINE'S PURPOSES OR NEEDS. THE CITY SHALL NOT BE RESPONSIBLE FOR ANY PATENT OR LATENT DEFECT AND AIRLINE SHALL NOT, UNDER ANY CIRCUMSTANCES, WITHHOLD ANY AIRLINE RENTALS, FEES, AND CHARGES OR OTHER AMOUNTS PAYABLE TO THE CITY HEREUNDER ON ACCOUNT OF ANY DEFECT IN THE AIRLINE PREMISES. BY ITS ENTRY ONTO THE AIRLINE PREMISES, AIRLINE ACCEPTS THE AIRLINE PREMISES IN THEIR "AS IS" CONDITION AND HEREBY WAIVES ALL CLAIMS ARISING ON OR AFTER THE EFFECTIVE DATE RELATING TO THE CONDITION OF THE AIRLINE PREMISES.

Section 5.3 Airline Obligations.

(a) Airline shall, at its own cost and expense, be responsible for performing, or causing to be performed, maintenance, replacement, and repair of its Airline Premises in accordance with **Exhibit C**, and of its own personal property, whether or not the same is affixed or attached to such Airline Premises. Airline shall, at all times, preserve and keep the Airport, Airport facilities, and Airline Premises in an orderly, clean, neat, and sanitary condition, free from trash and debris resulting from Airline's operations; provided, however, this requirement shall not be construed to mean Airline shall have janitorial or other responsibilities designated to be those of the City pursuant to **Exhibit C**.

(b) Airline shall keep, at its own expense, its Terminal and/or cargo aircraft aprons free of fuel, oil, and other foreign objects and debris resulting from Airline's operations.

(c) Airline shall operate and maintain, at its own expense, any improvements and/or equipment installed by Airline for the exclusive use of Airline.

(d) Should Airline fail to perform its obligations hereunder, the City shall have the right to enter the Airline Premises and perform such activities; provided, however, that other than in a case of emergency, the City shall give Airline reasonable advance written notice of non-compliance, and an opportunity to cure, not less than ten (10) days, prior to the exercise of this right; provided, however, that if the nature of the cure is such that it cannot be reasonably effectuated within ten (10) days, Airline shall have an additional period with City approval (or, in the alternative, with a City approved schedule) reasonably necessary to effectuate such cure. If such right is exercised, Airline shall pay the City, upon receipt of invoice, the cost of performing such activities plus fifteen percent (15%). Nonpayment of such invoice shall be deemed a default of this Agreement in accordance with Section 12.1(a).

ARTICLE 6
GATE USE AND ASSIGNMENT

Section 6.1 Policy of Open Access.

(a) The City intends to maintain a policy of providing open access to the Airport for Air Carriers and other aeronautical users of the Airport and achieving balanced utilization of Airport facilities. In furtherance of that policy and its stated goals, (a) the City shall have control and possession of a minimum number of Common Use Gates as of the Effective Date, but such number may vary at the discretion of the City thereafter in accordance with the terms and conditions of this Agreement, (b) the City reserves the right to require sharing and temporary use of Airline's Preferential Use Gates and Related Terminal Area, in accordance with this ARTICLE 6, and (c) the City reserves the right to recapture underutilized Airline's Gates and Related Terminal Area, also in accordance with this ARTICLE 6.

Section 6.2 Gate Use and Assignment Policy.

(a) Common Use Gates shall be assigned by the City in accordance with its Gate Use and Assignment Policy, as such policy may be promulgated and amended from time to time by the City, provided, however, that the City shall only amend such Policy after consultation with the Signatory Airlines, which shall include allowing the Signatory Airlines the opportunity to comment on any proposed amendment no less than thirty (30) days' prior to the proposed effective date of such amendment. The City shall also handle requests for accommodation by Requesting Air Carriers (as further described in Section 6.5) in accordance with such Gate Use and Assignment Policy. Notwithstanding anything to the contrary contained herein, in the event of any conflict between the express terms and provisions of this Agreement and the Gate Use and Assignment Policy, the express terms and provisions of this Agreement shall control.

Section 6.3 Common Use Gates.

(a) The City shall retain under its control and possession the Common Use Gates and the associated Related Terminal Area. The City reserves the right during the Term of this Agreement to maintain no fewer than ten (10) Gates and associated Related Terminal Area as Common Use Gates.

Section 6.4 Preferential Use Gates.

(a) Airline (and its Affiliates, when operating on behalf of Airline) shall have priority over all other Air Carriers for the use of its Preferential Use Gates. Notwithstanding the foregoing, the City may require that Airline accommodate the operations of other Air Carriers from time to time on its Preferential Use Gates, subject to the provisions of this Article and the Gate Use and Assignment Policy.

Section 6.5 Accommodation.

(a) If an Air Carrier, including any Air Carrier seeking to expand its service or an Air Carrier seeking entry into the Airport (a "Requesting Air Carrier"), is in need of space or facilities at the Airport which cannot be met by use of then unleased premises (including Common Use

Facilities) in proximate location to its existing Airline Premises, if any, the City shall, upon receipt of a written notification by the Requesting Air Carrier that provides details concerning the intended additional air service, assess the request and, if the Airport Director determines that such Requesting Air Carrier needs the requested space or facilities to accommodate passengers or aircraft, then, subject to the provisions below, the Airport Director may grant such Requesting Air Carrier the right of temporary or shared use of a designated portion of Airline's Preferential Use Premises, including the use of related Passenger Boarding Bridges and Related Terminal Areas (except Airline's Exclusive Use Premises) as may be required (in such case, Airline shall be referred to as the "Accommodating Air Carrier").

Section 6.6 Temporary or Limited Accommodation.

(a) If a Requesting Air Carrier only requires use of space or facilities on a temporary basis or for limited service (*i.e.*, not for a regularly scheduled flight or because it expects to have sufficient space in less than one (1) month), the Airport Director may, in accordance with this ARTICLE 6, assign in its discretion, to a Requesting Air Carrier, the right to use or occupy a portion of Airline's Preferential Use Premises, but only for those periods of time such Preferential Use Premises are not scheduled for use by Airline or its Affiliates; provided, however, the City shall first attempt to accommodate all Requesting Air Carriers at Common Use Gates before scheduling a Requesting Air Carrier's arrivals or departures at any Preferential Use Gate.

Section 6.7 Procedures for Accommodation.

(a) In the event the Airport Director determines that a Requesting Air Carrier's needs require granting such Requesting Air Carrier the right to share the Preferential Use Premises of one or more Signatory Airlines other than as provided in Section 6.6 above, the following procedures shall apply:

(i) The City shall first attempt to accommodate all Requesting Airlines at Common Use Gates before scheduling a Requesting Air Carrier's arrivals or departures at any Preferential Use Gate. If a Requesting Air Carrier cannot be accommodated on a Common Use Gate, the City shall notify the Requesting Air Carrier.

(ii) If the Requesting Air Carrier cannot be accommodated on a Common Use Gate, the Requesting Airline shall make commercially reasonable efforts to seek voluntary accommodation from another Air Carrier. If such voluntary accommodation cannot be reached within five (5) days after notice from the City, the Requesting Air Carrier may ask that the City seek accommodation for the Requesting Air Carrier on a Preferential Use Gate.

(iii) If voluntary accommodation cannot be reached, the Airport Director shall serve written notice to all Signatory Airlines of the determination made according to Section 6.5(a) that forced accommodation is necessary, including notice of the City's intention to make a further determination, in not less than seven (7) calendar days, as to how the Requesting Air Carrier will be accommodated. In such case, the City shall have the right, upon reasonable notice and consultation with the Accommodating Airline, to schedule, at the Accommodating Airline's Preferential Use Gate(s), arrivals and/or

departures by a Requesting Airline at all periods of time other than when the Accommodating Airline (or its Affiliate(s)) is/are actively operating at such Gate in compliance with this Agreement, as follows:

(A) The Accommodating Airline, in collaboration with the City, may select the specific Preferential Use Gate at which such accommodation will occur. The City in collaboration with the Accommodating Airline may direct the use of a different Preferential Use Gate if the City determines that a different selection is warranted under the particular circumstances.

(B) The Accommodating Airline shall allow and provide for use of its facilities (but not Airline-owned equipment unless agreed to with Requesting Air Carrier) at the Preferential Use Gate as may be required for the Requesting Airline's efficient use of the Preferential Use Gate.

(C) The Requesting Airline shall leave the Preferential Use Gate in as good condition as when the Requesting Airline commenced use of such Preferential Use Gate, reasonable wear and tear excepted.

(D) The Requesting Air Carrier must enter into, if it does not already have in place, an executed written operating agreement with the City to be eligible to share a Gate and therein agreed to abide by all applicable Rules and Regulations, including those related to gate use and assignment.

(E) The City may grant the Requesting Air Carrier the right of shared or temporary use of all or a designated portion of the Airline's Preferential Use Premises, as well as rights of ingress and egress, the right to use the Preferential aircraft parking positions that are a part thereof, and the right to use related Passenger Boarding Bridges and other appurtenant equipment which are necessary for the effective use of such premises, provided that the Requesting Air Carrier shall agree to pay to the City applicable Common Use Facility Fees for each such use of such premises.

(F) In the event the Airport Director makes a determination that a Requesting Air Carrier shall have the right to share the Preferential Use Premises of one or more Signatory Airlines, the Airport Director shall serve written notice to such Signatory Airlines of that determination no less than thirty (30) calendar days prior to the implementation of such shared usage.

(b) Any forced accommodation pursuant to Article 6 of this Agreement on any preferentially assigned ticket counter shall be subject to the availability of CUTE on the particular preferentially assigned ticket counter and/or the Requesting Air Carrier's ability to temporarily install proprietary equipment in a manner that does not unreasonably disrupt Airline's operations at such preferentially assigned ticket counter, as determined by the City in its reasonable discretion after consultation with Airline.

(c) In no event shall the Requesting Air Carrier be required to make any payment to Airline for use of the subject facilities pursuant to the terms and conditions of this Section 6.7, provided, however, that Airline may request that the Requesting Air Carrier enter into a written

agreement with Airline to indemnify Airline for its operations at Airline's Preferential Use Gate, subject to the City's approval of such agreement, but provided, further, however, that Airline must use the form of indemnification agreement provided by the City if Airline and the Requesting Air Carrier fail to reach agreement on another written agreement and obtain the City's approval within ten (10) days of Airline's request to the Requesting Air Carrier for such an agreement. Such agreement may not require that Requesting Air Carrier pay fees to Airline for its normal operations at the Gate except to the extent Requesting Air Carrier uses Airline's personal property.

(d) Subject to the terms and conditions of this Article 6, Airline agrees to abide by all applicable Rules and Regulations, including those concerning gate use and assignment, and further agrees to make reasonable efforts to facilitate the temporary or shared accommodation of the Requesting Air Carrier's scheduled operations, including the use of assigned Passenger Boarding Bridges and other portions of the Preferential Use Premises as may be reasonably necessary to accommodate the Requesting Air Carrier on an ongoing basis.

(e) In the event that, pursuant to Section 6.6(a) or Section 6.7(a)Section 6.7(a)(iii)(D) above, the Airport Director determines that a Requesting Air Carrier is in need of facilities to accommodate passengers or aircraft, and voluntary accommodation has not been reached, the Airport Director will consider the following factors in designating the specific Preferential Use Premises for temporary or shared use by the Requesting Air Carrier:

- (i) the average number of flight arrivals and departures per aircraft parking position per day scheduled during the time period of the requested flight;
- (ii) flight scheduling considerations;
- (iii) aircraft parking position locations; and
- (iv) other operational considerations.

(f) In the event Airline is required to share its Preferential Use Premises, Airline (and its Affiliates) shall be given priority in all aspects of usage of such shared Preferential Use Premises, including for any schedule changes or irregular operations, over all other Air Carriers, including the Requesting Air Carrier.

(g) Notwithstanding the foregoing, the City may, in its Gate Use and Assignment Policy, establish priorities for use of Preferential Use Premises during periods of irregular operations as long as such irregular operations do not unreasonably interfere with Airline's operations at the Preferential Use Premises.

Section 6.8 Recapture.

(a) The City may reassign to another Air Carrier one or more of Airline's Preferential Use Gates and Related Terminal Area assigned as Airline Premises if:

- (i) Airline's Gate Utilization (as defined below) for such preferentially assigned Gate(s) over the most recent one hundred eighty (180) day period is less than the Utilization Threshold (as defined below);

(ii) the Airport Director determines that there is a reasonable need for the preferential use of such Gate(s) by another Air Carrier; and

(iii) such other Air Carrier meets or exceeds the Utilization Threshold through its current or proposed schedule.

(b) In addition, the City may recover one or more of Airline's Preferential Use Gates and Related Terminal Area assigned as Airline Premises to be used as Common Use Gates if:

(i) Airline's Gate Utilization for such preferentially assigned Gate(s) over the most recent one hundred eighty (180) day period is less than the Utilization Threshold; and

(ii) the Airport Director determines that there is a reasonable need for use of such Gate(s) on a common use basis.

(c) Upon such determination pursuant to either Section 6.8(a) or Section 6.8(b) above, the Airport Director will provide Airline with a written notice ("Initial Recapture Notice") of the City's intent to recapture such Gate(s).

(d) Prior to such reassignment becoming effective, Airline shall have a ninety (90) calendar day period after the date of the Initial Recapture Notice to adjust its schedule to equal or exceed the Utilization Threshold so as not to be subject to such reassignment. If Airline's Gate Utilization does not meet or exceed the Utilization Threshold within one hundred twenty (120) days after the Initial Recapture Notice, the Airport Director will send Airline a written notice (the "Final Recapture Notice") terminating Airline's lease of the portion of the Airline Premises subject to reassignment as of the date specified in the Final Recapture Notice. When determining specific Airline Premises subject to reassignment, the City will use reasonable efforts to not reassign facilities that will disrupt the continuity and staffing of Airline's operations. The number of Gates within the Airline Premises subject to reassignment by the City will be the lesser of:

(i) the requirement of the Requesting Air Carrier, and

(ii) the difference between the number of Gates then leased to such Signatory Airline or reasonably required as Common Use Gates and the number of Gates which would have caused such Airline's Gate Utilization for the Airline Premises, measured for the last one hundred eighty (180) days prior to the delivery of the Final Recapture Notice, to meet or exceed one hundred percent (100%) of the Airport Utilization Threshold for such period.

(e) Any reassigned portion of the Airline Premises will consist of the applicable Gate(s) and any Related Terminal Area. In the case of the reassignment of less than all of the Gates within the Airline Premises, the City shall designate which Gate(s) shall be subject to such reassignment after consulting with Airline. Promptly after the reassignment, Airline will submit a revised Airport parking plan to reflect such reassignment, which plan will be in form and substance reasonably acceptable to the City. Unless the Airport Director determines, in his or her sole discretion, that reassignment of such Airline Premises is necessary for the proper functioning of the Airport, in which case the cost of relocating the Airline shall be a cost of the Airport recovered from all Signatory Airlines as part of Terminal Rentals, the Signatory Airline(s) that will occupy

such reassigned Gate(s) and Related Terminal Area shall pay the costs of relocating the Signatory Airline whose Gate(s) are so reassigned. Notwithstanding the foregoing, if reassignment of all or any portion of the Airline Premises is necessary, in the reasonable discretion of the City, in order to effectuate or enable capital improvements that benefit the Airport as a whole or are necessary for the proper functioning of the Airport, the cost of relocating Airline shall be a project cost of such capital improvement to be recovered accordingly.

Section 6.9 Gate Management Systems.

(a) Upon request by the City, Airline shall timely provide the City or its designated agent for gate scheduling management with information about its flight operations on all Gates at the Airport reasonably necessary to maintain and update the City's gate management system in the format prescribed by the City.

Section 6.10 Addition and Deletion of Space, Rights, Licenses, or Privileges.

(a) The City and Airline may, from time to time, by mutual agreement, add additional space or spaces to or delete space or spaces from the various Airline Premises of Airline or may, subject to the provisions of this ARTICLE 6, add rights, licenses or privileges, or delete rights, licenses, or privileges, granted to Airline hereunder, or any two Air Carriers may exchange space in the following manner: Airline shall submit to the Airport Director a written request for the addition or deletion of rights, licenses, privileges, or space, which shall describe with particularity (i) the rights, licenses, privileges, or space which Airline wishes to add or delete; (ii) the Terminal Rentals, if applicable; and (iii) the date on which Airline wishes such addition or deletion to be effective. If the Airport Director approves such addition or deletion in his or her reasonable discretion, she or he shall so notify Airline in writing, and the addition or deletion shall be effective on the date specified in the Airport Director's written approval. **Exhibit A** shall be revised accordingly to reflect any such addition or deletion. Notwithstanding the foregoing, the Airport Director shall not be required to approve the deletion of any space from any Signatory Airline's Airline Premises unless and until another Air Carrier has consented to lease such space on substantially the same terms and conditions as such Signatory Airline. All space added to the Airline Premises or rights, licenses, or privileges added pursuant to this Section shall be subject to all the terms, conditions, and other provisions of this Agreement and Airline shall pay to the City all sums, fees, and charges applicable to such additional space, rights, licenses, or privileges in accordance with the provisions of this Agreement.

Section 6.11 Definitions.

- (a) For the purposes of this Article, the following terms shall have the following meanings:
- (i) The "Utilization Threshold" shall be an average of four (4) Turns per Gate per day; provided, however, that, after consultation with the Signatory Airlines, the City may adjust such Utilization Threshold with no less than sixty (60) calendar days' notice to reflect then-current operations, Gate utilization, and availability of Gates at the Airport.

- (ii) “Airline’s Gate Utilization” shall be the average of Airline’s and its Affiliates’ daily Turns per Gate (taking into account all Preferential Use Gates located at the Airline Premises other than any Gates subleased to another Air Carrier) and shall include Airline’s flights and flights of any Affiliate operating at the Airline Premises on behalf of Airline, but shall not include any operations by subtenants or operations by Air Carriers pursuant to Handling Agreements (other than those of Affiliates operating at the Airline Premises).
- (iii) The “Related Terminal Area” shall mean that portion of the Airline Premises reasonably necessary to conduct airline operations at the Gate and shall include, without limitation, upper level and lower level Terminal Building access for persons, Passenger Boarding Bridges, passenger holdrooms, check-in counters, airline ticket office and baggage service office space, a portion of the Joint Use Facilities, and rights of access to terminal passenger facilities, in each case associated with such Gate and representing, to the extent practicable and as reasonably determined by the City after consultation with Airline, approximately a pro rata portion of the space devoted to each such use prior to any reassignment by the City.

ARTICLE 7 RENTALS, FEES, AND CHARGES

Airline shall pay the City rentals for use of Airline Premises, and fees and charges for the other rights, licenses, and privileges granted hereunder during the Term of this Agreement, and shall file periodic reports with the City; all as specified herein:

Section 7.1 Signatory and Non-Signatory Rates.

(a) During the Term of this Agreement, Airline shall pay Airline Rentals, Fees, and Charges to the City at Signatory rates and Non-Signatory Airlines shall pay Non-Signatory rates, which shall be at a premium of fifteen percent (15%) in accordance with **Exhibit D**.

Section 7.2 Landing Fees.

Airline shall pay monthly to the City Landing Fees for Chargeable Landings for the preceding month. Airline’s Landing Fees shall be determined as the product of the Landing Fee rate for the period, calculated in accordance with **Exhibit D**, attached hereto, and Airline’s total landed weight for the month. Airline’s landed weight for the month shall be determined as the sum of the products obtained by multiplying the Maximum Gross Landed Weight of each type of Airline’s aircraft by the number of Chargeable Landings of each such aircraft during such month.

Section 7.3 Terminal Rentals for Exclusive Use Premises.

Airline shall pay, if assigned Exclusive Use Premises, Terminal Rentals for its Exclusive Use Premises calculated on a square footage basis, in accordance with **Exhibit D**.

Section 7.4 Terminal Rentals for Preferential Use Premises.

Airline shall pay, if assigned Preferential Use Premises, Terminal Rentals for its Preferential Use Premises calculated on a square footage basis, in accordance with **Exhibit D**.

Section 7.5 Joint Use Charges.

Airline shall pay Joint Use Charges for its shared use of the Joint Use Space in the Terminal in accordance with **Exhibit D**. Joint Use Charges shall be calculated by charging (1) all Signatory Airlines fifteen percent (15%) of the costs associated with the Joint Use Space identified on **Exhibit D** on an equal basis and (2) the Signatory Airlines the remaining eighty-five percent (85%) of such costs on a pro rata basis using each Signatory Airline's number of Enplaned Passengers.

Section 7.6 Common Use Facility Fees.

Airline will pay Common Use Facility Fees, if applicable, for the use of Common Use Facilities on a per Turn basis in accordance with the schedule of Airline Rentals, Fees, and Charges established by the City from time-to-time following consultation with the Signatory Airlines as set forth in accordance with **Exhibit D**.

Section 7.7 Passenger Boarding Bridge Fees.

Airline shall pay to the City for use of City-owned Passenger Boarding Bridges a Passenger Boarding Bridge Fee calculated on a per Turn basis, pursuant to **Exhibit D**.

Section 7.8 RON/Aircraft Parking Fees.

Airline shall pay RON/Aircraft Parking Fees as set forth in **Exhibit D** for aircraft remotely parked other than at Airline's preferentially leased Gates.

Section 7.9 Passenger Facility Charges.

(a) The City reserves the right to assess and collect PFCs subject to the terms and conditions set forth in 49 U.S.C. § 40117 (the "PFC Act") and the rules and regulations thereunder, 14 C.F.R. Part 158 (the "PFC Regulations"), as they may be supplemented or amended from time to time. Airline will collect FAA-approved PFCs imposed by the City from all eligible passengers enplaned at the Airport. On or before the last day of each month, Airline will remit to the City all PFC revenue collected for the previous month, less any compensation provided for under 14 CFR §158.53(a), together with all reports required under §158.65.

(b) If Airline transports passengers from the Airport on Airline's aircraft chartered by a charter Air Carrier or tour operator issuing passenger tickets other than Airline's, Airline will provide the City with a schedule detailing the date and time of the flight and the number of Enplaned Passengers. Airline agrees to pay the required PFC amount due the City in a timely manner and to seek reimbursement from the charter Air Carrier or tour operator with no liability to the City.

(c) Airline shall hold the net principal amount of all PFCs that are collected by Airline or its agents on behalf of the City pursuant to the PFC Act and the PFC Regulations in trust for the City. For purposes of this Section, net principal amount shall mean the total principal amount of all PFCs that are collected by Airline or its agents on behalf of the City, reduced by all amounts that Airline is permitted to retain pursuant to § 158.53(a) of the PFC Regulations (such net principal amount known as “PFC Revenue”). Airline acknowledges that all PFC Revenue collected for the City neither belongs to nor is owned by Airline except to the extent set forth in applicable Federal law and, unless the status of PFC Revenue in the possession of Airline is characterized in a separate manner under FAA regulations (in which case such characterization shall prevail), that such PFC Revenue is held in trust by Airline for the exclusive use and benefit of the City. Airline shall not make any claim in any document or proceeding that, for PFC Revenue collected by Airline on behalf of the City, the Airline has any legal or equitable interest in such PFC Revenue, except to the extent Airline is specifically granted such interest by Federal statute or regulation, including the right of reimbursement from such PFC funds for the Airline’s costs of collection.

(d) Any late payment of the PFC may be subject to late fees computed at the rate of one and one-half percent (1.5%) per month or, if less, the highest rate permitted by Applicable Law, from the due date until paid, to the extent allowed by Applicable Law.

(e) Airline acknowledges that the City has given to the United States of America, acting by and through the FAA, certain assurances under the PFC Act and the PFC Regulations, including Appendix A thereto (the “PFC Assurances”), and Airline agrees that this Agreement shall be subordinate and subject to all PFC Assurances. In the event the FAA requires any modification of this Agreement as a condition precedent to the City’s collection of PFCs or as a means to effect the City’s compliance with the PFC Act, the PFC Regulations, or the PFC Assurances, Airline shall not withhold its consent to any modification of this Agreement as may reasonably be required for the City to collect PFCs or to comply with the PFC Act, PFC Regulations, and/or PFC Assurances.

Section 7.10 Extraordinary Service Charges.

Airline shall pay “Extraordinary Service Charges,” if applicable, as evidenced by Extraordinary Service Charge authorizations executed by Airline for such extraordinary additional equipment and services provided by the City for Airline’s use (*e.g.*, club room finishes, or any other systems or equipment that are unique or special to Airline’s operation). Airline’s charges for any City-purchased extraordinary Terminal equipment shall be as set forth in a separate agreement with the City and will include a fifteen percent (15%) administrative charge paid to the City.

Section 7.11 Other Rentals, Fees, and Charges.

The City expressly reserve the right to assess and collect the following:

(a) Reasonable and non-discriminatory fees and charges for services, concessions, or facilities not enumerated in this Agreement but provided by the City or its contractors and utilized by Airline, including, but not limited to, special maintenance of Airline Premises, equipment, vehicle storage areas, and Federal Inspection Services (FIS) facility fees;

(b) Pro rata shares of any charges for the provision of any services or facilities which the City is required or mandated to provide by any Governmental Authority (other than the City acting within its proprietary capacity) having jurisdiction over the Airport;

(c) Reasonable and non-discriminatory fees for parking, to be charged to Airline or Airline's employees. If Airline is invoiced by the City for parking fees and payment is not made in accordance with Section 7.12, parking privileges may be terminated; and

(d) Fees to reimburse the City for the fully allocated cost of time and materials pertaining to any reimbursable work performed on behalf of Airline by the City plus a fifteen percent (15%) administrative fee.

Section 7.12 Payment of Airline Rentals, Fees, and Charges.

(a) Payments of one-twelfth (1/12) of the total Terminal Rentals for Airline's Exclusive Use Premises and Preferential Use Premises, each as calculated as provided in **Exhibit D** shall be due in advance, without demand or invoice, on the first day of each month. Such payment shall be deemed delinquent if payment is not received by the tenth (10th) day of the month.

(b) Payment of Landing Fees, Joint Use Charges, per Turn Common Use Facility Fees; Passenger Bridge Boarding Fees and RON/Aircraft Parking Charges shall be due in arrears no later than the tenth (10th) day of each month and shall be deemed delinquent if not received within fifteen (15) days after the due date.

(c) Payment of Landing Fees, RON/Aircraft Parking Fees, Passenger Boarding Bridge Fees, Joint Use Charges, and Common Use Facility Fees shall be due ten (10) days from the City's issuance of an invoice therefor and shall be deemed delinquent if payment is not received within ten (10) days after the due date for such amounts.

(d) Payment for all other Airline Rentals, Fees, and Charges due the City shall be due thirty (30) days from the City's issuance of an invoice therefor and shall be deemed delinquent if payment is not received within ten (10) days after the due date for such amounts.

Section 7.13 Method of Payment.

(a) Airline agrees to pay all sums due under this Agreement, in lawful money of the United States of America, without invoice (or, for invoiced fees, within the period set forth in this Agreement for such fees), without notice, or demand, and without deduction or setoff, unless invoicing is otherwise required hereunder, by check made payable to the City, or electronic funds transfer (EFT) as may be mutually agreed. If payment is to be made by EFT, the terms and financial institution information shall be separately agreed upon by Airline and the City. If payment is made by check, check shall be delivered, postage or other charges prepaid, to:

Boise Airport
Accounts Receivable
3201 Airport Way, Suite 1000
Boise, Idaho 83705

(b) If Airline shall fail to make payment within the due date of the City's invoice, or in the case of payments to be made without invoicing on the date otherwise due as provided herein, the City may charge Airline, in addition to all other remedies available to the City and all other payments to be made by Airline to the City, a late charge equal to one and one half percent (1.5%) per month on the overdue amount, in addition to five percent (5%) per annum interest on such amounts accruing from the date that the payment was due, plus reasonable costs and attorney's fees incurred by the City in attempting to obtain payment.

(c) Should Airline fail to file reports required for invoicing, the City may invoice Airline based on the City's reasonable estimates of activity and adjust said billing at a later date for amounts due or owed.

Section 7.14 Airline Reports and Records.

(a) Airline shall complete and file with the Airport Director no later than the fifteenth (15th) day of each month, a Report of Airline Activity in the form attached hereto as **Exhibit E**, or on such standard forms of the City or other forms approved or prescribed by the Airport Director, in its reasonable discretion, which report summarizes the information necessary for the computation of Airline's Rentals, Fees, and Charges established under this Agreement for the prior month, including but not limited to the following data:

(i) Airline's and its Affiliates' revenue aircraft operations at the Airport, including aircraft arrivals and departures and maximum gross landing weight of those aircraft arrivals;

(ii) Airline's and its Affiliates' Enplaned Passengers and Deplaned Passengers at the Airport, separately identified;

(iii) Airline's and its Affiliates' Enplaned Passengers and Deplaned Passengers at the Terminal, separately identified, if different from (ii) above;

(iv) The amount of freight, mail, and other cargo handled by Airline and its Affiliates, through the Airport;

(v) Airline statistics on its use of the Airline Premises under this Agreement by Airline and its Affiliates, including but not limited to statistics indicating gate utilization by aircraft type and duration;

(vi) The number of Airline's and its Affiliates' aircraft parked at RONs (not including any aircraft when parked on the remote pad for which Airline would not owe RON charges) and the type of airline equipment; and

(vii) the number of __ hour and additional __-hour periods, as applicable, that aircraft were parked at RONs.

(b) Airline's Report of Airline Activity shall also include the data described in subsection (a) for all of its Affiliates.

(c) Airline shall maintain such commercially reasonable books, records, and accounts as are relevant to the determination and verification of Airline Rentals, Fees, and Charges under this Agreement, including for the duration of the Term and a period of no less than three (3) years thereafter. The Airport Director and City officials, and such independent auditors or financial consultants as may be designated by them, shall have the right, during normal business hours, upon reasonable advance written notice, and at their sole cost and expense, to examine, audit, make copies of, and take extracts from such books, records, and accounts, including electronic records and accounts, but only as is necessary to verify or determine compliance by Airline with the terms of this Agreement relating to the calculation of Airline Rentals, Fees, Charges, and other payments.

(d) In the event that the afore-referenced books, records, and accounts are not maintained within the Airline Premises at the Airport, Airline shall, upon the City's request, make the same available within said Airline Premises for the afore-referenced purposes, or in lieu thereof, pay the City the reasonable cost of travel and lodging incurred by the City to have its employees, auditors, or financial consultants examine and audit said documents at the location where Airline maintains said books, records, and accounts.

(e) If an audit conducted under this Section by the City determines that Airline has a deficiency in the amounts due and payable to the City, Airline shall pay to the City the deficiency so determined within ten (10) days of receipt of an invoice therefor, and Airline shall then be responsible for the costs of said audit plus five (5%) interest calculated from the date such amounts were initially due to the City.

(f) Upon execution of this Agreement, Airline shall prepare and file with the City an operations plan providing such reasonable detail concerning Airline's operation at the Airport, as may be required by the Airport Director to comply with the City's security, safety, and operational responsibilities under 14 CFR Part 139 of the Federal Aviation Regulations and TSA Regulation, 49 CFR 1542. Airline shall promptly prepare and file an amended plan whenever any material change or adjustment in its operations covered by said plan occurs.

(g) The reporting requirements of this Section 7.14 shall not be waived due to the Airline's aircraft being ground-handled by a third-party contractor. The third-party contractor may submit the required statistical information to the City on behalf of Airline if Airline so chooses, provided, however, that Airline's obligations under this Agreement to submit such information shall not be changed in this case.

Section 7.15 Right to Contest; No Abatement or Set-off.

(a) The payment by Airline to the City, and the acceptance by the City from Airline of any amount due hereunder shall not preclude either Airline or the City from questioning the accuracy of any statement or the basis upon which such payment was made, or preclude the City from making any claim against Airline for any additional amount payable by Airline hereunder, or preclude Airline from making any claim against the City for credit for any excess amount paid by Airline hereunder.

(b) Notwithstanding the foregoing, and except as otherwise provided in this Agreement, Airline shall not abate, suspend, postpone, set-off, or discontinue any payments of Rentals, Fees, Charges, or any other amounts payable to the City hereunder.

Section 7.16 Payment Security.

(a) The City reserves the right to require Airline to provide the City with a with an acceptable bond, irrevocable letter of credit or other similar security acceptable to the City in an amount equal to the estimate of three months' Airline Rentals, Fees, and Charges (excluding PFCs) payable by Airline under this Agreement, to guarantee the faithful performance by Airline of its obligations under this Agreement and the payment of all Airline Rentals, Fees, and Charges due hereunder ("Payment Security") if Airline has been late in its payment of Airline Rentals, Fees, and Charges more than two (2) times in a six (6) month period during the Term. Such Payment Security will be in a form and with a surety acceptable to City and licensed to do business in the State. In the event that any such Payment Security is for a period less than the full period required under this Agreement or if such Payment Security is canceled, Airline will provide a renewal or replacement Payment Security for the remaining required period at least sixty (60) days prior to the date of such expiration or cancellation. Such Payment Security will require notice by the surety to the City at least sixty (60) days prior to any cancellation.

(b) In the event the City is required to draw down or collect against Airline's Payment Security for any reason, Airline will, within fifteen (15) days after such draw down or collection, take such action as is necessary to replenish the existing Payment Security to an amount equal to three (3) months' estimated Airline Rentals, Fees, and Charges (excluding PFCs) or provide additional or supplemental Payment Security from another source so that the aggregate of all Payment Security is equal to three months' estimated Airline Rentals, Fees, and Charges (excluding PFCs) payable by Airline pursuant to this Agreement.

(c) In addition, upon the occurrence of any act or omission by Airline that would constitute a default under this Agreement beyond all applicable notice and cure periods (other than payment defaults addressed in subsection (a) above), or if the City deems itself insecure based upon a change in Airline's financial standing, or upon Airline's election to assume this Agreement under Federal Bankruptcy Rules and Regulations, as such may be amended, supplemented, or replaced, the City, by written notice to Airline given at any time within ninety (90) days of the date such event becomes known to the City, may impose the requirements of this Section 7.17 upon Airline. In such event, Airline will provide the City with the required Payment Security within fifteen (15) days from its receipt of such written notice.

(d) The City's rights under this Article will be in addition to all other rights and remedies provided to the City under this Agreement.

(e) Subject to the provisions above, the Payment Security will be returned within ninety (90) days following the expiration of the Term (including any renewals) of this Agreement, subject to the satisfactory performance by Airline of all terms, conditions, and covenants contained herein.

Section 7.17 Adjustments to Airline Rentals, Fees, and Charges.

(a) No later than sixty (60) days prior to the end of each Fiscal Year, the City shall notify Airline of the proposed schedule of rates for Airline Rentals, Fees, and Charges for the ensuing Fiscal Year, including the City's proposed operating and capital budgets. Said rates shall be determined and presented to Airline substantially in conformance with the methods and format set forth in **Exhibit D**, attached hereto.

(b) The Signatory Airlines shall have the right to review and comment upon the proposed operating and capital budgets. No later than thirty (30) days after the forwarding of the proposed schedule of rates for Airline Rentals, Fees, and Charges, the City agrees to meet with the Signatory Airlines at a mutually convenient time for the purpose of discussing such Airline Rentals, Fees, and Charges. In advance of said meeting, the City shall make available to the Signatory Airlines any reasonably requested additional information relating to the determination of the proposed rates.

(c) Following said meeting, and prior to the end of the then current Fiscal Year, the City shall notify Airline of the Airline Rentals, Fees, and Charges to be established for the ensuing Fiscal Year.

(d) If calculation of the new Airline Rentals, Fees, and Charges is not completed by the City and the notice provided in subsection (c) above is not given on or prior to the end of the then current Fiscal Year, the Airline Rentals, Fees, and Charges then in effect shall continue to be paid by Airline until such calculations are concluded and such notice is given. Upon the completion of such calculations and the giving of such notice, the City shall determine the difference(s), if any, between the actual Airline Rentals, Fees, and Charges paid by Airline to date for the then current Fiscal Year and the Airline Rentals, Fees, and Charges that would have been paid by Airline if said Airline Rentals, Fees, and Charges had been in effect beginning on the first day of the Fiscal Year. Said difference(s), if any, shall be applied to the particular Airline Rentals, Fees, and Charges for which a difference(s) in rates resulted in an overpayment or underpayment, and shall be remitted by Airline or credited or refunded by the City in the month immediately following the calculation of the new Fiscal Year rates and the giving of written notice to Airline by the City.

(e) In order to reduce underpayments or overpayments of Airport Rentals, Fees, and Charges during each Fiscal Year, the City shall review the most recently available information with regard to the amounts actually incurred or realized during such Fiscal Year with respect to capital costs, O&M Expenses and levels of Air Carrier activity. If the City determines on the basis of information it is able to accumulate during the course of any Fiscal Year that the budgeted capital costs or O&M Expenses or projected levels of Air Carrier activity it has used to calculate the rates and charges set forth in this Article are likely to vary significantly (higher or lower) from actual results, the City may make adjustments to such rates and charges to conform to its revised forecast as of July 1 of such Fiscal Year, and at one, and only one, other time during such Fiscal Year, the City may make adjustments to such rates and charges to conform to its revised forecast if the variance between the budgeted capital costs or O&M Expenses or projected levels of Air Carrier activity and actual results is expected to be five percent (5%) or more. The City shall provide the Signatory Airlines with at least thirty (30) days advance written notice ("Mid-Year Adjustment Notice") of any adjustments to be made under this Section. The Signatory Airlines may, within

five (5) business days of receipt of the Mid-Year Adjustment Notice, request a meeting with the City to review the information that the City used as the basis for an adjustment under this Section 8.16 and if the Signatory Airlines does so, the City shall meet with the Signatory Airlines within five (5) days of the Signatory Airlines' request before making any mid-year adjustments.

(f) Adjustments to rates for Airline Rentals, Fees, and Charges but not the methodology of calculating them shall apply without the necessity of formal amendment of this Agreement. Upon each adjustment pursuant to this ARTICLE 7, a revised **Exhibit D**, showing the calculation of adjusted rates for Airline Rentals, Fees, and Charges, shall be prepared by the City and transmitted to Airline. Said revised **Exhibit D** shall then be deemed part of this Agreement without formal amendment thereto.

Section 7.18 Settlement.

(a) The City shall use commercially reasonable efforts such that within sixty (60) days following the publication of the City's audited annual financial statements, rates for Airline Rentals, Fees, and Charges for the preceding Fiscal Year shall be recalculated using audited financial data and the methodology set forth in **Exhibit D**. Upon request, the Signatory Airlines shall have reasonable access to the records of the City related thereto and shall have the right to review, at their own cost and expense, the financial data used in connection with such recalculation. Upon the determination of any difference(s) between the actual Airline Rentals, Fees, and Charges paid by Airline during the preceding Fiscal Year and the Airline Rentals, Fees, and Charges that would have been paid by Airline using said recalculated rates, the City shall, in the event of overpayment, promptly refund to Airline the amount of such overpayment within thirty (30) days, and in the event of underpayment, invoice Airline for the amount of such underpayment, which invoiced amount shall be due within thirty (30) days of the invoice mailing date.

(b) Airline agrees that the rentals, fees, and charges paid by Airline for its operations under its Prior Use and Lease Agreement from October 1, 2022 through December 31, 2022 shall be recalculated using the audited financial data and methodology in this Agreement. If the amount calculated under the methodology of this Agreement is different than the amount actually paid by Airline for such period, then Airline or the City, as applicable, shall be responsible for any under or over payment of the rentals, fees, and charges in accordance with subsection (a) above. Airline acknowledges and agrees that though the methodology used to calculate rentals, fees, and charges under the Prior Use and Lease Agreement was different from the methodology under this Agreement, the Airport's fiscal year shall be treated as a unified, twelve (12) month period.

ARTICLE 8 CAPITAL IMPROVEMENTS

Section 8.1 Need for Capital Projects.

The parties hereto recognize that Capital Projects to preserve, protect, enhance, expand, or otherwise improve the Airport, or part thereof, will be required during the Term of this Agreement. Any such Capital Projects to be paid for or financed with Revenues shall be subject to the provisions of Section 8.3, Section 8.5, and Section 8.6 below.

Section 8.2 Pre-Approved Capital Projects.

The City and the Signatory Airlines have consulted regarding the City's proposed capital improvement program to be undertaken during the Term of this Agreement, including the Capital Projects the City expects to undertake and the estimated cost of such Capital Projects. The Parties agree that, notwithstanding the other provisions of this Article, the Capital Projects listed in the attached **Exhibit F-1** shall be deemed approved by the Signatory Airlines without being subject to Majority-in-Interest review except in the circumstances described in Section 8.5(c) below (the "Pre-Approved Capital Projects"). Additional projects included in the City's proposed capital improvement program to be undertaken during the Term of this Agreement for which the City anticipates the Net Cost will include costs that directly impact the Airfield Cost Center or Terminal Cost Center are listed on the attached **Exhibit F-2** ("Additional CIP Projects"). For the sake of clarity, the Additional CIP Projects listed therein are also deemed approved by the Signatory Airlines and are not subject to Majority-in-Interest review.

Section 8.3 Annual Capital Budget.

The Parties acknowledge that the Capital Projects and the costs thereof are likely to change over the Term for various reasons. As part of the annual budget process, the City shall provide the Signatory Airlines with an updated forecast of the capital improvement program, including the proposed Capital Projects, the costs thereof, the anticipated impact to Airline's Rentals, Fees, and Charges and the sources of funds for such Capital Projects and the City shall consult with and give due consideration to the input of the Signatory Airlines regarding the proposed Capital Projects, the costs thereof and the sources of funding. In the event of any material change, as reasonably determined by the City, in any element of the capital improvement program occurring during a Fiscal Year, the City will use commercially reasonable efforts to inform the Signatory Airlines promptly of such material change and the City's proposed means of addressing such material change and the City shall consult with and give due consideration to the input of the Signatory Airlines regarding such material change and the City's proposed means of addressing it.

Section 8.4 Initial Terminal Facilities Planning Committee.

The Parties agree that close communication regarding the City's capital improvement program is a shared goal, particularly in light of the City's proposed plans to design and construct new terminal facilities to expand capacity and increase efficiency of use of Airport facilities. In order to effectuate such communication, the City shall form and participate in, and the Signatory Airlines shall participate in, an "Initial Terminal Facilities Planning Committee" in the structure described in **Exhibit G**. The Parties agree that such committee may be utilized to coordinate various consultations regarding Capital Projects throughout the Term.

Section 8.5 Majority-in-Interest Review.

(a) For purposes of this ARTICLE 8, "Majority-in-Interest" shall mean Signatory Airlines that together account for at least sixty-six and two-thirds percent (66 2/3%) of the total Maximum Gross Landed Weight of all Air Carriers during the immediately preceding Fiscal Year. For purposes of these calculations, a Signatory Airline's activity shall include the activity of each of its properly designated Affiliates.

(b) For purposes of this ARTICLE 8, the “Net Cost” of a Capital Project shall mean the total cost of a Capital Project less any costs expected to be paid for by Other Airport Revenues and/or Non-Airline Revenues and only including costs that do not directly impact the Airfield Cost Center or Terminal Cost Center.

(c) In addition to the provisions of Section 8.2 and Section 8.3, if a Capital Project’s total estimated costs, at the time the City receives construction bids for such Capital Project, exceeds one hundred and ten percent (110%) of the total costs estimated for the project in **Exhibit F-1**, the City shall submit such Capital Project to review by the Majority-in-Interest in accordance with this Section 8.5.

(d) Capital Projects proposed by the City not included in **Exhibit F-1** or **Exhibit F-2** with a Net Cost greater than Two Million Dollars (\$2,000,000) shall be subject to Majority-in-Interest review, provided that;

(i) If a Capital Project is disapproved by a Majority-in-Interest, the City may proceed with such Capital Project if it has a Net Cost of more than Two Million Dollars (\$2,000,000) but less than Seven Million Dollars (\$7,000,000) after nine (9) months from the date of the Majority-in-Interest’s original disapproval;

(ii) If a Capital Project is disapproved by a Majority-in-Interest, the City may proceed with such Capital Project if it has a Net Cost of more than Seven Million Dollars (\$7,000,000) after twelve (12) months from the date of the Majority-in-Interest’s original disapproval;

(iii) Provided, further, however, that if any such Capital Project is disapproved under subsection (i) or subsection (ii) the Majority-in-Interest’s disapproval of any such Capital Project shall not extend beyond the expiration of the Term. For the sake of clarity, Majority-in-Interest approvals or disapprovals occurring during the Initial Term shall survive any option periods to extend the Initial Term as mutually agreed upon by the City and Airline; and

(iv) For any Capital Project under subsection (i) or subsection (ii) that is disapproved by a Majority-in-Interest, the City may bring such Capital Project for an additional vote by the Majority-in-Interest, no less than thirty (30) days after the original disapproval by the Majority-in-Interest (the “First Reconsideration”). If the First Reconsideration results again in a disapproval by the Majority-in-Interest, the City may bring such Capital Project for one more additional vote, no less than thirty (30) days after the date of the Majority-in-Interest’s decision in its First Reconsideration (the “Second Reconsideration”). If the Majority-in-Interest disapproves such Capital Project in its Second Reconsideration, the City shall not proceed with such Capital Project until the deferral periods described in subsection (i) or subsection (ii) have expired, or after the expiration of the Term.

(v) For the sake of clarity, any capital projects with a Net Cost of less than Two Million Dollars (\$2,000,000) shall not be subject to Majority-in-Interest review.

(e) For any Capital Project subject to Majority-in-Interest review pursuant to this Section 8.5, the City shall submit a written ballot to Airline that includes a description of the proposed Capital Project, total amount of the Capital Project's Net Costs, and an estimate of the Capital Project's effect on Airline Rentals, Fees, and Charges.

(f) The City shall submit the written ballot to Airline at least thirty (30) days prior to incurring costs directly impacting the Airfield Cost Center or Terminal Cost Center on the Capital Project, and notify the chair of the AAAC that the written proposal has been submitted to all Signatory Airlines. A Capital Project (or increase in costs thereto) shall be deemed to be approved if (a) a Majority-in-Interest approves it; or (b) the City is not notified by the chair of the AAAC in writing within thirty (30) days of delivery of the City's written proposal that a Majority-in-Interest has disapproved the proposal.

(g) Notwithstanding the foregoing, the following types of Capital Projects shall be exempt from Majority-in-Interest review even if the Net Cost exceeds Two Million Dollars (\$2,000,000):

- (i) Projects necessary to preserve the safety or security of the Airport;
- (ii) Projects that are the result of a governmental mandate, litigation settlement, or court order; and
- (iii) Projects of an emergency nature;

(h) Provided, however, that the City will present such exempt Capital Projects to the Signatory Airlines about such exempt Capital Projects for comment and consultation.

Section 8.6 Alterations and Improvements.

(a) *Structural Alterations.* Airline will make no structural alterations to the Airline Premises without the prior written consent of the City.

(b) *Alterations and Improvements to Airport.* Airline acknowledges that from time-to-time the City may undertake construction, repair, or other activities related to the operation, maintenance, and repair of the Common Use Facilities or the Airport that may temporarily affect Airline's operations hereunder. Airline agrees to accommodate the City in such matters, even though Airline's activities may be inconvenienced, and Airline agrees that no liability will attach to the City or any Indemnified Party by reason of such inconvenience or impairment, provided that such inconvenience shall not materially affect Airline's operations or require Airline to move out of its Exclusive or Preferential Use Premises, and provided, further, that if the City, in its reasonable discretion, determines that Airline's operations must be relocated from its Exclusive or Preferential Use Premises for the necessity of enabling or effectuating a Capital Project, the costs of such relocation shall be considered a project cost of such Capital Project.

(c) *Removal and Demolition.* Neither Airline nor any Airline Party will remove or demolish, in whole or in part, any improvements upon the Airline Premises without the prior written consent of the City, which may, at its sole discretion, condition such consent upon the

obligation of Airline, at Airline's cost, to replace the same by an improvement specified in such consent.

(d) *Approvals Extended to Architectural and Aesthetic Matters.* Approval of the City will extend to and include architectural and aesthetic matters. The City reserves the right to reject any design layouts or design proposals submitted by Airline and to require Airline to resubmit any such layouts or proposals at Airline's expense until such design layouts and/or design proposals are deemed acceptable by the City and subsequently approved in writing.

(e) *Display Locations.* Neither Airline nor any Airline Party will affix or attach any fixtures, display units or elements, signs, or other devices of any kind or nature to any wall, ceiling, floor, or other surface in the Airline Premises other than in Exclusive Use Premises without the prior written approval of the City.

(f) *Ceiling.* Neither Airline nor any Airline Party will affix, attach, or suspend any lighting fixtures, signs, or other fixtures or devices of any kind or nature from the ceiling above any of the Airline Premises without the prior written approval of the City.

(g) *Airline Improvements.* Except for routine maintenance on installed equipment, a City Tenant Work Permit is required any time Airline performs or hires an outside contractor to perform any construction on or modification or alterations to the Airline Premises. Airline will make no improvements or alterations whatsoever to the Common Use Facilities; Airline will make no improvements or alterations whatsoever to the Airline Premises without the prior written approval of the City under the Tenant Work Permit, which consent will not be unreasonably withheld or delayed. Within thirty (30) days after receipt by the City of Airline's plans and specifications, the City will inform Airline that the plans are either approved as submitted, approved subject to certain stated conditions and changes, or not approved.

(h) *Construction and Installation Schedule.*

(i) Airline will submit a schedule depicting the estimated time required to complete each phase of the construction and installation of the improvements called for in the final plans. All improvements installed by Airline in the Airline Premises will be of high quality, safe, and fire-resistant materials.

(ii) All plans and specifications for the improvements, displays, and equipment constructed or installed by Airline, its agents, or subcontractors, will conform to all Applicable Laws, including without limitation, applicable building codes, rules, and regulations. Airline will obtain, at its own expense, all necessary building permits.

(i) *Conditions.* If Airline's request for approval to make improvements or alterations is granted, the following conditions will apply:

(i) Airline will obtain at Airline's sole cost and expense all required permits and licenses necessary to comply with applicable zoning laws, building codes and other Applicable Laws of all Governmental Authorities.

(ii) Airline agrees that all construction will conform to the City's design and construction manuals and will comply with the City's Tenant Work Permit process, as such documents may be amended from time to time, including any insurance and bond requirements set forth therein.

(iii) Airline agrees to hire only contractors and subcontractors properly licensed by any applicable authorities.

(iv) All work shall be performed in a good and workmanlike manner and in accordance with the plans and specifications approved by the City for the same. At all times during such work, Airline and its contractor must maintain copies of all construction documents, approvals, and drawings (including redlined as-built drawings) on site and available for inspection by the City until the completion of the project. The City and any other required building permits must be displayed at all times until project completion. The City may perform random inspections during construction to determine compliance with the approved plans and specifications. The City reserves the right to halt any work for safety violations or work that deviates from the approved plans and specifications. Airline shall promptly commence to redo or replace and diligently pursue the same, at its sole cost and expense, prior to or after completion of such work, any work which is not performed substantially in accordance with such plans and specifications as approved by the City.

(v) Airline shall promptly pay all lawful claims made against the City and discharge all liens filed or which exist against the Airline Premises or any other portion of the Airport (other than Airline's trade fixtures or trade equipment) arising out of or in connection with, whether directly or indirectly, the failure to make payment for work done or materials provided by Airline, its contractors, subcontractors, or materialmen. However, Airline shall have the right to contest the amount or validity of any such claim or lien without being in default under this Agreement upon furnishing evidence of security in an amount equal to one hundred fifty percent (150%) of such claim or lien that such claim or lien will be properly and fully dis-charged forthwith in the event that such contest is finally determined against Airline or the City. The City shall give timely notice to Airline of all such claims and liens of which it becomes aware.

(vi) Airline shall not install any object in the Terminal or commence construction of any alterations, additions, or improvements that constitutes a work of visual art under the Visual Artists Rights Act of 1990, as amended ("VARA") unless and until Airline has provided the City with either (i) written notification satisfactory to the City that VARA does not apply; or (ii) a written waiver from the author of a work of visual art, in form and substance reasonably satisfactory to the City, which identifies specifically the work of visual art and the uses of that work to which the waiver applies in accordance with 17 U.S.C. § 106A(e)(1).

(vii) Airline covenants and agrees to pay all costs necessary to complete approved alterations or improvements. The City will not be responsible for any costs relating to such alterations or improvements whether such alterations or improvements were requested by Airline or were required by the City or any other regulatory agency in accordance herewith.

(viii) Airline agrees to be solely responsible for any damage to the Airline Premises, Common Use Facilities, or other Airport property resulting from Airline's construction of improvements or alterations.

(j) *Completion of Improvements.* Within ninety (90) days of completion of any construction herein permitted by Airline, Airline will cause to be prepared and delivered to the City record documents as required under the Tenant Work Permit process, including, but not limited to, as-built plans, legal descriptions (if applicable), boundary surveys (if applicable), and the certified final cost of construction. The submission of record document electronic media will be in accordance with the City's standard procedure for computer-aided design and drafting and drawings, as may be revised from time to time.

ARTICLE 9 DAMAGE OR DESTRUCTION

Section 9.1 Partial Damage.

In the event all or a portion of the Airline Premises is partially damaged by fire, explosion, the elements, a public enemy, act of God, or other casualty, but not rendered untenable, Airline will give the City immediate notice thereof, and the City will make the repairs with due diligence, but only to the extent of the proceeds of insurance received with respect to such Airline Premises. No abatement of Airline Rentals, Fees, and Charges shall accrue to Airline so long as the Airline Premises remain tenantable.

Section 9.2 Extensive Damage.

In the event damages to the Airline Premises by fire, explosion, the elements, a public enemy, Act of God, or other casualty are so extensive as to render all or a significant portion of the Airline Premises untenable, but the City determines that the Airline Premises are capable of being repaired within 120 days, Airline will give the City immediate notice thereof, and the City will make the repairs with due diligence, but only to the extent of the proceeds of insurance received with respect to such Airline Premises.

Section 9.3 Complete Destruction.

(a) In the event the Airline Premises are completely destroyed by fire, explosion, the elements, a public enemy, Act of God, or other casualty or are so damaged as to render the entire Airline Premises untenable, and the City determines that the Airline Premises cannot be repaired within 120 days, Airline will give the City immediate notice thereof, and the City will be under no obligation to repair, replace, or reconstruct the Airline Premises. In the event the City elects not to repair, replace, and reconstruct the Airline Premises, the City will not be required to grant Airline alternative premises if none are available, but shall use commercially reasonable efforts to provide alternative space for Airline.

(b) In the event of extensive damage or complete destruction as referenced in Sections 9.2 and 9.3 of this Article, the portion of the Airline Rentals, Fees, and Charges attributable to untenable Airline Premises will abate from the date of casualty until such time as the City issues notice to Airline that the untenable portion of the Airline Premises can be re-occupied.

(c) In the event the City elects to not reconstruct or replace affected Airline Premises, the Agreement with respect to the affected portion of the Airline Premises shall be terminated and the obligations of the Parties hereunder will terminate. The City shall meet and consult with Airline on ways and means to permanently provide Airline with adequate replacement space for the affected Airline Premises. In such event, the City agrees to amend this Agreement to reflect related additions and deletions to Airline Premises.

Section 9.4 Damage Caused By Airline.

Notwithstanding the foregoing, in the event that, due to the negligence or willful act or omission of Airline or an Airline Party, all or a portion of the Airline Premises shall be damaged or destroyed by fire, other casualty or otherwise, there shall be no abatement of Airline Rentals, Fees, and Charges during the repair or replacement of said Airline Premises. To the extent that the costs of such repairs shall exceed the amount of any insurance proceeds payable to the City by reason of such damage or destruction, Airline shall pay the amount of such additional costs to the City.

Section 9.5 City's Responsibilities.

The City shall maintain customary levels of insurance with no less restrictive coverage than that provided by standard extended coverage endorsements on the "all risk" form, for the full replacement costs of Airport facilities as determined from time to time by the City's insurance consultant; provided, however, that the City's obligations to repair, reconstruct, or replace affected Airline Premises under the provisions of this Article shall in any event be limited to restoring affected Airline Premises to substantially the same condition that existed at the date of damage or destruction, including any subsequent improvements made by the City, and shall further be limited to the extent of insurance proceeds and other funds available to the City for such repair, reconstruction, or replacement; provided, further, that the City shall in no way be responsible for the restoration or replacement of any equipment, furnishings, property, real improvements, signs, or other items installed and/or owned by Airline in accordance with this Agreement, unless such damage is caused by the negligence or willful act or omission of the City, its officers, agents, or employees acting within the course or scope of their employment.

Section 9.6 Limits of City's Obligations Defined.

Redecoration, replacement, and refurbishment of Airline-owned furniture, fixtures, equipment, and supplies will be the responsibility of and paid for by Airline, and any such redecoration and refurbishing or re-equipping will be of substantially equivalent quality to that originally installed hereunder. The City will not be responsible to Airline for any claims related to loss of use, loss of profits, or loss of business resulting from any partial, extensive, or complete destruction of the Airline Premises regardless of cause of damage.

Section 9.7 Waiver of Subrogation.

To the extent such insurance permits, and then only to the extent collected or collectable by Airline under its property insurance coverage, Airline waives any and all claims against the City and the Indemnified Parties for loss or damage to Airline's property.

ARTICLE 10
INDEMNIFICATION AND INSURANCE

Section 10.1 Indemnification.

(a) To the extent not prohibited by law, Airline shall indemnify, protect, defend, and hold harmless the Indemnified Parties from and against any and all damage, injury or death, either to person or property (including the loss of use thereof), liabilities, losses, suits, claims, judgments, awards, fines, penalties, damages, losses, costs, expenses, or demands, of any nature whatsoever (including investigation costs, court costs, expert fees, and attorneys' fees), arising out of or relating to Airline's use of the Airport or to this Agreement, Airline's use or occupancy of the Leased Premises or the Airport, or as a result of any acts, omissions, or negligence of Airline or the Airline Parties, in, on, or about the Premises or the Airport. Should an Indemnified Party be named as a defendant, a party, or otherwise identified in any claim, suit, action, or demand brought against Airline in connection with or arising out of an event covered by Airline's responsibility under this indemnification provision, Airline shall pay and/or otherwise compensate such Indemnified Party for the Indemnified Party's costs and expenses incurred in such claim, suit, action, or demand without limitation. The City shall give reasonable notice to Airline of any such claim, suit, action, or demand. Airline shall, in writing, notify the City of the counsel to be used in carrying out its obligations herein. The City shall be entitled to object to use of said counsel if, in its reasonable judgment, counsel selected cannot satisfactorily defend the Indemnified Party and the City shall give reasonable notice of any objection regarding the use of said counsel setting forth good reason(s) for such objection. In defending any such claim, suit, action, or demand, the Airline shall not, without obtaining express advance permission from the City (which permission shall not be unreasonably withheld), raise any defense involving in any way the jurisdiction of the tribunal over the City; the immunity of the City, or its elected and appointed officials, officers, directors, agents, employees, representatives, or subdivisions; the governmental nature of the City; or the provision of any statutes relating to suits against the City. Further, Airline's agreement to indemnify the Indemnified Parties is not intended and shall not relieve any insurance carrier of its obligations under policies required to be carried by Airline pursuant to the provisions of this agreement.

(b) The City shall be invited to attend and participate in all meetings (including those related to settlement) and to appear and participate in all judicial proceedings related to any claim against the City, provided that if any such claim Airline and the City are adverse to one another this shall not include meetings of Airline and its counsel that are subject to attorney-client privilege. Airline shall obtain the City's written approval of the terms of any settlement which requires the City to perform or refrain from performing any action.

(c) Without limiting the generality of any other provision hereof, Airline shall reimburse the City for the cost of any and all reasonable outside attorney's fees and investigation expenses incurred by the City in the defense and handling of said suits and claims and in enforcing the provisions of this Agreement.

(d) The provisions of this Section shall be deemed to be a separate contract between the parties and shall survive the expiration or any default, termination, or forfeiture of this Agreement.

Section 10.2 Insurance.

(a) Airline shall, at its own cost and expense, maintain in the following insurance coverage at all times during the Term of this Agreement:

(i) Comprehensive airline liability/commercial General Liability insurance with such coverage and limits in no event for less than two hundred million dollars (\$200,000,000) combined single limit per occurrence for personal injury, bodily injury (including death), and property damage liability, with a sublimit allowed of twenty-five million dollars (\$25,000,000) for personal injury to non-passengers and advertising injury liability and ten million dollars (\$10,000,000) for fire legal liability, and shall include but not be limited to premises and operations, personal injury, products-completed operations, advertising injury liability, terminal-operations, independent contractors coverage, hangarkeepers liability, motor vehicle liability within the confines of the airport, cargo legal liability, fire legal liability, and broad form property damage with any excess liability in umbrella form. The products-completed operations coverage shall be provided for a minimum of two years following final acceptance of the work except in the case of construction, in which case the coverage shall be provided for a minimum of five (5) years following final acceptance of the work

(ii) Workers' compensation insurance written in accordance with the laws of the State of Idaho, with statutory limits, and employers' liability insurance with limits of no less than with a limit of liability of not less than one million dollars (\$1,000,000), providing coverage for any and all employees of Airline.

(iii) Comprehensive automobile liability insurance with a minimum limit of not less than five million dollars (\$5,000,000) (or, for vehicles with airside access, ten million dollars (\$10,000,000)) combined single limit for bodily injury and property damage providing that coverages shall be applicable to any and all leased, owned, hired or non-owned vehicles used in pursuit of any of the activities associated with this Agreement.

(iv) Pollution and remediation legal liability insurance with a minimum limit of not less than two million dollars (\$2,000,000) covering third party claims, remediation expenses, and legal defense expenses arising from on-site and off-site loss, or expense, or claim related to the release or threatened release of Hazardous Materials at the Airport.

(b) On or before the Effective Date, Airline shall provide proof of insurance coverage by providing a certificate(s) of Airline's insurance coverage and, if reasonably available, endorsements applicable to the insurance required herein. The certificate(s) of insurance, or endorsement(s) attached thereto, shall provide that:

(i) Such policies shall be primary and non-contributory to any other policies of insurance maintained by the City (except with respect to workers' compensation/employer's liability policies), including any self-insured retention or deductible the City may have, and any other insurance coverage that the City may possess shall be considered excess insurance only;

(ii) Such policies cannot be canceled or changed in any manner that may adversely affect the City, except after the issuing company has provided ten (10) days' prior written notice to the Airport Director (or, for war risk or non-payment of premium, five (5) days);

(iii) The City and the City Indemnified Parties shall be named as additional insureds (except with respect to workers' compensation/employers liability insurance);

(iv) The limits of liability required therein are on an occurrence basis, and shall cover Airline's operations at the entire Airport and all on-Airport vehicles and mobile equipment, and all activities of Airline at the Airport and all indemnifications made in this Agreement;

(v) For any claim or injury covered by Airline's indemnity under Section 10.1, the policy shall be endorsed with a severability of interest or cross-liability endorsement, providing that the coverage shall act for each insured and each additional insured, against whom a claim is or may be made, in a manner as though a separate policy had been written for each insured or additional insured; however, nothing contained herein shall act to increase the limits of liability of the insurance company;

(vi) The City and Airline hereby mutually waive any and all rights of recovery against the other party arising out of damage or destruction of City property from causes included under any property insurance policies to the extent such damage or destruction is covered by the proceeds of such policies but only to the extent that the insurance policies then in force permit such waiver. When required by an insurer, or if a policy condition will not permit an insured to enter into a pre-loss agreement to waive subrogation without an endorsement, Airline shall notify the insurer and request the policy be endorsed with a waiver or transfer of rights of recovery against others, or its equivalent. The foregoing requirements shall not apply to any policy that specifically prohibits such an endorsement or voids coverage if Airline enters into such an agreement on a pre-loss basis;

(vii) If the insurance coverage required herein is canceled or changed in any manner that may adversely affect the City, Airline shall, within ten (10) days, (seven (7) days for war risk or such lesser period in effect in the international war risk insurance market from time to time and five (5) days for non-payment of premium), but in no event later than the effective date of cancellation or adverse change, provide to the City a certificate showing that insurance coverage has been reinstated or provided through another insurance company satisfactory to the City. Upon failure to provide such certificate, with prior written notice and at its option, the City may, in addition to all its other remedies, procure insurance coverage at Airline's expense whereupon Airline promptly shall reimburse the City for such expense;

(c) Airline shall procure and maintain insurance coverage from an insurance company or companies possessing a financial strength rating of at least A- and a financial size category of VII or higher from A.M. Best or an equivalent rating service or otherwise reasonably satisfactory to the City.

(d) Any and all deductibles in the insurance policies described above shall be assumed by and be for the account of, and at the sole risk of, Airline.

(e) The workers' compensation insurance requirement of Section 10.2(a)(ii) above may be satisfied by self-insurance evidenced by a certificate of self-insurance that complies with the requirements of the Applicable Laws of the State of Idaho.

(f) Airline may provide for reasonable limits of self-insurance against environmental liability risks (but in no event less than the limits in subsection (a)(iv) above) in lieu of obtaining coverage from a third-party insurer. All amounts paid to the City by Airline on account of any self-insurance program shall be deemed insurance proceeds for purposes of this Agreement. To the extent Airline self-insures as to environmental liability, the protections afforded the City by Airline shall be the same as if insurance were provided by a third-party insurer on commonly available, commercially reasonable terms for such insurance based on Airline's activities under this Agreement, and Airline shall have all the obligations and liabilities of a third-party insurer hereunder (e.g., obligation to provide a defense for covered claims).

(g) If Airline maintains higher limits than the minimum required herein, the City requires and shall be entitled to coverage for the higher limits maintained by Airline. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City, as their interest may appear.

(h) Airline shall deliver to the Airport Director, on or before the date of the renewal of any policy of insurance required hereunder, a renewal certificate that shall conform to the requirements set forth in this Section for the original certificates.

(i) The City maintains the right, based on commercially reasonable standards, to modify, delete, alter, or change the requirements set forth under this Section 10.2 with thirty (30) days' prior written notice to Airline.

(j) Airline shall require its Affiliates, contractors, and sublessees operating at the Airport to procure and maintain insurance coverage to adequately cover risks associated with such Affiliate, contractor, or sublessee, reasonably appropriate in their limits and other terms and conditions to the nature of the entity's operations. Such coverage shall insure the interests of the City and the City Indemnified Parties including by naming the City and City Indemnified Parties as additional insureds on such policies (except with respect to workers' compensation/employer's liability policies). When requested by the City, Airline shall provide, or cause to be provided, to the City certificates of insurance and copies of additional insured endorsements or such other evidence of insurance, reasonably acceptable in form and content to the City. Failure of any Affiliate, contractor, or sublessee to comply with required coverage and terms and condition outlined herein will not limit Airline's liability or responsibility hereunder.

ARTICLE 11
ENVIRONMENTAL

Section 11.1 Compliance with Environmental Laws.

(a) Airline covenants, represents, and warrants that in conducting any activity or business on the Premises or at the Airport, or in conducting any operation or performing any work pursuant to this Agreement, Airline shall comply with all applicable Environmental Laws. Airline further covenants, represents, and warrants that Airline shall obtain and maintain all Environmental Permits required for it to conduct its activities and business on the Premises and at the Airport.

(b) In addition to the rights of entry reserved to the City elsewhere in this Agreement, the City and its representatives shall have access to the Premises upon reasonable prior notice, except in the event of an emergency, to Airline to inspect the same in order to determine if Airline is using the Premises in accordance with all Environmental Laws and Environmental Permits. Airline agrees to fully cooperate with any such inspections, provided that such inspections shall not unreasonably interfere with Airline's operations. Upon receipt of written notification from the City that the City believes Airline has failed to comply with Environmental Laws or Environmental Permits or upon assertion of a claim by a third party, and at the request of the City, Airline shall conduct such testing and analysis as the City reasonably deems required to ascertain whether Airline is using the Premises in compliance with all Environmental Laws and Environmental Permits. Any such tests shall be conducted by qualified independent experts chosen by Airline, but who shall be subject to the City's approval, which shall not be unreasonably withheld. Airline shall provide to the City copies of all reports prepared by such experts within a reasonable time after Airline receives each such report.

(c) Airline, at the request of the City, shall make available for inspection and copying upon reasonable written notice and at reasonable times and intervals, including during the above-described compliance inspections, any or all of the unprivileged documents and materials Airline has prepared pursuant to any Environmental Laws and submitted to an applicable governmental regulatory agency; provided, that such documents and materials are related to environmental issues or Environmental Laws and are pertinent to the City, the Premises, or the Airport.

(d) If Airline fails to comply with any Environmental Law or Environmental Permit or if Airline fails to commence immediate corrective action or required remediation, the City may, in addition to the rights and remedies described elsewhere in this Agreement and any other rights and remedies otherwise available to the City, enter the Premises and take all reasonable and necessary actions, with reasonable notice to Airline except in cases of emergency as determined by the City in its reasonable discretion, at Airline's expense, to ensure such compliance with the Environmental Law or Environmental Permit.

(e) In the event of any release or threatened release of Hazardous Materials caused by Airline or any Airline Party, and which is required by an applicable Environmental Law or Environmental Permit to be reported by Airline, whether as a result of negligent conduct or otherwise, at, on, under, or about the Premises or the Airport, or in the event any claim, demand, complaint, or action is made or taken against Airline that pertains to the environment at the Premises or the Airport, or if Airline receives any notice pertaining to Airline's failure or alleged

failure to comply with any Environmental Law or Environmental Permit, Airline shall promptly notify the City of all unprivileged known facts pertinent to such release, threatened release, claim, demand, complaint, action, or notice, and shall provide the City with a copy of each such claim, demand, complaint, notice, and action. If Airline is required by any Environmental Law, Environmental Permit, or Governmental Agency to file any notice or report of a release or threatened release of Hazardous Materials at, on, under, or about the Premises or the Airport, Airline shall simultaneously provide a copy of such notice or report to the City.

(f) Airline shall undertake all necessary steps to remedy and remove any Hazardous Materials and any other environmental contamination to the extent caused by or resulting from the activities, conduct, or presence of Airline or any Airline Party on the Premises or at the Airport, whether resulting from negligent conduct or otherwise, as determined by the appropriate Governmental Agency to be necessary to reasonably protect the public health or safety to the extent required by Applicable Laws, or to bring the Premises or the Airport into compliance with all Environmental Laws and Environmental Permits. Such work shall be performed at Airline's expense. Except in the event of an emergency, such work shall be after Airline submits to the City a written plan for completing such work and receives the prior approval of the City, which shall not be unreasonably withheld. The City shall have the right to review and inspect all such work at any time using consultants and representatives of its choice. The actual cost of such review and inspection shall be paid by Airline. Specific cleanup levels for any environmental remediation work Airline performs shall be designed to meet and satisfy the requirements of all applicable Environmental Laws and Environmental Permits.

(g) Except as set forth in Section 11.1(h), below, if the City cannot identify with commercially reasonable effort any of the parties causing, unlawfully allowing, contributing to or responsible for a release, discharge, or disposal of Hazardous Materials or any other environmental contamination at or from the Airport requiring the completion of appropriate response actions as provided in Section 11.1(f), then the City shall provide reasonable advance written notice to Airline of its intention to take actions, to the extent of Airline's obligations for such actions as provided in Section 11.1(f), to report, repair, contain, investigate, remove, correct or remediate such release, discharge, or disposal of Hazardous Materials or other environmental contamination consistent with the requirements of Section 11.1. Airline shall thereafter be afforded a reasonable opportunity (not to exceed forty-five (45) days) to commence such actions or provide the City with information on the identity of the party or parties causing, contributing to, or responsible for such release, discharge, or disposal of Hazardous Materials or other environmental contamination (except in emergency circumstances in which such advance notice is not possible), which information shall be considered in good faith by the City and, as appropriate, shall provide a basis for the City's pursuit of any responsible parties consistent with the provisions of this Section. In addition to the above written notice, the City shall provide Airline with its plan to perform such actions for Airline's review and comment at least seven (7) business days before the commencement of any work (except in emergency circumstances in which such advance notice is not possible), which comments shall be reasonably considered by the City, after which the costs of such actions, if implemented by the City, shall be allocated by the City in its reasonable discretion among appropriate Cost Centers.

(h) In the event of a release, discharge, or disposal of Hazardous Materials or any other environmental contamination in violation of Environmental Law which occurred prior to the

Effective Date is encountered on any portion of Airline's Preferential Use Premises that Airline also leased as the equivalent of Exclusive or Preferential Use Premises under its Prior Use and Lease Agreement, Airline shall be deemed to be responsible for all costs incurred in connection with such contamination, including investigation, removal, remediation, or other required plan, report, or response action, unless Airline provides clear evidence demonstrating that another party is fully responsible. This presumption shall not apply to any portion of Airline's Preferential Use Space not previously leased by Airline under its Prior Use and Lease Agreement.

(i) Notwithstanding the obligations imposed on Airline in this Section, the City, and other Government Agencies having jurisdiction, shall at all times have the right, should Airline fail to respond to a notification, after a specified cure period, if any, or immediately if necessary to remediate further contamination, to take any and all actions as they may individually or collectively deem appropriate in their reasonable discretion to cease, contain, investigate, remediate, and otherwise respond to a condition which results from, causes, or threatens to cause environmental pollution or contamination at, under, or about the Premises or otherwise at the Airport. Airline agrees to cooperate with any and all such actions.

Section 11.2 Storm Water.

(a) Airline shall comply with the following provisions with respect to storm water management at or from the Airport:

(i) Notwithstanding any other provisions or terms of this Agreement, Airline acknowledges that certain properties and facilities within the confines of the Airport, or on land controlled by the City now or in the future, are or may become subject to storm water rules and regulations of the Federal, State, or local government. Airline agrees to observe and abide by such storm water rules and regulations as may be applicable to Airport property and facilities and uses thereof.

(ii) The City and Airline will cooperate to ensure compliance by Airline with any storm water discharge permit terms and conditions, as well as to ensure safety and to minimize cost of compliance. Airline acknowledges further that it may be necessary to undertake such actions to minimize the exposure of storm water to "significant materials" generated, stored, handled, or otherwise used by Airline, as such term may be defined by applicable storm water rules and regulations, by implementing and maintaining appropriate and relevant "best management practices" as that term may be defined in applicable storm water rules and regulations.

(iii) The City will provide Airline with written notice of any storm water discharge permit requirements applicable to Airline and with which Airline will be obligated to comply from time to time, including certification of non-storm water discharges; cooperation with the City's or its agent's collection of storm water samples; preparation of storm water pollution prevention or similar plans; implementation of best management practices; and maintenance of necessary records. Airline agrees to undertake, at its expense, unless otherwise agreed to in writing between the City and Airline, those storm water permit requirements for which it is reasonably responsible and for which it has received written notice from the City and which are applicable to Airline, and Airline

agrees that it will hold harmless and indemnify the City for any violations or non-compliance by Airline with any such permit requirements which it has undertaken. If Airline is subject to the City's storm water discharge permit, the City agrees to provide Airline with prior written notice of proposed requirements or conditions in the Airport's storm water pollution prevention plan applicable to Airline.

Section 11.3 Environmental Indemnification.

(a) With respect to Environmental Laws and Environmental Permits, Airline agrees as follows:

(i) Without in any way limiting Airline's obligations under ARTICLE 10 hereof, Airline shall assume the risk of, be responsible for, protect, defend, indemnify, and hold harmless the Indemnified Parties, and each of them, and shall hold each and all of them harmless at all times from and against any and all losses, claims, liabilities, damages, injunctive relief, costs, and expenses, including attorneys' fees, which may be incurred in connection with any actual, threatened, or potential environmental pollution, contamination, condition, or damage to the extent caused by or resulting from any activity, conduct, or presence of Airline or any of the Airline Parties at the Airport or from Airline's failure to comply with any Environmental Law or Environmental Permit.

(ii) All rights and remedies of the City as provided in this Agreement with regard to environmental pollution, contamination, damage, or any actual or threatened violations of any Environmental Law or Environmental Permit shall be deemed cumulative in nature; and the City's right to indemnification as provided under this Section shall survive the termination of this Agreement.

Section 11.4 Survival of Environmental Provisions.

Unless specifically stated elsewhere herein, the provisions of this Article, including the representations, warranties, covenants, and indemnities of Airline, are intended to and shall survive termination of this Agreement.

ARTICLE 12

TERMINATION BY CITY; EVENTS OF DEFAULT BY AIRLINE

Section 12.1 Events of Default by Airline.

Each of the following events shall constitute an "Event of Default by Airline":

(a) The failure by Airline to duly and punctually pay any Airline Rentals, Fees, and Charges required to be paid to the City hereunder or the failure to make payment of any other sum required to be paid to the City pursuant to this Agreement (including, without limitation, the failure to transmit to the City PFCs on a timely basis in accordance with the PFC Regulations) on or prior to the date such payment is due or, with respect to any amount for which no payment date is provided herein, on or prior to the date that is ten (10) business days after written notice of the amount of such payment has been given to Airline or an invoice for such payment has been submitted to Airline;

(b) The filing by Airline of a voluntary petition in bankruptcy or an assignment for benefit of creditors of all or any part of Airline's assets during bankruptcy proceedings;

(c) The adjudication of Airline as a bankrupt pursuant to any involuntary bankruptcy proceedings or an involuntary filing for bankruptcy protection that is not dismissed within sixty (60) days of its filing;

(d) If a court or Governmental Authority of competent jurisdiction shall enter an order appointing, without consent by the Airline, a custodian, receiver, trustee or other officer with similar powers with respect to the Airline or with respect to any material part of its property, or if an order for relief shall be entered in any case or proceeding for liquidation or reorganization or otherwise to take advantage of any bankruptcy or insolvency law of any jurisdiction, or ordering the dissolution, winding-up or liquidation of the Airline, or if any petition for any such relief shall be filed against the Airline and the same shall not be dismissed within thirty (30) days;

(e) The voluntary abandonment by Airline of the conduct of its Air Transportation Business at the Airport for thirty (30) consecutive days, except if such abandonment is caused by a strike or labor dispute or other force majeure event;

(f) The failure by Airline to provide the insurance coverages required under Section 10.2;

(g) A lien is filed against Airport property or Airline's leasehold interest therein because of any act or omission of Airline and is not removed within thirty (30) days of Airline's receipt of written notice of such filing;

(h) Except as otherwise permitted herein, this Agreement or the right and interest of Airline hereunder is transferred other than by operation of law to any other person, firm, or corporation without the City's prior written approval;

(i) Except as otherwise permitted herein, Airline shall assign, transfer, encumber or subcontract this Agreement or any interest therein without the prior written approval of the City;

(j) Airline conducts business activities at the Airport that are not permitted hereby, and that have not been approved in writing by the City, and Airline has not ceased such unauthorized business activities within five (5) days of written notice from the City;

(k) The breach by Airline of any of the other covenants or agreements contained in this Agreement, including without limitation, timely provision of required reports as provided in Section 7.14, and the failure of Airline to remedy such breach within thirty (30) days of written notice from the City; provided, however, if the default cannot reasonably be remedied within thirty (30) days Airline must begin reasonable corrective action to remedy the breach within the thirty (30) day period and diligently pursue such until the default is remedied.

Section 12.2 Remedies for Airline's Default.

(a) In the event of any of the foregoing Events of Default enumerated in this Article, and, if applicable pursuant to Section 12.1 above, following written notice by the City and Airline's

failure to cure, the City, at its election, may exercise any one or more of the following options or remedies, the exercise of any of which will not be deemed to preclude the exercise of any other remedy herein listed or otherwise provided by Applicable Law:

(i) Terminate Airline's rights under this Agreement. Airline will remain liable for all payments or other sums due under this Agreement and for all damages suffered by the City because of Airline's breach of any of the covenants of this Agreement; or

(ii) Treat the Agreement as remaining in existence, curing Airline's default by performing or paying the obligation that Airline has breached. In such event all sums paid or expenses incurred by the City directly or indirectly in curing Airline's default will become immediately due and payable, as well as interest thereon, from the date such fees or charges became due to the date of payment, plus interest calculated as provided in Section 1.1, to the maximum extent permitted by law; or

(iii) Declare this Agreement to be terminated, ended, null and void.

Section 12.3 Continuing Responsibilities of Airline.

Notwithstanding the occurrence of any Event of Default, Airline will remain liable to the City for all payments payable hereunder and for all preceding breaches of any covenant of this Agreement. Furthermore, unless the City elects to terminate this Agreement, Airline will remain liable for and promptly pay any and all payments accruing hereunder until termination of this Agreement.

Section 12.4 Non-Exclusive Remedies.

The rights and remedies of the City provided under this ARTICLE 12 shall not be exclusive and are in addition to any other rights and remedies which the City may have at law or in equity or under this Agreement.

Section 12.5 No Waiver.

No waiver by the City at any time of any of the terms, conditions, covenants, or agreements of this Agreement, or non-compliance therewith, will be deemed or taken as a waiver at any time thereafter of the same or any other term, condition, covenant, or agreement herein contained, nor of the strict and prompt performance thereof by Airline. No delay, failure, or omission of the City to re-enter the Airline Premises or to exercise any right, power, privilege, or option arising from any default nor subsequent acceptance of fees or charges then or thereafter accrued will impair any such right, power, privilege, or option, or be construed to be a waiver of any such default or relinquishment, or acquiescence of the Airline Premises. No notice by the City will be required to restore or revive time is of the essence hereof after waiver by the City or default in one or more instances. No option, right, power, remedy, or privilege of the City will be construed as being exhausted or discharged by the exercise thereof in one or more instances. It is agreed that each and all of the rights, powers, options, privileges, or remedies given to the City by this Agreement are cumulative and that the exercise of one right, power, option, privilege, or remedy by the City will not impair its rights to any other right, power, option, privilege, or remedy available under this Agreement or provided by Applicable Law.

ARTICLE 13
TERMINATION BY AIRLINE; EVENTS OF DEFAULT BY CITY

Section 13.1 City Default.

The events described below shall each be deemed a default by the City hereunder:

(a) The City fails to keep, perform, or observe any material term, covenant, or condition herein contained, to be kept, performed, or observed by the City and such failure continues for forty-five (45) days after receipt of written notice from Airline; or, if by its nature such default cannot be cured within such forty-five (45) day period, the City shall not commence to cure or remove such default within said forty-five (45) days and to cure or remove the same as promptly as reasonably practicable; provided, however, the City's performance under this subparagraph shall be subject to the provisions of Section 17.12 of this Agreement;

(b) The Airport is closed to flights in general or to the flights of Airline, for reasons other than weather, Acts of God, or other reasons beyond the City's control, and the City fails to reopen the Airport to such flights within sixty (60) days of such closure;

(c) The Airport is permanently closed as an air carrier airport by act of any Governmental Authority having competent jurisdiction; or Airline is unable to use Airport for a period of at least ninety (90) consecutive days due to any Applicable Law; or any court of competent jurisdiction issues an injunction preventing the City or Airline from using Airport for airport purposes, for reasons other than those circumstances within Airline's control, and such injunction remains in force for a period of at least ninety (90) consecutive days;

(d) If a United States governmental agency demands and takes over the entire facilities of the Airport or the portion thereof wherein the Airline Premises is located for war or national emergency for a period in excess of ninety (90) consecutive days; or

(e) If the whole or any part of the Airline Premises is acquired by a condemning authority, either by sale in lieu of condemnation or by the exercise of the power of eminent domain.

Section 13.2 Airline's Remedy.

(a) So long as Airline is not in default as set forth in Section 12.1 of this Agreement, including but not limited to payments due to the City hereunder, Airline may cancel this Agreement upon the occurrence of a default set forth in Section 13.1. In such event, Airline shall serve thirty (30) day advance written notice of cancellation to the City. All rentals, fees, and charges payable by Airline shall cease as of the date of the City's receipt of such notice of cancellation and Airline shall promptly surrender the Airline Premises to the City.

(b) If a United States governmental agency demands and takes over the entire facilities of the Airport or the portion thereof wherein the Airline Premises is located for war or national emergency for a period in excess of ninety (90) consecutive days, then this Agreement will terminate and the City will be released and fully discharged from any and all liability hereunder. In the event of this termination, Airline's obligation to pay rent will cease; however, nothing herein

will be construed as relieving either party from any of its liabilities relating to events or claims of any kind whatsoever prior to this termination.

(c) If the whole or any part of the Airline Premises is acquired by a condemning authority, either by sale in lieu of condemnation or by the exercise of the power of eminent domain, then in and as a direct result of that event, this Agreement will terminate from the date of sale or title vesting, and Airline will have no claim whatsoever, including claims of apportionment, against the City either for the value of any unexpired Term of said Agreement or for the value of leasehold improvements. However, nothing in this provision will limit or destroy any right of Airline to separately claim moving costs or business loss solely against the condemning authority where Applicable Laws apply.

ARTICLE 14 ASSIGNMENT, SUBLETTING, AND TRANSFER

(a) Airline shall not, directly, or indirectly, assign, sell, sublease, or otherwise transfer this Agreement, or any portion of Airline Premises, without the prior written approval of the City. The foregoing shall not prevent the assignment of this Agreement to any parent or subsidiary or any corporation with which Airline may merge or consolidate, or which may succeed to the business of Airline, provided such successor corporation no later than thirty (30) days after the date of such merger, consolidation, or succession shall acknowledge by a writing satisfactory in form and content to the City that it has assumed all obligations of Airline and will fully honor all the terms and conditions set forth in this Agreement.

(b) Airline shall not sublease Airline Premises without the prior written consent of the City, which consent may be withheld if the City has substantially similar unleased space available, or if the City can make substantially similar space available for lease within a reasonable time. Use of Airline's Exclusive Use Premises or any part thereof by anyone other than Airline (or its Affiliates or duly authorized service provider, in compliance with all other terms and conditions of this Agreement, and upon written notice to the City of such arrangement) shall be deemed a sublease. If a sublease is approved, Airline will be solely responsible for ensuring that its sublessee performs pursuant to and in compliance with the terms of this Agreement.

(c) Airline shall include with its request for permission to assign or sublease, a copy of the proposed assignment or sublease agreement. The proposed assignment or sublease agreement submitted with Airline's request shall include the following information: (i) the term (which shall not extend longer than the Term of this Agreement); (ii) the area or space to be assigned or subleased; (iii) the sublease rentals to be charged; (iv) the provision that assignee or sublessee must execute a separate agreement with the City for operating at the Airport; (v) the rent to be paid by such sublessee, which shall not be greater than 110% of the rents paid by Airline; and (vi) financial information satisfactory to the City regarding such proposed subtenant or assignee. Any other information reasonably requested by the City pertaining to said sublease or assignment shall be promptly provided by Airline. A fully executed copy of such sublease or assignment shall be submitted to the City for final approval within sixty (60) days of the occupancy of Airline Premises, or any portion thereof, by the assignee or sublessee.

(d) In no event will any approved assignment or sublease diminish the City's rights to enforce any and all provisions of this Agreement.

(e) Before any assignment or sublease becomes effective, the assignee or sublessee will assume and agree by written instruments to be bound by the terms and conditions of this Agreement during the remainder of the Term of this Agreement.

(f) Nothing in this Article shall be construed to release Airline from its obligations under this Agreement, including but not limited to, the payment of rentals, fees, and charges provided herein.

ARTICLE 15 AIRLINE AFFILIATES AND HANDLING AGREEMENTS

Section 15.1 Designation and Use of Affiliates.

(a) For so long as Airline conducts an Air Transportation Business at the Airport, subject to the City's prior written approval that any such Affiliate meets the requirements of this Agreement, Airline may utilize one or more Affiliates and allow such Affiliates to conduct its Air Transportation Business at the Airport; to use, in common with others so authorized, the common and public areas of the Airport (including the Airfield), in addition to the Airline Premises; and to perform all operations and functions as are connected, incidental, or necessary to Airline's Air Transportation Business at the Airport; subject to the following:

(i) Airline shall provide the City with a completed **Exhibit H** upon execution of this Agreement and an updated **Exhibit H** and a certificate of insurance demonstrating that such Affiliate carries insurance coverage naming the City as an additional insured in accordance with Section 10.2 of this Agreement thirty (30) days prior to the Airline designating a new Affiliate, which designation is subject to the City's approval that any such Affiliate meets the requirements of this Agreement. As a precondition of being approved by the City, each Affiliate shall (a) be independently liable for all charges incurred related to its operation at the Airport (in addition to Airline's liability stated below), (b) maintain certain minimum levels of insurance coverage, (c) indemnify and hold the Indemnified Parties harmless of any and all damages incurred as a result of its operations at the Airport as set forth in Section 10.1 hereof and agreeing to abide by all City rules, regulations, operating directives and/or policies as they may be in effect from time-to-time. The Affiliate of Airline will be required to execute an Affiliate Operating Agreement in substantially the same form as **Exhibit I** memorializing the above.

(ii) Airline shall be unconditionally responsible for the payment of all Rentals, Fees, and Charges, including Passenger Facility Charges, due under this Agreement by its Affiliate. Except as expressly provided herein, the privileges granted hereunder to Airline shall also apply to any Affiliate of Airline.

(iii) An Affiliate of Airline, which is not otherwise a Signatory Airline, shall be entitled to the Signatory Airline rates for Rentals, Fees, and Charges applicable to Airline under this Agreement.

(iv) In addition, Airline shall fully indemnify the City for all conduct and omissions of its Affiliates to the fullest extent as is provided in Section 10.1 of this Agreement.

(v) Except as may be otherwise specifically provided by the terms of this Agreement, to the extent that an Affiliate operates on behalf of Airline, Airline and its Affiliates shall be treated as a single entity for purposes of the Agreement and the application of the terms of the Agreement, except the calculation and payment of Airline Rentals, Fees, and Charges, unless otherwise requested by Airline.

(b) Airline's designation of an Affiliate under this Agreement for purposes of receiving Signatory Airline rates shall not be effective unless and until approved in writing by the Airport Director (such approval being limited to the confirmation that such Affiliate meets the requirements of this Agreement).

(c) As of the execution date of this Agreement, the Air Carriers listed on **Exhibit H** to this Agreement have been designated by Airline, and approved by the City and the Airport Director, as Affiliates of Airline under this Agreement.

Section 15.2 Handling Agreements. For so long as Airline conducts an Air Transportation Business at the Airport, Airline may use its Airline Premises, and all public areas of the Airport which Airline has a right to use in common with others, for the handling by Airline's personnel or by personnel of Airline's duly authorized third party service provider, of the Air Transportation Business of any other Air Carrier using the Airport to the same extent as they may be used for the Air Transportation Business of Airline, subject to the following:

(a) Airline shall give the Airport Director written notice of any such proposed handling agreement at least ten (10) business days prior to the effective date thereof;

(b) Airline shall obtain any permit, license, or other authorization required by the City to perform such duties at the Airport;

(c) Airline shall ensure that its third party service provider(s) obtains any permit, license, or other authorization required by the City to perform such duties at the Airport; and

(d) Airline shall remain liable for all of its and the handled Air Carrier's obligations hereunder.

ARTICLE 16 COMPLIANCE WITH LAWS

Section 16.1 Rules and Regulations.

Airline covenants and agrees to observe and obey (and to require the Airline Parties to observe and obey and to exercise diligent efforts to require its passengers, guests, invitees, and those doing business with Airline, to observe and obey) the Rules and Regulations, as they may from time to time during the Term of this Agreement be promulgated or amended for reasons of safety, health, sanitation, and good order; provided, however, that such Rules and Regulations

shall (a) not be inconsistent or interfere with the reasonable exercise by Airline of any right or privilege expressly granted hereunder or under any other agreement between Airline and the City relating to the Airport or any part thereof, nor be inconsistent with the rules and regulations of any Federal agency having jurisdiction with respect to Airline or its operations, (b) not materially increase Airline's obligations hereunder, and (c) be applied by the City in a not unjustly discriminatory manner. With respect to this Agreement, the obligation of Airline to use its diligent efforts to require such observance and obedience on the part of its passengers, guests, invitees, and business visitors shall apply only while such persons are in the Terminal Area and any of Airline's non-Terminal Area leaseholds. In the event of any conflict between requirements of Applicable Law and the Rules and Regulations, the more restrictive requirement shall apply, as long as compliance with a more restrictive Rule or Regulation does not violate a requirement of any Applicable Law.

Section 16.2 Observance and Compliance with Laws.

Airline shall, in connection with its rights and obligations hereunder, observe, and comply with, and pay all taxes and obtain all licenses, permits, certificates, and other authorizations required by all Applicable Laws, including but not limited to all rules, regulations, and directives of the FAA or the TSA, as applicable to the Airline or the Airport, as such requirements may be amended or interpreted by the FAA from time to time. Airline agrees to make part of and incorporate into this Agreement by reference or by setting forth at length, at the option of the City, any and all Applicable Laws, and assurances and covenants required pursuant thereto, the incorporation of which may now or hereafter be required by the FAA or other federal agency or by the State; provided, however, that nothing herein shall be construed to limit or diminish the right of Airline, at its own cost, risk, and expense, to contest, by appropriate judicial or administrative proceeding, the applicability or the legal or constitutional validity of any such Applicable Law.

Section 16.3 SEC Rule 15c2-12.

Upon the request of the City, Airline will provide the City with such information with respect to Airline as the City may reasonably request in writing in order for the City to comply with its continuing disclosure obligations under Securities and Exchange Commission ("SEC") Rule 15c2-12, as it may be amended from time to time; provided that Airline may in lieu of providing the requested information direct the City to an Airline or SEC website where the requested information is then currently available.

Section 16.4 Airport Security.

(a) *Generally.* Airline and its Airline Parties shall comply with (i) the provisions of the City's TSA-approved airport security plan for the Airport as from time to time existing, and (ii) applicable regulations of the TSA, as from time to time existing. If Airline or any Airline Party shall fail or refuse to comply with said measures and such non-compliance results in a monetary penalty being assessed against the City, then, in addition to any other terms of this Agreement, Airline shall be responsible and shall reimburse the City in the full amount of any such monetary penalty or other damages. Without limiting the foregoing, with respect to its Exclusive Use Premises and Preferential Use Premises (except when same is in use by a Requesting Air Carrier), as well as any

Joint Use Facilities or Common Use Facilities while in use by Airline or any Airline Parties, Airline shall, under any airport security plan filed by the City under Title 49 CFR Part 1542, be responsible for the monitoring and control of doorways and other access ways to the Airfield Area air operations areas and be liable to the City for any fine, penalty, or charge imposed by TSA resulting from security violations with respect thereto.

(b) *Badging.*

(i) Any Airline employee, or any employee of its contractors or agents, that requires unescorted access to the SIDA must first obtain a Badge provided by the City. Each person prior to receiving a Badge will be subject to a fingerprint-based criminal history records checks (CHRC) and Security Threat Assessment (STA). A new or renewed Badge will not be issued to an individual until the results of the CHRC and STA are completed and indicate that the applicant has not been convicted of a disqualifying criminal offense. If the CHRC or STA discloses a disqualifying criminal offense, the individual's Badge application will be rejected. The costs of the CHRC and STA for each Airline Party will be paid by Airline. These costs are subject to change without notice. The City reserves the right to collect all costs related to badging at the time badging service is provided. All badged employees of Airline and its Airline Parties shall comply with the Rules and Regulations regarding the use and display of Badges. The City reserves the right to require renewal of the Badges of Airline Parties at any time. If an Airline Party fails to comply with renewal requirements, as directed by the City, the existing Badge privileges of that Airline Party may be suspended.

(ii) In order to work on Airport property, an employee must have a valid and active Badge allowing access to that employee's work area. Employees who have their Badge privileges revoked or suspended may not be escorted on Airport property.

(iii) Airline will be assessed a reasonable fine for each Badge that is lost, stolen, unaccounted for, or not returned to the City at the time of Badge expiration, employee termination, termination of the Agreement, or upon written request by the City. This fine will be paid by Airline within fifteen (15) days from the date of invoice. The fine is subject to change without notice.

(iv) If any Airline employee is terminated or leaves Airline's employment, the City must be notified immediately, and the employee's Badge must be returned to the City promptly.

ARTICLE 17
MISCELLANEOUS PROVISIONS

Section 17.1 No Partnership or Agency.

Nothing herein contained is intended or shall be construed to in any respect create or establish any relationship other than that of licensor and licensee, and nothing herein shall be construed to establish any partnership, joint venture, or association or to make Airline the general representative or agent of the City for any purpose whatsoever.

Section 17.2 Successors and Assigns Bound.

This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto, subject to the provisions of ARTICLE 14.

Section 17.3 Governing Law.

This Agreement and all disputes arising hereunder shall be governed by the laws of the State of Idaho.

Section 17.4 Severability.

In the event that any covenant, condition, or provision of this Agreement is held to be invalid by any court or agency of competent jurisdiction, the invalidity of such covenant, condition, or provision shall not materially prejudice either the City or Airline in their respective rights and obligations contained in the valid covenants, conditions, or provisions of this Agreement and, except as so modified, this Agreement shall continue in full force and effect.

Section 17.5 Avigation Rights.

The City reserves unto itself, 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 Airport for navigation or flight in the said airspace for landing on, taking off from, or operating at the Airport.

Section 17.6 Taxes.

(a) Airline shall pay all taxes (including any possessory interest tax), assessments, and charges of a like nature, if any, which during the term of this Agreement may be levied or become a lien by virtue of any levy, assessment, or charge by the federal government, the State of Idaho, any municipal corporation, any local government entity, any government successor in authority to the foregoing, or any other tax or assessment levying bodies, in whole or in part, upon or in respect to any personal property belonging to Airline at the Airport. Payment of such taxes, assessments, and charges, when and if levied or assessed, shall be made by Airline directly to the taxing or assessing authority charged with collection thereof.

(b) Airline may, at its own expense, contest the amount or validity of any such tax or assessment directly with the taxing or assessing authority. Airline shall indemnify the City from all taxes, penalties, costs, expenses, and attorney's fees incurred by the City resulting directly or indirectly from all such contests, except where Airline prevails in contesting a tax that is assessed directly by the City.

(c) Upon termination of this Agreement, all lawful taxes then levied or a lien upon any such property or taxable interest therein shall be paid in full by Airline forthwith, or as soon as a statement thereof has been issued by the tax collector if termination occurs during the interval between attachment of the lien and issuance of a statement.

Section 17.7 Subordination to Indenture.

(a) This Agreement and all rights granted to Airline hereunder are expressly subordinate and subject to the lien, covenants and provisions of the pledges, transfer, hypothecation or assignment made by the City in the Indenture. In the event that enforcement of the express terms of this Agreement would result in a breach of the express terms of the Indenture, the provisions of the Indenture shall be deemed to preclude such enforcement.

(b) The City shall have the right in its sole discretion to redeem the Bonds now outstanding or hereafter issued pursuant to the Indenture at any time and from time to time in whole or in part in accordance with the terms of such Bonds, including without limitation the right to defease all outstanding Bonds. In the event that all of the Bonds are defeased and the Indenture is thereby terminated, the City may adopt or enter into another trust indenture or other agreement providing for the issuance of debt secured by Airport revenues and/or Passenger Facility Charges and/or customer facility charges, which debt may be senior or subordinated to other debt issued or to be issued pursuant to such indenture or agreement.

(c) Airline understands that the City is and will be the issuer of Bonds. With respect to Bonds that may be issued in the future, the interest on which is intended to be excludable from gross income of the holders of such Bonds for Federal income tax purposes under the Internal Revenue Code, Airline agrees that it will not act, or fail to act (and will immediately cease and desist from any action, or failure to act), with respect to the use of the Airline Premises, if the act or failure to act may cause the City to be in noncompliance with the provisions of the Internal Revenue Code, nor will Airline take, or persist in, any action or omission which may cause the interest on the tax-exempt Bonds either (i) not to be excludable from the gross income of the holders thereof for Federal income tax purposes; or (ii) to the extent the Bonds were issued as exempt from the alternative minimum tax (the "AMT") to become subject to the AMT for Federal income tax purposes, and Airline elects during the Term of this Agreement not to take depreciation on any portion of the Airline Premises financed with the proceeds of tax exempt Bonds.

(d) In the event that Airport revenues at any time shall be insufficient to pay Debt Service required under the Indenture, Airline agrees that the City shall have the right to require additional payments from the Air Carriers operating at the Airport calculated pursuant to a reasonable and not unjustly discriminatory methodology sufficient to satisfy such Debt Service requirement.

Section 17.8 Subordination to Agreements with the U.S. Government.

Airline agrees that this Agreement shall be subject and subordinate to the provisions of any existing or future agreements between the City and the United States of America, relative to the operation and maintenance of the Airport, the terms and execution of which have been or may be required as a condition precedent to the expenditure by or reimbursement to the City or the County of Federal funds for the development of the Airport ("Grant Assurances"). In the event that this Agreement, either on its own terms or by any other reason, conflicts with or violates any such Grant Assurances, the City has the right to amend, alter, or otherwise modify the terms of this Agreement in order to resolve such conflict or violation. Airline further agrees that it shall not

knowingly cause the City to violate any Grant Assurances made by the City to the Federal Government in connection with the granting of such Federal funds.

Section 17.9 Required Federal Provisions.

Airline acknowledges that the City is required by the FAA under the terms of its Grant Assurances to include in this Agreement certain required contract provisions, included as **Exhibit J** hereto (“Required Federal Provisions”). Airline agrees to comply with the Required Federal Provisions and, where applicable, include the Required Federal Provisions in each of its subcontracts without limitation or alteration. Airline acknowledges that a failure to comply with the Required Federal Provisions constitutes an Event of Default (subject to any applicable notice and cure periods described herein). Airline further acknowledges that the FAA may from time to time amend such required contract provisions and agrees that the City may unilaterally modify the Required Federal Provisions to the extent such modification is necessary to comply with its Grant Assurances by providing Airline with prompt notification of such modification.

Section 17.10 Entire Agreement.

This Agreement, together with all exhibits attached hereto, constitutes the entire agreement between the parties hereto, and all other representations or statements heretofore made, verbal or written, are merged herein.

Section 17.11 Non-Waiver of Rights.

No waiver of default by either party of any of the terms, covenants, or conditions of this Agreement to be performed, kept, and observed by the other party shall be construed to be or act as a waiver of any subsequent default of any of the terms, covenants, and conditions to be performed, kept, and observed by the other party and shall not be deemed a waiver of any right on the part of the other party to cancel this Agreement as provided herein.

Section 17.12 Force Majeure.

Except as herein provided, neither the City nor Airline shall be deemed to be in default hereunder if either party is prevented from performing any of the obligations, other than the payment of rentals, fees, and charges hereunder, by reason of strikes, boycotts, labor disputes, embargoes, shortages of energy or materials, acts of God, pandemic, epidemic, acts of the public enemy, acts of terrorism, weather conditions, riots, rebellion, or sabotage, or other similar circumstances for which it is not responsible or which are not within its control.

Section 17.13 Headings.

The headings of the several articles and sections of this Agreement are inserted only as a matter of convenience and for reference and do not define or limit 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 hereof.

Section 17.14 Non-Exclusive Rights.

Nothing in this Agreement shall be deemed to grant Airline any exclusive right or privilege within the meaning of 49 U.S.C. § 40103(e) or 49 U.S.C. § 40103(a)(4) with respect to activities on the Airport.

Section 17.15 No Third-Party Beneficiaries.

Each of the parties has entered into this Agreement solely for its own benefit. Except as expressly provided herein, this Agreement does not grant to any third person the right to claim damages or to bring any suit, action, or any other proceeding against either City or Airline because of any breach hereof.

Section 17.16 City or Airport Director.

All rights and obligations of the City under this Agreement may be exercised by the Airport Director or the Airport Director's designee, unless expressly otherwise provided herein or by law.

Section 17.17 Amendments.

This Agreement may be amended in whole or in part, with or without further consideration, only in a writing that is executed by duly authorized representatives of each of the Parties hereto.

Section 17.18 Agent for Service.

It is expressly understood and agreed that if Airline is not a resident of the State of Idaho, or is an association or partnership without a member or partner resident of said state, Airline shall appoint an agent for the purpose of service of process in any court action between it and City arising out of or based upon this Agreement. Airline shall immediately, within ten (10) days of execution of this Agreement, notify the City, in writing, of the name and address of said agent. Such service shall be made as provided by the laws of the State of Idaho for service upon a non-resident engaging in business in the state. It is further expressly agreed, covenanted, and stipulated that, if for any reason, such service of process is not possible, as an alternative method of service of process, Airline may be personally served out of the State of Idaho by the registered mailing of such service at the address set forth in Section 17.20.

Section 17.19 No Individual Liability.

No member, director, officer, elected official, or employee of either party shall be charged personally or held contractually liable by or to the other party under any term or provision of this Agreement or breach thereof or because of its or their execution or attempted execution thereof.

Section 17.20 Notice.

All notices requests, consents, and approvals served or given under this Agreement shall be personally delivered or sent via recognized overnight delivery service or registered, certified U.S. mail to:

For the City:

With a copy to:

For Airline:

or to such other person or address as either the City or Airline may hereafter designate by notice to the other in accordance with this Section 17.20. Except as otherwise expressly provided hereunder, any notice or communication under this Agreement shall be deemed to have been given or made: (a) if a messenger or courier service is used, when delivered to or refused by the addressee; (b) if sent by U.S. Mail (certified or otherwise), five (5) days after being deposited in the mails, postage prepaid and properly addressed; and (c) if sent by telecopy, the earlier of (i) actual receipt by addressee and (ii) twenty-four (24) hours after confirmation of transmission.

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[Signature Page(s) to Follow]

IN WITNESS WHEREOF, the parties hereto have subscribed their names the day and year first above written.

CITY OF BOISE CITY:

Mayor

ATTEST:

Boise City Clerk

AIRLINE:

By:

Title:

Notary of Airline Signature:

STATE OF _____ COUNTY OF _____

SIGNED IN BEFORE ME THIS _____ DAY OF _____ 2022

EXHIBIT D

RATES AND CHARGES EXHIBITS

Exhibit D**RATES AND CHARGES EXHIBITS****Boise Airport****D.1 Landing Fee**

Calculation of Landing Fees to be charged for each one thousand pounds of certificated Maximum Gross Landing Weight of aircraft landed at the Airport is determined as described below.

Calculate the sum of the following items:

- The total of direct O&M Expenses, including personnel expenses, for the Airfield Cost Center;
- The total of indirect O&M Expenses (including Airport administrative costs) allocated to the Airfield Cost Center;
- The amount required to increase the O&M Reserve Deposit to an amount equivalent to three (3) months of O&M Expenses for the Airfield Cost Center;
- The total of amortization and depreciation for Airfield Cost Center capital assets¹ funded with unrestricted Airport cash balances, or from net cash flows generated from the operation of the Airport;
- The total of debt service for Airfield Cost Center capital assets funded by Airport revenue bonds (both senior lien and subordinate lien, as applicable); and
- The total of debt service coverage for Airport revenue bond capital assets in the Airfield Cost Center (with coverage calculated at 25% of debt service for senior lien bonds, and coverage calculated at 10% of debt service for subordinate lien bonds).

Deduct the sum of the following items:

- Total of all Landing Fees paid by Non-Signatory Airlines operating at the Airport;
- Total of all fuel flowage fees paid to the Airport;
- Total of all general aviation tiedown fees paid to the Airport;
- Total of airfield charges paid by the National Guard to the Airport; and
- The total of all miscellaneous ramp charges, macerator revenue, and other fees and charges paid to the Airport from the operation of the Airfield Cost Center as defined in this AULA.

The remainder equals the Total Airfield Requirement Before Net Cash Flow Sharing.

The portion of the Net Cash Flow Sharing Pool applied to the Airfield Cost Center is then deducted to calculate the Total Airfield Requirement After Net Cash Flow Sharing.

The Total Airfield Requirement After Net Cash Flow Sharing is then divided by the estimated or actual total landed weight landed by all Signatory Airlines (both passenger Air Carriers and all-cargo Air Carriers)

¹ Amortization is levied on the portion of Capital Outlays as defined in the AULA, which are funded with unrestricted Airport cash balances, or from net cash flows generated from the operation of the Airport. Capital Outlays refers to capital costs in excess of \$10,000 with a useful life of at least one (1) year, in accordance with the City's financial reporting policy.

that are Signatory Airlines), expressed in 1,000-pound units, to determine the Signatory Airline Landing Fee rate per 1,000 pounds of each aircraft landed.

A 15% premium is then applied to the Signatory Airline Landing Fee to obtain the Non-Signatory Airline Landing Fee.

Exhibit D-1 summarizes Non-Airline Revenues, O&M Expenses, and debt service and amortization. Certain of these items are inputs to the calculation of the landing fee. An illustrative calculation of the Landing Fee for the initial Fiscal Year of the Agreement (FY 2023) is shown in Exhibit D-2.

D.2 Terminal Rental Rate

Calculation of the Terminal Rental Rate to be charged per square foot per annum for space used and occupied by the Air Carriers in the Terminal at the Airport is determined as described below.

Calculate the sum of the following items to determine the Total Terminal Requirement:

- The total of direct O&M Expenses, including personnel expenses, for the Terminal Cost Center;
- The total of indirect O&M Expenses (including Airport administrative costs) allocated to the Terminal Cost Center;
- The amount required to increase the O&M Reserve Deposit to an amount equivalent to three (3) months of O&M Expenses for the Terminal Cost Center;
- The total of amortization and depreciation for Terminal Cost Center capital assets funded with unrestricted Airport cash balances, or from net cash flows generated from the operation of the Airport;
- The total of debt service for Terminal Cost Center capital assets funded by Airport revenue bonds (both senior lien and subordinate lien, as applicable); and
- The total of debt service coverage for Airport revenue bond capital assets in the Terminal Cost Center (with coverage calculated at 25% of debt service for senior lien bonds, and coverage calculated at 10% of debt service for subordinate lien bonds).

The Total Terminal Requirement is then divided by the Usable Space of the Terminal, to determine the Terminal Rental Rate Before Net Cash Flow Sharing and Passenger Boarding Bridge Fee Credit (per sq. ft.). This amount is multiplied by Airline rented space in the Terminal to obtain the Terminal Rental Revenue Before Net Cash Flow Sharing and Passenger Boarding Bridge Fee Credit.

Then deduct the following to determine the Total Terminal Requirement After Net Cash Flow Sharing and Passenger Boarding Bridge Fee Credit:

- The portion of the Net Cash Flow Sharing Pool applied to the Terminal Cost Center.
- The total of all Passenger Boarding Bridge Fees paid by the Signatory Airlines not on a non-Per-Turn basis.

The resulting amount is divided by the Airline rented space to determine the Signatory Terminal Rental Rate per square foot.

A 15% premium is then applied to the Signatory Airline Terminal Rental Rate to obtain the Non-Signatory Airline Terminal Rental Rate.

Both the Passenger Signatory Airlines and Passenger Non-Signatory Airlines pay Terminal Rentals per square foot for the space that they occupy within three categories of space – Exclusive Use, Preferential Use, and Joint Use space. The calculation of rentals associated with Joint Use Space is described below in Section D.3.

An illustrative calculation of the Terminal rental rate for one Fiscal Year (FY 2023) is shown in Exhibit D-3.

D.3 Joint Use Terminal Rentals

Passenger Signatory Airlines are assessed rentals for the use of Joint Use Space in the Terminal as described below.

- The Joint Use Space Requirement is calculated as the Terminal rental rate multiplied by total Joint Use Space, less a credit for Common Use Facility (Per Turn) Fees generated from the Non-Signatory Airlines;
- Fifteen percent (15%) of the Joint Use Space requirement is distributed evenly among all Passenger Signatory Airlines; and
- Eighty-five percent (85%) of the Joint Use Space requirement is distributed based on each Passenger Signatory Airline's estimated or actual share of total estimated or actual Signatory Airline passengers.

D.4 Common Use (Per Turn) Fees

Common Use Facility (Per-Turn) Fees relate to Passenger Air Carrier aircraft operations at the Terminal which are not occurring at that Airline's preferentially occupied gates (*i.e.*, either on another Air Carrier's preferentially assigned Gate, or on a Common Use Gate).

Three separate Per-Turn fees are established, related to the type of facilities an Air Carrier uses for any given aircraft Turn:

- Per-Turn fee for an aircraft operation involving the use of Ticket Counters (a minimum of two Ticket Counter positions per operation are included in the Per Turn Fee for Ticket Counters; Airlines may utilize and pay for additional Ticket Counter positions for a given operation).
- Per-Turn fee for an aircraft operation involving the use of a Holdroom.
- Per-Turn fee for an aircraft operation by a Non-Signatory Airline for its use of Joint Use Space.

In the case of the Holdroom, Ticket Counter, and Joint Use fee categories, an Annual Turn Requirement is calculated based on the number of applicable square feet for each of these facility categories, multiplied by the Terminal rental rate per square foot. The Per-Turn fee for each category is calculated as the Annual Turn Requirement for each category, divided by the Annual Turns of all Passenger Airlines.

Where applicable, for Non-Signatory Airlines operations, a 15% premium is added to the Signatory Airline Per Turn Fee.

For operations involving aircraft with 100 seats or less, a 50% reduction will be applied to the Per Turn fee.

An illustrative calculation of the Common Use Facility (Per-Turn) Fees for FY 2023 are shown in Exhibit D-5.

D.5 Passenger Boarding Bridge Fees

A fee of **\$25** shall be payable by each Signatory Airline for the use of a Passenger Boarding Bridge on its own preferentially leased gate(s) with a five times a day average PBB cap or five times a day average cap on Common use gates (HR & PBB). The \$25 fee shall be in effect for FY 2023, and shall be subject to adjustment annually on October 1st of each year based on the change in the CPI-U index for the Boise MSA for the most recently available month compared to the same month in the prior year.

Where applicable, for Non-Signatory Airlines operations, a 15% premium is added to the Passenger Boarding Bridge Fee with no cap.

D.6 Aircraft Parking and Remain Over Night (Ramp) Fees

The following schedule of charges shall be levied on Signatory Airlines for the parking of its aircraft for a period of more than two hours at any location on the Airport, except on its own preferentially assigned gates or any leased ramp area that the Signatory Airline (or an affiliated carrier) leases pursuant to other agreements with the City. These charges are not levied on a Signatory Airline when parking its aircraft on its own preferentially assigned gates.

Aircraft Wingspan:

100 ft or less: \$20/day, max \$400/month

101 to 120 ft: \$25/day, max \$500/ month

More than 120 ft: \$50/day, max \$1,000/month

This fee structure shall be in effect for FY 2023, and shall be subject to adjustment annually on October 1st of each year based on the change in the CPI-U index for the Boise MSA for the most recently available month compared to the same month in the prior year.

Non-Signatory Airlines shall be levied a 15% premium to these fees (with no monthly maximum) for aircraft parking.

D.7 Airport Net Cash Flow Sharing

The Airport shall establish annually a Net Cash Flow Sharing Pool derived from certain activities on the Airport, as described in Section 1.1 of this Agreement, with a portion of the Revenues included therein to be retained by the Airport ("Airport Share") and a portion to be shared by the Airport with the airlines to reduce Airline Rentals, Fees, and Charges in the Airfield and Terminal Cost Centers ("Airline Share"). The Net Cash Flow Sharing Pool shall be shared with the airlines by the Airport in each Fiscal Year as follows:

| | BASE CONTRACT YEAR | | | OPTIONAL EXTENSION YEAR | |
|---------------|--------------------|---|---|---|--|
| | FY 2023 | FY 2024 | FY 2025 | FY 2026 * | FY 2027* |
| Airport Share | 50% | 1 st \$1 Million then 50% | 1 st \$1 Million then 50% | 1 st \$1 Million then 50% | 1 st \$1 Million then 50% |
| Airline Share | 50% | 50% After Airport's \$1 Million, Subject to \$6 Million Cap | 50% After Airport's \$1 Million, Subject to \$6 Million Cap | 50% After Airport's \$1 Million, Subject to \$6.5 Million Cap | 50% After Airport's \$1 Million, Subject to \$6.75 Million Cap |

** In the event that the optional extension years (FY 2026 and FY 2027) of this Agreement are not entered into, then the split of the Net Cash Flow Sharing Pool between the Airport and airlines shown for those years would not necessarily apply. In the event that the Agreement is temporarily held over after September 30, 2027, or there is a mutually agreed-to extension, the same level of Net Cash Flow Sharing allocation would remain in effect for the temporary holdover, or extension, period.*

An illustrative calculation of the Net Cash Flow Sharing Pool, and allocation between Airline Share and Airport Share for FY 2023 is shown in Exhibit D-4.

D.8 Procedures for Setting Fiscal Year Fees and Charges and Reconciling Fees to Actual

The Landing Fee, Terminal rental rate, and other fees and charges to be paid by the airlines (both Signatory Airlines and Non-Signatory Airlines) for a given Fiscal Year is determined by the Airport before the Fiscal Year commences based on forecast and projected activity, expense, and revenue estimates for that Fiscal Year. Following the completion of a Fiscal Year, the Landing Fee and Terminal Rental Rate for the Signatory Airlines shall be recalculated and reconciled (“trued up”) for that Fiscal Year based on actual activity, expense, and revenue data. There shall be no reconciliation (“true up”) for the Non-Signatory Airlines.

Aircraft Parking/Ramp fees, Per Turn fees, and Passenger Boarding Bridge fees shall be set at the start of a Fiscal Year but shall not be trued up based on actual activity during the Fiscal Year. Associated revenues shall be credited against the Airfield Cost Center and Terminal Cost center cost base, as applicable, for the calculation of the Landing Fee and Terminal Rental Rate.

D.9 Airline Fees and Charges for FY 2023

The revised methodology and structure of Airline Rentals, Fees and Charges described herein shall become effective on January 1, 2023. For the period through December 31, 2022, the Airlines shall continue to pay fees and charges in accordance with the FY 2022 rates and charges schedule currently in effect.

However, the reconciliation (“true up”) of FY 2023 fees and charges shall be undertaken on a full 12-month basis, when full FY 2023 expense, revenue, and activity data is available following the conclusion of FY 2023.

EXHIBIT D-1

(for illustrative use as part of AULA documentation)

**NON-AIRLINE OPERATING REVENUES,
OPERATING EXPENSES, AND DEBT SERVICE
City of Boise, Idaho
Boise Airport**

(for the fiscal years ending September 30; in thousands)

| | <u>2023</u> |
|--|------------------|
| Non-Airline Revenues | |
| Parking | \$ 12,068 |
| Rental Car | 7,281 |
| Concessions | 2,419 |
| Industrial Land Rental* | 2,330 |
| Non-Airline Terminal Rentals | 726 |
| Transportation Network Companies | 357 |
| Advertising | 457 |
| Security | 270 |
| Other | <u>3,053</u> |
| Total Non-Airline Revenues | \$ 28,962 |
| Tenant Reimbursements | 196 |
| Interest Income - Reserves | <u>756</u> |
| Total Non-Airline Revenues | \$ 29,914 |
| <hr/> | |
| O&M Expenses By Line Item | |
| Personnel Services | \$ 14,270 |
| O&M Expenses | <u>20,514</u> |
| Total O&M Expenses | \$ 34,784 |
| | |
| O&M Expenses By Cost Center | |
| Airfield | \$ 12,698 |
| Ground Transportation and Other Areas | 5,268 |
| Industrial Areas | 302 |
| Terminal | <u>16,517</u> |
| Total O&M Expenses | \$ 34,784 |
| <hr/> | |
| Debt Service by Series | |
| Senior | |
| Series 2021 Bonds | \$ 699 |
| Subtotal Senior | \$ 699 |
| Subordinate 2015 Bonds | <u>792</u> |
| Total Debt Service | \$ 1,491 |
| Less: PFC Revenues Applied to Debt Service | <u>-</u> |
| Total Debt Service Less PFC Revenues | \$ 1,491 |
| | |
| Debt Service by Cost Center | |
| Administration | \$ - |
| Airfield | - |
| ARFF | - |
| Ground Transportation and Other Areas | 1,491 |
| Industrial Areas | - |
| Terminal | <u>-</u> |
| Total Debt Service | \$ 1,491 |
| <hr/> | |
| Rate Base Amortization by Cost Center | |
| Airfield | \$ 1,652 |
| Terminal | <u>1,733</u> |
| Total | \$ 3,385 |

EXHIBIT D-2

(for illustrative use as part of AULA documentation)

LANDING FEE CALCULATION

City of Boise, Idaho

Boise Airport

(for the fiscal years ending September 30; in thousands except rates)

| | <u>2023</u> |
|--|------------------|
| Airfield Requirement | |
| O&M Expenses | \$ 12,698 |
| Debt Service Plus Coverage | - |
| O&M Reserve Deposit | - |
| Bond Reserve Fund Deposit | - |
| Airport-Funded Depreciation / Amortization | <u>1,652</u> |
| Subtotal Airfield Requirement | \$ 14,350 |
| Less: Non-signatory Landing Fees | (448) |
| Less: Fuel Flowage Fees | (244) |
| Less: Tie-Down Fees | (35) |
| Less: Ramp Fees | (138) |
| Less: National Guard Joint Use Fees | (175) |
| Less: Miscellaneous Revenue | <u>(38)</u> |
| Total Airfield Requirement Before Net Cash Flow Sharing | \$ 13,272 |
| Projected Signatory Airline Landed Weight (1000 lbs) | <u>2,972</u> |
| Average Airline Landing Fee Before Net Cash Flow Sharing (per Unit) | \$ 4.47 |
| Projected Signatory Airline Landed Weight (1000 lbs) | <u>2,972</u> |
| Airline Landing Fee Revenue Before Net Cash Flow Sharing | \$ 13,272 |
| Net Cash Flow Sharing | <u>(5,705)</u> |
| Total Airfield Requirement After Net Cash Flow Sharing | \$ 7,567 |
| Projected Signatory Airline Landed Weight (1000 lbs) | <u>2,972</u> |
| Signatory Landing Fee (per Unit) | \$ 2.55 |
| Non-signatory Premium | <u>1.15</u> |
| Non-Signatory Landing Fee (per Unit) | \$ 2.93 |

EXHIBIT D-3

(for illustrative use as part of AULA documentation)

TERMINAL RENTAL RATE CALCULATION

City of Boise, Idaho

Boise Airport

(for the fiscal years ending September 30; in thousands except rates)

| | <u>2023</u> |
|---|------------------|
| Terminal Requirement | |
| O&M Expenses | \$ 16,517 |
| Debt Service Plus Coverage | - |
| O&M Reserve Deposit | - |
| Bond Reserve Fund Deposit | - |
| Airport-Funded Depreciation / Amortization | 1,733 |
| Total Terminal Requirement | \$ 18,249 |
| Useable Space | 379 |
| Terminal Rental Rate Before Net Cash Flow Sharing and PBB Fee Credit (per sq. ft.) | \$ 48.19 |
| Airline Rented Space | 113 |
| Terminal Rental Revenue Before Net Cash Flow Sharing and PBB Fee Credit | \$ 5,449 |
| Net Cash Flow Sharing | (1,426) |
| Passenger Boarding Bridge (PBB) Fee Credit | (301) |
| Total Terminal Requirement After Net Cash Flow Sharing and PBB Fee Credit | \$ 3,722 |
| Airline Rented Space | 113 |
| Signatory Terminal Rental Rate (per sq. ft.) | \$ 32.92 |
| Non-signatory Premium | 1.15 |
| Non-signatory Terminal Rental Rate (per sq. ft.) | \$ 37.85 |

EXHIBIT D-4

(for illustrative use as part of AULA documentation)

FY 2023 PER TURN FEE CALCULATIONS

City of Boise, Idaho

Boise Airport

(for the fiscal years ending September 30; in thousands except CPE)

| | <u>Ticket Counter*</u> | <u>Holdroom</u> | <u>Joint Use</u> |
|---|------------------------|---------------------|---------------------|
| Total Space by Type | 11,369 | 30,530 | 63,705 |
| Terminal Rental Rate | \$ 32.92 | \$ 32.92 | \$ 32.92 |
| Annual Turn Requirement | \$ 374,247 | \$ 1,004,950 | \$ 2,096,990 |
| Annual Use Assumptions | | | |
| Number of Holdrooms | 23 | 23 | 23 |
| Average Turns per Day per Gate | 2.8 | 2.8 | 2.8 |
| x 365 days | <u>365</u> | <u>365</u> | <u>365</u> |
| Annual Uses | 23,689 | 23,689 | 23,689 |
| Signatory Per Turn Fee | \$ 15.80 | \$ 42.42 | |
| Reduction for Aircraft with 100 seats or less | <u>50%</u> | <u>50%</u> | |
| Signatory Per Turn Fee (100 seats or less) | \$ 7.90 | \$ 21.21 | n.a. |
| Non-signatory premium | 1.15 | 1.15 | 1.15 |
| Non-signatory Per Turn Fee | \$ 18.17 | \$ 48.79 | \$ 101.80 |
| Reduction for Aircraft with 100 seats or less | <u>50%</u> | <u>50%</u> | <u>50%</u> |
| Non-signatory Per Turn Fee (100 seats or less) | \$ 9.08 | \$ 24.39 | \$ 50.90 |

* Represents cost of one ticket counter position; a minimum of two Ticket Counter positions per operation are included in the Per Turn Fee for Ticket Counters; Airlines may utilize and pay for additional Ticket Counter positions for a given operation.

** Assumes two ticket counter positions.

EXHIBIT D-5

(for illustrative use as part of AULA documentation)

APPLICATION OF REVENUES AND NET CASH FLOW SHARING

City of Boise, Idaho

Boise Airport

(for the fiscal years ending September 30; in thousands except CPE)

| | 2023 |
|---|------------------|
| Revenues Before Net Cash Flow Sharing | |
| Airline Revenues | \$ 20,321 |
| Less Cargo Landing Fees | (1,613) |
| Net Cash Flow Sharing | (7,131) |
| Revenues for CPE Calculation | \$ 11,576 |
| Enplanements | 2,194 |
| CPE | \$ 5.28 |
| Other Aviation Revenues | 2,117 |
| Nonairline Revenues | 28,962 |
| Interest Income and Miscellaneous | 952 |
| Total Revenues Before Net Cash Flow Sharing | \$ 52,351 |
| Uses | |
| O&M Expenses | \$ 34,784 |
| Debt Service | 1,491 |
| Less: PFC Revenues Applied to Debt Service | - |
| Total Uses | \$ 36,275 |
| Net Cash Flow Before Net Cash Flow Sharing | \$ 16,075 |
| Plus: Industrial Area Expenses | 302 |
| Less: Industrial Land Rental Revenues | (2,114) |
| Net Cash Flow Sharing Pool | \$ 14,263 |
| Airport Allocation before Net Cash Flow Sharing Percentages Applied | - |
| Remaining Amount to be Split 50/50 | \$ 14,263 |
| 50/50 Split of Remaining Net Cash Flow Sharing | 7,131 |
| Net Cash Flow Sharing - Dollars | |
| Airport | \$ 7,131 |
| Airline | 7,131 |
| Total | \$ 14,263 |
| Airline Net Cash Flow Sharing by Airline Cost Center | |
| Airfield | \$ 5,705 |
| Terminal | 1,426 |
| Total | \$ 7,131 |
| Net Cash Flow to Airport | |
| Airport Net Cash Flow Share | \$ 7,131 |
| Less: Industrial Area Expenses | (302) |
| Plus: Industrial Land Rental Revenues | 2,114 |
| Total | \$ 8,944 |

| AIRLINE RATES AND CHARGES PURSUANT TO THE AIRLINE USE AND LEASE AGREEMENT FOR FY 2023 | | | |
|---|--|----------------------|-------------------------|
| Boise Airport | | | |
| RATES EFFECTIVE AS OF JANUARY 1, 2023 | | | |
| RATE/FEE | Unit | AMOUNTS | |
| | | Signatory Airline | Non-Sig. Airline (1) |
| Landing Fee | Per thousand pounds of landed weight | \$ 2.55 | \$ 2.93 |
| Terminal Rental Rate | Per square foot per year | \$ 32.92 | \$ 37.85 |
| Common Use (Per Turn) Fees Aircraft with More than 100 seats | | | |
| Ticket Counter (2) | Per turn | \$ 15.80 | \$ 18.17 |
| Holdroom | Per turn | 42.42 | 48.79 |
| Facility Fee (for the use of Joint Use space) | Per turn | n.a. | 101.80 |
| Aircraft with 100 seats or less (3) | | | |
| Ticket Counter (2) | Per turn | \$ 7.90 | \$ 9.08 |
| Holdroom | Per turn | 21.21 | 24.39 |
| Facility Fee (for the use of Joint Use space) | Per turn | n.a. | 50.90 |
| Passenger Boarding Bridge Fee (4) | Per turn | \$ 25.00 | \$ 28.75 |
| Aircraft Parking/Remain Overnight (RON) Charges Aircraft with wingspan of 100 ft. or less | Per day (first 2 hours free) With monthly maximum of: | \$ 20.00 400.00 | \$ 23.00 No max. |
| Aircraft with wingspan of 101 to 120 ft. | Per day (first 2 hours free) With monthly maximum of: | \$ 25.00 500.00 | \$ 28.75 No max. |
| Aircraft with wingspan of 121 ft. or more | Per day (first 2 hours free) With monthly maximum of: | \$ 50.00 1,000.00 | \$ 57.50 No max. |
| Joint Use Space Cost Requirements (5) | | | |
| Total Joint Use space (sq. ft.) | | 63,705 | |
| Terminal rental rate (per sq. ft.) | | \$32.92 | |
| Requirement before Joint Use credit | | \$2,096,990 | |
| Less: credit for Non-Sig Facility Fee revenue (6) | | (145,797) | |
| Joint Use Space Requirement for Sig. Airlines | | \$1,951,192 | |
| Fixed share of requirement @15% | | \$292,679 | |
| Variable share of requirement @85% | | 1,658,513 | |
| Joint Use Space Requirement for Sig. Airlines | | \$1,951,192 | |
| Notes: | | | |
| 1. Non-signatory premium over Signatory Airline rates: | | | 15% |
| 2. Represents cost of one ticket counter position; a minimum of two Ticket Counter positions per operation are included in the Per Turn Fee for Ticket Counters; Airlines may utilize and pay for additional Ticket Counter positions for a given operation. | | | |
| 3. Per Turn fee reduction for Aircraft with 100 seats or less: | | | 50% |
| 4. Passenger Boarding Bridge Fee shall be payable by each Signatory Airline for the use of a Passenger Boarding Bridge on its own preferentially leased gate(s) with a five times a day average PBB cap or five times a day average cap on Common use gates (HR & PBB). Where applicable, for Non-Signatory Airlines operations, a 15% premium is added to the Passenger Boarding Bridge Fee with no cap. | | | |
| 5. Fixed share of Joint Use requirement spread equally between Sig. Airlines: | | | 15% |
| Variable share allocated by market share of all Signatory Airlines' enplaned passengers: | | | 85% |
| 6. The credit for Non-Sig Facility Fee revenue will vary based on the mix of signatory status of Airlines serving the Airport. | | | |
| n.a. = Not applicable. | | | |



BOISE AIRPORT

MAYOR: Lauren McLean | DIRECTOR: Rebecca Hupp, A.A.E.

VIA EMAIL AND CERTIFIED MAIL

September 9, 2025

ADDRESS

RE: AULA One Year Extension Agreement to 9/30/2026

Dear **insert**,

As you are aware, the Boise Airport Airline Use and Lease Agreement (AULA) between the city of Boise City and **insert airline name** ("Airline") is scheduled to expire as of September 30, 2025. By execution of this letter agreement ("Extension Agreement"), the City and Airline each agree to extend the terms of the AULA for one (1) additional year, ending September 30, 2026, on all of the same terms and conditions therein.

If Airline agrees to this extension, please execute this Extension Agreement by signing below and returning a scanned or electronically signed copy via email to kwatkins@cityofboise.org. Delivery by email shall constitute valid execution and acceptance of the terms herein.

By agreeing to the extension, the City and Airline each acknowledge and agree that this one-year extension is intended to be made in accordance with Section 2.4 of the AULA. Nothing in this Extension Agreement is intended to waive, alter, or amend Section 2.5, or any other provision, of the AULA.

If the City does not receive an executed Extension Agreement by September 30, 2025, the AULA shall terminate as of that date and Airline's holdover will be governed by Section 2.6, *Holding Over* , of the AULA.

We look forward to our continued partnership.

[signatures follow below]

BOISE CITY, DEPARTMENT OF AVIATION:

Airport Director - Rebecca Hupp

AIRLINE:

By executing this letter agreement, the undersigned Airline representative represents and warrants that they are duly authorized to execute such letter agreement on behalf of Airline.

By: _____

Title: _____

Date: _____

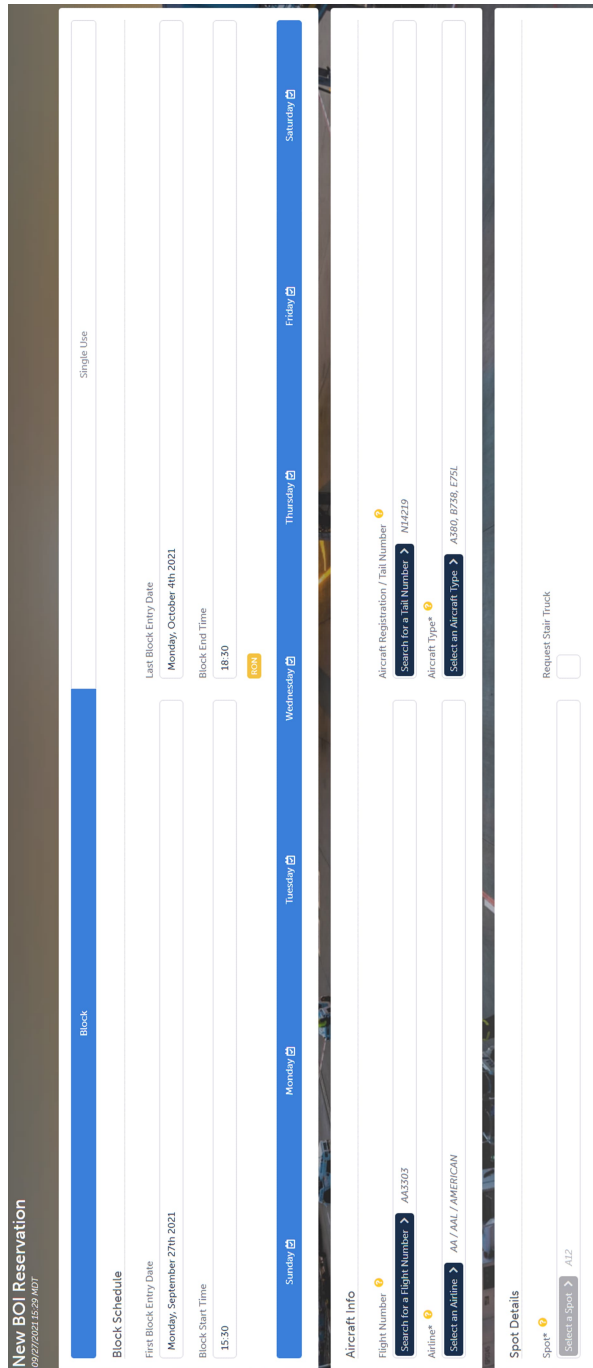
Cc: Kathleen Watkins, kwatkins@cityofboise.org
Dave Varn, dvarn@cityofboise.org



APPENDIX B

SAMPLE OUTPUT FROM "GoApron" SOFTWARE

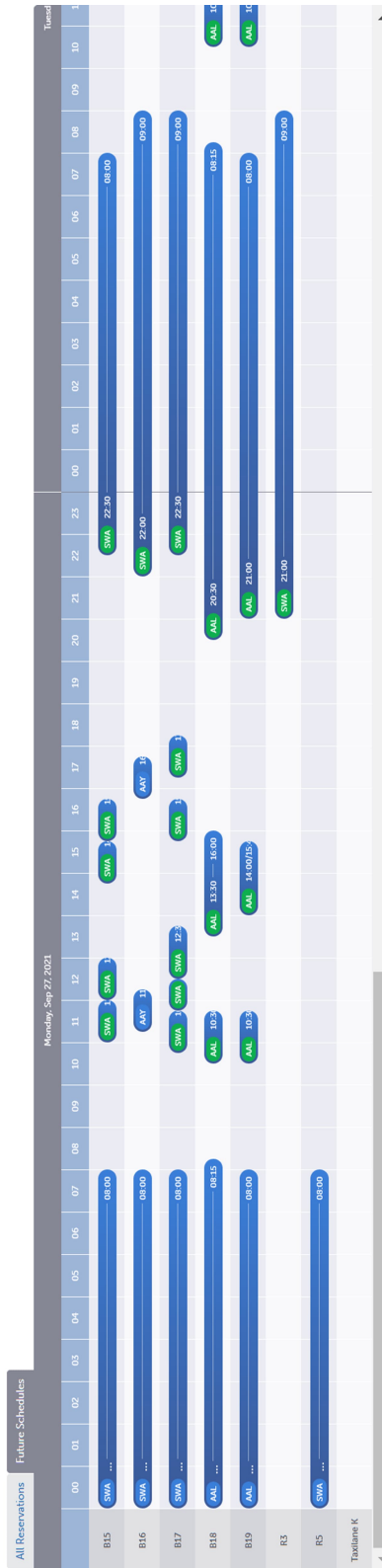
The pictures below show four sample screen shots from the GoApron software, which is used by the Airport to manage its gate capacity and utilization.



This screenshot shows the creation of a new reservation at either a Gate or RON position.

| All Reservations | Future Schedules | | | | | | | | | | | | | |
|------------------|------------------|-------------|-------------------|---------------------|---------------|-----------------------------------|-----------------------------------|-----------|--------|-----------------------|----------|------------------|--------------|---------------------------|
| Gate / Spot | Airline | Operated By | Flight Designator | Registration / Tail | Aircraft Type | Reservation Start | Reservation End | Stay Type | Status | Stair Truck Requested | Comments | Block | Reserved By | Last Reviewed / Edited By |
| B18 | AAL | - | TBD | TBD | A320 | Sun, Sep 05, 09:21 20:30 (MOT) | Mon, Sep 27, 09:21 08:15 (MOT) | RON | ● | X | - | Block AAL-B18-5 | Frank L. | - |
| B19 | AAL | - | TBD | TBD | A320 | Sun, Sep 05, 09:21 21:00 (MOT) | Mon, Sep 27, 09:21 08:00 (MOT) | RON | ● | X | - | Block AAL-B19-10 | Frank L. | Zack T. |
| B5 | SWA | - | WN5201* | TBD | B737 | Sun, Sep 05, 09:21 22:00 (MOT) | Mon, Sep 27, 09:21 08:00 (MOT) | RON | ● | X | - | Block SWA-B5-2 | Liselotte R. | Michael O. |
| B15 | SWA | - | WN3616* | TBD | B738 | Sun, Sep 05, 09:21 22:30 (MOT) | Mon, Sep 27, 09:21 08:00 (MOT) | RON | ● | X | - | Block SWA-B15-43 | Liselotte R. | - |
| B16 | SWA | - | WN2233* | TBD | B737 | Sun, Sep 05, 09:21 23:00 (MOT) | Mon, Sep 27, 09:21 08:00 (MOT) | RON | ● | X | - | Block SWA-B16-16 | Liselotte R. | Michael O. |
| B17 | SWA | - | WN5425* | TBD | B738 | Sun, Sep 05, 09:21 23:30 (MOT) | Mon, Sep 27, 09:21 08:00 (MOT) | RON | ● | X | - | Block SWA-B17-50 | Liselotte R. | - |
| B19 | AAL | - | TBD | TBD | A320 | Mon, Sep 27, 2021 10:30 (MOT) | Mon, Sep 27, 2021 11:45 (MOT) | Day Use | ● | X | - | Block AAL-B19-11 | Frank L. | Zack T. |
| B18 | AAL | - | TBD | TBD | A320 | Mon, Sep 27, 2021 10:30 (MOT) | Mon, Sep 27, 2021 11:45 (MOT) | Day Use | ● | X | - | Block AAL-B18-6 | Frank L. | - |
| B17 | SWA | - | WN4001* | TBD | B737 | Mon, Sep 27, 2021 10:45 (MOT) | Mon, Sep 27, 2021 11:45 (MOT) | Day Use | ● | X | - | Block SWA-B17-51 | Troy T. | - |
| B15 | SWA | - | WN5448* | TBD | B738 | Mon, Sep 27, 2021 11:00 (MOT) | Mon, Sep 27, 2021 12:00 (MOT) | Day Use | ● | X | - | Block SWA-B15-44 | Troy T. | - |

This screenshot shows a spreadsheet view of the current reservations submitted via GoApron at the Airport.



This screenshot shows is a graphical reservations of the current reservations submitted via GoApron at the Airport.

| All Aircraft Type Usages | | All Passenger Usages | | All Cargo Usages | | | | | | | | | | | | | |
|--------------------------|---------------|----------------------|-------------|------------------|----------------------|--------------------|-------------|-------------|-------------|-------------|-------------|--------------|--------|------------|--|--|--|
| Date | Airline | Flight | Operated By | Aircraft Type | Number of Departures | Number of Landings | MDTW | MDTOW | MDLW | MDFW | MTW | Generated By | Editor | Notes | | | |
| Sep 01, 2021 | DAL | DJ2903 | | A321 / 321 | 1 | 1 | 207,000 lbs | 206,100 lbs | 171,500 lbs | 162,700 lbs | 162,700 lbs | SYSTEM | | Auto ge... | | | |
| Sep 01, 2021 | UPS | 5X648 | | A306 / A86 | 1 | 1 | 365,740 lbs | 363,760 lbs | 304,230 lbs | 286,600 lbs | 286,600 lbs | SYSTEM | | Auto ge... | | | |
| Sep 01, 2021 | UPS | 5X398 | | B763 / 76Y | 1 | 1 | 409,000 lbs | 408,000 lbs | 326,000 lbs | 309,000 lbs | 309,000 lbs | SYSTEM | | Auto ge... | | | |
| Sep 01, 2021 | FDX | FXJ495 | | A306 / A86 | 1 | 1 | 365,740 lbs | 363,760 lbs | 304,230 lbs | 286,600 lbs | 286,600 lbs | SYSTEM | | Auto ge... | | | |
| Sep 01, 2021 | FDX | FXJ859 | | B732 / 73F | 1 | 1 | 251,000 lbs | 250,000 lbs | 210,000 lbs | 200,000 lbs | 200,000 lbs | SYSTEM | | Auto ge... | | | |
| Sep 01, 2021 | WAE | WAE41 | | C-402 | 1 | 1 | 6,850 lbs | 6,850 lbs | 6,850 lbs | | | SYSTEM | | Auto ge... | | | |
| Sep 01, 2021 | TBD / Charter | N259RT | | C28A / CNJ | 1 | 1 | 12,625 lbs | 12,500 lbs | 11,525 lbs | 9,700 lbs | 9,700 lbs | SYSTEM | | Auto ge... | | | |
| Sep 01, 2021 | EJA | EJA993 | | E59P / EPS | 1 | 1 | 18,078 lbs | 17,948 lbs | 16,865 lbs | 15,999 lbs | 15,999 lbs | SYSTEM | | Auto ge... | | | |
| Sep 01, 2021 | TBD / Charter | N328DV | | C28B / CNJ | 1 | 1 | 14,070 lbs | 13,870 lbs | 12,750 lbs | 10,672 lbs | 10,672 lbs | SYSTEM | | Auto ge... | | | |
| Sep 01, 2021 | TBD / Charter | N18PCR | | C750 / CN7 | 1 | 1 | 36,000 lbs | 35,700 lbs | 31,800 lbs | 24,400 lbs | 24,400 lbs | SYSTEM | | Auto ge... | | | |
| Sep 01, 2021 | ASA | AS2453 | OXE | DH8D / DH4 | 1 | 1 | 64,700 lbs | 64,500 lbs | 61,750 lbs | 57,000 lbs | 57,000 lbs | SYSTEM | | Auto ge... | | | |
| Sep 01, 2021 | DAL | DJ3550 | SKW | E75L / E7W | 1 | 1 | 83,026 lbs | 82,673 lbs | 74,957 lbs | 69,886 lbs | 69,886 lbs | SYSTEM | | Auto ge... | | | |
| Sep 01, 2021 | ASA | AS2322 | OXE | DH8D / DH4 | 1 | 1 | 64,700 lbs | 64,500 lbs | 61,750 lbs | 57,000 lbs | 57,000 lbs | SYSTEM | | Auto ge... | | | |
| Sep 01, 2021 | UAL | UAS306 | SKW | CRJ2 / CRJ2 | 1 | 1 | 53,250 lbs | 53,000 lbs | 47,000 lbs | 44,000 lbs | 44,000 lbs | SYSTEM | | Auto ge... | | | |
| Sep 01, 2021 | ASA | AS2002 | OXE | E75S / E7S | 1 | 1 | 85,870 lbs | 85,517 lbs | 74,957 lbs | 69,886 lbs | 69,886 lbs | SYSTEM | | Auto ge... | | | |

This screenshot is an example of flight details (i.e. flight number, aircraft type, aircraft weight specifications etc.)

APPENDIX C
CHAPTER 7.32 OF RULES AND REGULATIONS

a written report of an accident/incident is required by the FAA, a copy of such report shall be submitted to the Airport Director at the same time.

7.32 GATE USE AND ASSIGNMENT POLICY: EFFECTIVE 01/01/2023

Section 1. Definitions

- 1.01. **Accommodating Airline.** An air carrier that leases a Preferential Use Gate and is accommodating the operations of another air carrier in its Preferential Use Premises pursuant to the terms of the AULA and this Policy.
- 1.02. **Airplane Design Group.** A classification of aircraft based on wingspan and/or tail height (whichever is more restrictive), as published by the FAA in Advisory Circular 150/5300-13 A, *Airport Design*, or any successor publication.
- 1.03. **Airline.** An air carrier providing scheduled or non-scheduled service at the Airport
- 1.04. **Airline Use and Lease Agreement (AULA).** The agreement between the City and the Signatory Airlines under which the Signatory Airlines operate at the Airport and which governs the terms and conditions of such Signatory Airlines' air transportation operations at the Airport.
- 1.05. **Airport.** The Boise Airport (BOI).
- 1.06. **Buffer Period.** The period between a scheduled departure and the next scheduled arrival of an aircraft at the same Gate.
- 1.07. **City.** The City of Boise, Idaho.
- 1.08. **Common Use Gate.** A Gate assigned by the City to an Airline on a common use basis in accordance with Article 6 of the AULA.
- 1.09. **Existing Scheduled Service.** Flight service to/from a city pair already served by that Airline, within thirty (30) minutes of the previously scheduled arrival/departure times as compared to the previous year for the same month, with the same or similar equipment type (including aircraft with a higher number of

seats) that does not impact gate assignments.

- 1.10. **Flight Schedule Submissions.** A report, to be submitted in advance by an Airline in accordance with Section 3, providing such detail as the City may reasonably require regarding the Airline's proposed schedule of flights.
- 1.11. **Gate.** The aircraft parking position, apron areas for staging ground service equipment, passenger boarding bridge, if any, and passenger holdroom. Gates may be assigned on a common use or preferential basis according to the terms of the AULA and this Policy.
- 1.12. **Maximum Gate Occupancy Period.** The period for which an Airline may occupy a Gate, in accordance with this Policy and the AULA, and as defined further in the table in Section 4 of this Policy. 2 Boise Airport
- 1.13. **Minimum Buffer Period.** A period of twenty (20) minutes between each scheduled departure and the next scheduled arrival of an aircraft at the same Gate.
- 1.14. **Narrow Body Aircraft.** An aircraft having a single aisle with 100 or more seats.
- 1.15. **New Scheduled Service.** Flight service other than Existing Scheduled Service.
- 1.16. **Non-Signatory Airline.** An Air Carrier that has not executed an Airline Use and Lease Agreement with the City and is operating under a non-signatory operating agreement at the Airport. Non-Signatory and Signatory Airlines must comply with this Policy.
- 1.17. **Policy.** The Boise Airport Policy for Assignment and Use of Common Use Gates.
- 1.18. **Preferential Use Gate.** A Gate assigned by the City to an Airline on a preferential use basis in accordance with Article 6 of the AULA.
- 1.19. **Regional Jet & Commuter Aircraft.** An aircraft with less than 100 seats.

- 1.20. Remain Overnight (RON).** An aircraft flight remaining or scheduled to remain at the Airport, after the end of the service day for that aircraft, typically occurring between the hours of 10:00 p.m. of one day and 6:00 a.m. of the following day.
- 1.21. Requesting Airline.** An air carrier that has requested the use of a Common Use Gate or to be accommodated on another air carrier's Preferential Use Gate pursuant to the terms of the AULA and this Policy.
- 1.22. Scheduled Operation.** An Airline's operation (arrival or departure) that occurs pursuant to a schedule that is published in the Official Airline Guide (OAG) or any successor publication at least sixty (60) days prior to the first day of the month in which Airline's schedule would take effect, and that is also submitted to the City in a Flight Schedule Submission as required under Section 3.
- 1.23. Signatory Airline.** An Air Carrier that executed an Airline Use and Lease Agreement with the City. Signatory and Non-Signatory Airlines must comply with this Policy.

Section 2. Applicability

- 2.01.** This Policy is intended to maximize and facilitate the efficient use of Gates while supporting the equitable treatment of all Airlines. The Policy's procedures will apply to the use by all airlines of Common Use Gates and to the use of Preferential Use Gates such that, when flights cannot be handled on Common Use Gates, the Airline preferentially assigned to such Preferential Use Gate can accommodate flights pursuant to the provisions of Article 6 of the AULA.
- 2.02.** Airlines are expected to accommodate themselves as much as reasonably possible on their Preferential Use Gates before requesting the use of Common Use Gates.
- 2.03.** The City will assign Common Gates to Airlines requesting use of such Gates using the provisions of this Policy. The decisions of the City under this Policy are final.

- 2.04. Airlines must comply with the procedures, rules, and other provisions of this Policy.
- 2.05. Airlines must provide the most accurate and timely information and schedules possible.

Section 3. Gate Scheduling and Assignment Procedures

- 3.01. All Airlines must make Flight Schedule Submissions to the City no later than the first (1st) day of the month, two (2) months prior to the month in which the requested schedule is to become effective. The City will make reasonable efforts to notify Airlines of Gate assignments, including RON authorizations, forty-five (45) days prior to the month in which the requested schedule is to become effective. For example, Airlines must make Flight Schedule Submissions for their requested January schedule on or before November 1.
- 3.02. The Flight Schedule Submission shall be provided to airport operations in electronic format such as Microsoft Word, Excel, or Adobe PDF, via email, readable in International Air Transportation Association (IATA) Standard Schedules Information Manual (SSIM) format, or in a form the City may otherwise reasonably request to allow the information to be compatible with/processed by the City's Gate management software. Airline shall also provide a written summary of any flights requested to be operated on a Gate that Airline does not preferentially lease and the number of RON aircraft that cannot be accommodated at the Airline's Preferential use Gate(s), and Airlines shall separately identify each flight for which the Airline's first preference is a ground-loading location (i.e., not a bridge-equipped Gate).
- 3.03. A Flight Schedule Submission submitted by an Airline shall be deemed to be effective until superseded by another Flight Schedule Submission.
- 3.04. If an Airline requests changes to an already submitted Flight Schedule Submission, then the provisions regarding late schedule submissions in Section 3.05 of this Policy shall apply

to flight(s) for which there is: (i) a change of equipment type that impacts gate assignments, or (ii) a change to the scheduled arrival or departure time that would cause the Buffer Period between such flight and the preceding or succeeding flight at the assigned Gate to be reduced below the Minimum Buffer Period.

3.05. If an Airline requests the use of a Gate with less than the notice required by Section 3.01, such flights will be assigned Gates only after all requests meeting the notice required by required by Section 3.01 have been accommodated.

3.06. If accommodated on a Preferential Use Gate in accordance with the AULA and this Policy, a Requesting Airline shall be accommodated at such Preferential Use Gate for the duration of the requested service, unless:

3.06.A. the Requesting Airline discontinues service during such time;

3.06.B. a Common Use Gate becomes available for the flight during a time that will accommodate the Requesting Airline's requested period of use and aircraft type; or

3.06.C. the Accommodating Airline timely submits a new Flight Schedule Submission that requests the use of its Preferential Use Gate at such a time that the Requesting Airline's service would no longer be able to be accommodated. In such case, the Requesting Airline shall still be guaranteed accommodation at that Preferential Use Gate for a maximum of (3) months from the date the Requesting Airline started the requested service.

Section 4. Maximum Gate Occupancy Periods

4.01. The following Maximum Gate Occupancy Periods apply to all Gates:

| | Aircraft with 100 or less Seats | Aircraft with 100 to 200 Seats | Aircraft with 200 to 250 Seats | Aircraft with 250+ Seats |
|---------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------|
| Originating Flight | 60 Minutes | 60 Minutes | 60 Minutes | 75 Minutes |
| Terminating Flight | 45 Minutes | 60 Minutes | 60 Minutes | 75 Minutes |
| Through Flight | 60 Minutes | 75 Minutes | 100 Minutes | 120 Minutes |

Section 5. Fees for Failure to Relocate from a Gate

5.01. An Airline may, at the City's discretion, be subject to additional fees for its use of Gates if one of the following occurs:

5.01.A. The Airline fails to relocate an aircraft capable of movement from a Common Use Gate by the end of the applicable Maximum Gate Occupancy Period (or such later time as authorized by the City if the Gate is not needed for another flight or was authorized to remain as a RON operation on such Common Use Gate);

5.01.B. The Airline is a Requesting Airline being accommodated at a Preferential Use Gate and exceeds the applicable Maximum Gate Occupancy Period, provided, further, that if such Requesting Airline exceeds such applicable Maximum Gate Occupancy Period at that Preferential Gate three (3) or more times in one calendar year, the Requesting Airline may be required to move its accommodated service to a Common Use Gate or otherwise adjust its schedule such that it can be accommodated on another Gate); or

5.01.C. The Airline fails to vacate a Gate that it has been directed to vacate in accordance with Section 7 of this Policy.

5.02. The fee shall be \$250 for each successive 15-minute period or fraction thereof until the aircraft is moved. After two hours, the fee shall increase to \$500 for each successive 15-minute period. A fee assessed under this paragraph shall not exceed \$3,000 per aircraft per day.

Section 6. Gate Use Priority

6.01. The Gate use priorities in this Section 6 apply to the prioritization of use for (1) Common Use Gates and (2) accommodation at Preferential Gates. For the sake of clarity, an Airline with preferential use rights to a Gate has priority rights over all other Air Carriers for the scheduling of flights at such Gate, subject to the timely schedule submission requirements in this Policy. This Section is meant to resolve conflicts that arise when two or more Air Carriers request the use of a Common Use Gate or accommodation at a Preferential Gate that is not preferentially assigned to such Air Carriers.

6.02. Emergency flights (which, for the sake of clarity, do not mean off-schedule operations) shall have priority over all other flights. Every effort will be made to accommodate an emergency flight on an unassigned Gate or at a Gate which will cause the least impact on the Airlines' operations, including by accommodating such flights at Common Use Gates rather than Preferential Gates if possible.

6.03. The Airport will apply the following primary priorities to assign flights to Common Use Gates (or Preferential Use Gates if multiple Airlines are seeking accommodation) and to resolve any conflicting requests among or between Airlines:

6.03.A. Existing Scheduled Service by Signatory Airlines shall have Level 1 priority.

6.03.B. New Scheduled Service by Signatory Airlines shall have Level 2 priority.

6.03.C. Existing Scheduled Service by Non-Signatory Airlines shall have Level 3 priority.

6.03.D. New Scheduled Service by Non-Signatory Airlines shall have Level 4 priority.

- 6.03.E. Charter, itinerant and other non-scheduled flight operations, including by an Airline that operates scheduled flight operations at the Airport, will be accommodated as Gates are available. Any charter, itinerant or other non-scheduled flight operation is subject to reassignment (as to both Gate and operating time) if Scheduled Operations require accommodation.
- 6.04. Flights having the same priority level shall be assigned to Gates (and conflicts among or between Airlines shall be resolved) in accordance with the following secondary priorities:
- 6.04.A. Flights will be assigned in order of most restrictive Airplane Design Group to least (i.e., in most cases, largest aircraft to smallest); then
- 6.04.B. Flights will be assigned in order of largest seating capacity to smallest; then
- 6.04.C. A through flight will be assigned before a RON aircraft (unless the RON aircraft can be moved off of the Gate after deplaning); then
- 6.04.D. Flights of Airlines offering year-round service will be assigned before flights of Airlines offering seasonal service.
- 6.05. The City shall, to the extent possible and consistent with the primary and secondary priorities provided in this Section 6, assign non-overlapping flights of the same Airline to the same Gate and overlapping flights of the same Airline to adjacent Gates.
- 6.06. The City may, in its sole discretion, permit a RON flight to remain at a Common Use Gate provided that such flight is the last scheduled arrival for that Gate and the first scheduled departure at that Gate the following calendar day.
- 6.07. Subject to availability, the City will assign flights for which a ground-loaded Gate is requested to a ground-loaded Gate, and otherwise assign the flight to a passenger boarding bridge-equipped Gate. In the event that a flight for which a ground-

loaded Gate was requested can only be accommodated at a passenger boarding bridge-equipped Gate, the Airline shall be responsible for all rates and fees for such passenger boarding bridge-equipped Gate that is used by the Airline.

Section 7. Off-Schedule and Irregular Operations (IROPs)

- 7.01. Airlines experiencing an IROP or other off-schedule operation shall first make every attempt to use its Preferential Use Gates, if any, to accommodate such operations, and shall coordinate with other Airlines in good faith to accommodate the IROPs. Airlines shall notify Airport Operations of any voluntary accommodation of IROPs as soon as possible.
- 7.02. In the event that Airlines cannot reach a voluntary accommodation of IROPs, any Airline may request the intervention of Airport Operations. Airport Operations shall make all Gate assignment decisions according to the priority levels listed in Paragraph 6.03, provided that: the City will first make all efforts to accommodate IROPs on Common Use Gates, and Scheduled Operations and charters operating on time will have priority use of Gates that have been previously scheduled for such operations. Airport Operations may in its discretion consider the secondary priorities listed in Paragraph 6.04 or any other factor (e.g., the severity of the flight delay) in making Gate assignment decisions during IROPs.
- 7.03. Airlines operating off-schedule (on Preferential or Common Use Gates) shall make every attempt to minimize their Gate Occupancy Times to avoid impacting other previously scheduled operations.
- 7.04. The City anticipates that there will be circumstances that require moving an aircraft off of a Gate, or relocating an aircraft from one Gate to another or to a remote RON position, in order to allow another operation. The City will make every effort to avoid directing an aircraft to move if it is scheduled to depart within thirty (30) minutes.

Section 8. Facility Management

- 8.01. All Airlines shall conduct their operations on Gates with good judgment and mindful of the operations of other Airlines on the same or other Gates.
- 8.02. All Airlines shall immediately remove ground support equipment (or ensure ground service equipment is in properly marked storage areas and allows the other Airline's necessary equipment to be accommodated at the Gate) following the departure of their aircraft from a Gate where the next scheduled arrival is that of another Airline.
- 8.03. Prior to and after use, Airlines shall ensure the Gate is properly configured for use by their aircraft and is in a safe operating condition for use by others. This includes, but is not limited to, being clear of equipment and foreign object debris (FOD), and that all GPU cords and PC air hoses are properly stowed.

7.33 PREFERENTIAL USE OF CARGO AREA

Article 1. General

Section 1.1 Purpose and Applicability.

The City of Boise City, Idaho (the "**City**"), as owner and operator of the Boise Airport (the "**Airport**") makes available certain areas of the Airport for the parking of air cargo aircraft and the loading and unloading of cargo, freight, and other supplies (the "**Cargo Area**") and leases certain land, buildings and facilities within the Cargo Area for the exclusive use of certain airport tenants for the investment, development and operation of cargo buildings and facilities (the "**Exclusive Cargo Facility Areas**"). All portions of the Cargo Area other than the Exclusive Cargo Facility Areas (the "**Cargo Ramp Areas**") are available to all aeronautical users for the loading and unloading of cargo, freight and other supplies on a non-exclusive basis. The City has granted some tenants and subtenants of the Exclusive Cargo Facility Areas preferential use rights to the Cargo Ramp Areas pursuant to written agreement, and subject to Rules and Regulations providing for its safe and efficient utilization. This Boise Airport Cargo Area Preferential Use Policy (the "**Policy**") sets forth the City's policies and procedures with respect to the assignment, use, and coordination of the Cargo Ramp Areas, in order to maximize the

Required Competition Plan Content
49 USC § 47106(f)
Boise Airport

| Competition Plans must include... | The following information must be provided... | Competition Plan Update Section: |
|-----------------------------------|---|---|
| a. | (1) (2) (3) (4) (5) (6) (7) (8) (9) (10) (11) (12) (13) | I.1 I.1 I.1 I.2 I.3 I.4 I.5 I.7 I.11 I.6, I.8 I.9 I.10 I.12 |
| b. | (1) (2) (3) (4) (5) (6) (7) (8) | II.1 II.2 II.3, II.5 II.4 II.7 II.7 II.6 II.8 |
| c. | (1) (2) (3) (4) (5) (6) (7) | V.1 V.1 V.3, V.4 V.5 V.4 V.6 V.7 |
| d. | (1) (2) (3) | IV.1 IV.2, IV.3 IV.3 |
| e. | (1) (2) (3) (4) | VI.1 VI.1 VI.2 VI.3 |
| f. | (1) (2) (3) | VII.1 VII.2 VII.3 |
| g. | (1) (2) (3) (4) | VIII.2 VIII.2 VIII.3 VIII.4 |
| h. | (1) | X.1 |

See Table W-3 FAA Order 5100.38D, Change 1