

### AIRPORT USE PERMIT

**THIS PERMIT**, issued this \_\_\_\_\_ day of \_\_\_\_\_, 199\_, by and between the [Airport Sponsor (hereinafter referred to as "Authority"), a municipal corporation in the State of [State Name], and \_\_\_\_\_ a corporation organized and existing under and by virtue of the laws of the State of \_\_\_\_\_, and registered to do business in the State of \_\_\_\_\_ [State Name], (hereinafter referred to as "AIRLINE"),

### WITNESSETH:

For and in consideration, of the use of premises at [Airport Name] and other valuable considerations, the parties hereto agree as follows:

#### 1. Airport Use

A. Subject to the terms and provisions hereof and the Rules Regulations of AUTHORITY, AIRLINE shall be entitled to the use, in common with others authorized to do so, of the Airport and appurtenances (together with all facilities, equipment, improvements, and services which have been or may hereafter be provided at or in connection with the Airport for common use) for the sole purpose of Air Transportation. Said use, without limiting the generality hereof, may include:

1. The right to operate an Air Transportation business.
2. The repairing, maintaining, conditioning, servicing, testing, or parking of aircraft or aircraft-related equipment operated by AIRLINE or any other Air Transportation company in designated areas; provided, however, that such right shall not be construed as authorizing the conduct of a separate business by AIRLINE but shall permit AIRLINE to perform such functions only as an incident to its conduct of Air Transportation.
3. The ground training on the Airport of personnel in the service of, or the employ of, or to be employed by AIRLINE; provided that such right shall not be construed as authorizing the conduct of a separate business by AIRLINE but shall permit AIRLINE to perform such functions only as an incident to its conduct of Air Transportation.
4. The sale, lease, transfer, disposal, or exchange of AIRLINE's engines, accessories, and other equipment or supplies; provided, however, that such right shall not be construed (1) to permit AIRLINE to accumulate or store used equipment at the Airport, or (2) to authorize the conduct of a separate business by AIRLINE but shall permit AIRLINE to perform such functions only incidental to the conduct of Air Transportation.
5. The servicing by AIRLINE of aircraft and other equipment operated by AIRLINE or an agent of its choosing on the apron, by truck or otherwise, with aviation fuel, propellants, lubricants, or any other materials or supplies.
6. The right to land, take off, fly, taxi, tow, load and unload aircraft passengers, property and other equipment used by AIRLINE in its conduct of Air Transportation.
7. The right to install and operate AIRLINE identification signs locating AIRLINE's facilities. Such signs shall be consistent with the AUTHORITY's graphic and sign standards and shall be subject to the prior written approval of AUTHORITY and shall comply with all local laws and ordinances.

8. The right to install, maintain, and operate, by AIRLINE along or in conjunction with any other airlines, or through a designee, both air-to-ground communications and communications systems between suitable locations on the Airport, subject to the prior written approval of AUTHORITY.

B. AIRLINE may perform customary fueling, servicing, and line maintenance of aircraft at assigned aircraft parking positions preparatory to loading and takeoff or following landing or unloading. AIRLINE may perform maintenance of aircraft, vehicles, or equipment at places designated by AUTHORITY.

C. Any and all rights and privileges not granted to AIRLINE in this Permit are hereby reserved for and to AUTHORITY.

#### 2. Airport Uses Limitation

Without limiting the generality of such use or limitation, the following uses are prohibited:

A. AUTHORITY may limit or restrict the use of the Airfield Area by any aircraft operated or controlled by AIRLINE which exceeds the design strength or capability of the Airfield Area as described in the current Federal Aviation Administration approved Airport Layout Plan or other engineering evaluations performed subsequent to the current Airport Layout Plan.

B. AIRLINE shall not do or permit to be done anything that may interfere with the effectiveness or accessibility of the drainage, sewage, water, communications, or fire protection systems or any other part of the utility, electrical, or other systems installed or located from time to time at the Airport.

C. AIRLINE shall not, within its reasonable control, do or permit to be done anything either by act or by failure to act that shall cause the cancellation or violates the provisions of the policy of insurance for the Airport or any part thereof or that shall cause a hazardous condition so as to increase the risks normally attendant upon operations permitted by the Permit.

In the event the AUTHORITY shall determine that AIRLINE has done or permitted to be done either by act or failure to act anything that shall cause an increase in the Airport's insurance premiums for insurance for the Airport or any part thereof, the AUTHORITY shall serve written notice to AIRLINE the option to remedy the cause of the increase and upon failure of AIRLINE to remedy the cause of the increase, AIRLINE upon demand by AUTHORITY shall pay the amount of such increase. If such AIRLINE act or failure results in cancellation of any policy, then AIRLINE shall immediately upon notification from AUTHORITY take such action as is necessary to permit reinstatement of said insurance.

D. AIRLINE shall not maintain or operate in the terminals or elsewhere on Airport a cafeteria, restaurant, bar or cocktail lounge for the purpose of selling food or beverages to the public or to its employees and passengers nor shall AIRLINE in any manner otherwise provide for the sale of food and beverages at the Airport. AIRLINE may, by separate agreement, containing terms and conditions determined satisfactory to AUTHORITY engage in the sale of food or beverage at any "V.I.P. Room" or similar private club at the Airport, provided, however, that AIRLINE shall then pay a concession fee to AUTHORITY in addition to the rental charge for the space occupied by such club. Said concession fee shall be equal to the amount of gross sales at such club multiplied by a rate determined according to the highest concession fee schedule paid to AUTHORITY by any concessionaire of similar sales at the Airport. No concession fee will be levied with respect to food and beverage that AIRLINE provides, but does not charge for, at such clubs.

E. AIRLINE shall not store fuel, shall not block the taxiways and shall not park an aircraft in such a manner as to interfere with Airport operations. All refueling trucks must be approved, including their routing and parking, but the AUTHORITY.

3. Term

The term of this Permit shall begin \_\_\_\_\_, and expire \_\_\_\_\_. Any holding over shall be on a month-to-month basis only and subject to all other provisions of this Permit.

4. Landing Fees and Security Charges

The landing fees and FAR 108 security charges shall be established annually by AUTHORITY and published in its Schedule of Rates, Fees and Charges for the Use of Airport Facilities.

5. Payment of Landing Fees and Security Charges

A. AIRLINE shall furnish to AUTHORITY, on or before the thirtieth (30th) day of each month, an accurate verified report, on forms prescribed by the AUTHORITY together with a check in payment of landing fees and security charges for AIRLINE's operations at the Airport during the preceding month. Said report shall include, but shall not be limited to: (1) AIRLINE's total number of Aircraft Arrivals, by type Aircraft, (2) the total number of enplaning and deplaning passengers, and (3) the amount of freight, mail, and other cargo for such month.

B. If AIRLINE fails to furnish AUTHORITY with the report required by paragraph 5A, AIRLINE's Landing Fee shall be determined by assuming that the Total Landed Weight for AIRLINE during the preceding month was 100% of the Total Landed Weight during the most recent month for which such figure is available for AIRLINE. Any necessary adjustment in such Landing Fee shall be calculated after delivery of an accurate report to AUTHORITY by AIRLINE for the month in question, and resulting surpluses or deficits shall be applied to AIRLINE's Landing Fee for the next succeeding month.

C. "Landing Fee" charges and "Security Charges" shall be due on the first of and payable no later than the thirtieth (30th) day of each month for the preceding calendar month of operations. All of the above payments shall be made at the office of the Executive Director, [Airport Name], [Street Address], [City Name], [State Name], [ZIP] or other such place as may hereafter be designated by AUTHORITY.

6. Passenger Facility Charge

The [Airport Sponsor] has established a Passenger Facility Charge (hereinafter referred to as "PFC") in accordance with applicable federal law and regulations. AIRLINE shall collect the PFC and remit the PFC directly to AUTHORITY as provided by law.

7. Records of AIRLINE

A. AIRLINE shall keep and maintain complete and adequate set of records of all the Landing Weights for the use of the Airport and payment of fees required under this Permit, for there(3) years, and shall make such records available for inspection by AUTHORITY or its authorized representative at any and all reasonable hours and times.

B. Each party hereto, at its expense and on reasonable notice, shall have the right from time to time to audit the records and other data of the other party relating to the provisions and requirements hereof, provided such inspection is made during regular business hours.

8. Terminal Complex Space

During the term of this Permit, AIRLINE shall be entitled to the use of that Terminal Complex Space designated in Exhibit D attached hereto and incorporated herein as part of this Permit. AUTHORITY, however, reserves the right at any time during the term of this Permit to reassign, reallocate, or relocate part or all of AIRLINE's Terminal Complex Space. AIRLINE shall not be required to:

A. Incur any expense to relocate its operations to other premises that it does not agree to incur.

B. Accept premises not reasonably adequate based upon conditions at the Airport.

C. Pay at its new location rental rates in excess of that amount that it would have been required to pay in its original Terminal Complex Space.

9. Maintenance and Operations

It is understood and agreed that AIRLINE shall have the following maintenance and repair obligations.

A. Maintenance of Terminal Complex Space

1. AIRLINE shall, at all times, maintain those portions of Terminal Complex Space for which it is responsible in a neat, clean, safe and orderly condition in accordance with Exhibit I.

2. AIRLINE shall make no changes of any nature or character in or additions to Terminal Complex Space without written approval of AUTHORITY. AIRLINE shall submit for approval by AUTHORITY, its plans and specification for any proposed project as well as complying with such other conditions considered by AUTHORITY to be necessary. To prevent the voiding of roof bond(s) and to maintain correct records by AUTHORITY, any penetration of the roof shall be considered a structural change.

3. AIRLINE is responsible for maintaining electric loads within the designed capacity of the system. Prior to any change desired by AIRLINE in the electrical loading which would exceed such capacity, written consent shall be obtained from the Executive Director.

4. AIRLINE shall provide and maintain hand fire extinguisher for the interior of all non-public areas in accordance with applicable safety codes.

5. AIRLINE shall repair, at its cost, or at AIRLINE's option reimburse AUTHORITY for the cost of repairing, replacing, or rebuilding any damages to Terminal Complex Space or other portion of the Terminal Complex caused by the acts or omissions of AIRLINE or its officers or employees or agents. Any repairs made by AIRLINE shall be subject to inspection and approval by AUTHORITY.

6. AIRLINE shall repair, at its cost, or at AIRLINE's option reimburse AUTHORITY for the cost of repairing, replacing, or rebuilding any damages to its Terminal Complex Space that are not specifically caused by the acts or omissions of AUTHORITY or its officers or employees or agents. Any repairs made by AIRLINE shall be subject to inspection and approval by AUTHORITY.

7. AIRLINE shall not erect, maintain or display on the Terminal Complex Space any billboards, banners, advertising, promotion signs or materials without the prior written approval of AUTHORITY. AIRLINE shall keep its ticket counter free of all printer materials except required regulatory signs or conditions of travel and advertising displays. AIRLINE authorizes AUTHORITY to remove any unauthorized materials or displays which are placed in the Terminal Complex Space.

B. Maintenance of Apron Area

1. AIRLINE shall remove to the extent reasonably practicable all of the accumulation of oil and grease caused by AIRLINE's aircraft while operating on the Terminal Complex apron area or the apron area.

2. AIRLINE shall maintain in a neat, clean, and orderly manner the portions of the Terminal Complex Space and the Terminal Complex apron area occupied by AIRLINE's apron service equipment. Piling of boxes, cartons, barrels, pallets, debris, or similar items on or about the Terminal Complex Space or apron area, shall not be permitted.

3. AIRLINE shall paint aircraft apron and parking positions as approved by AUTHORITY in writing to build AIRLINE's ground equipment, aircraft, and passengers, if desired, by AIRLINE or required for proper positioning of the aircraft within designated parking positions. If requested by AIRLINE, the foregoing provisions do not, however, prevent AUTHORITY from painting such markings as it shall deem necessary for aircraft operations.

4. AIRLINE shall maintain the assigned premises in a safe, neat, and attractive condition at all times, and shall pick up and place all trash and debris in sealed bags and shall move such debris to an enclosed trash room until disposed of in a manner acceptable to AUTHORITY.

11. Ownership of Improvements

Upon completion of or installation of any permanent addition or improvement by AIRLINE to its Terminal Complex Space, such permanent addition or improvement shall immediately become the property of AUTHORITY, as owner, subject only to the right of AIRLINE to use same during the term of this PERMIT and shall remain the property of AUTHORITY thereafter with the sole right, title and interest thereto unless otherwise specified in AUTHORITY's approval of the improvement.

12. Liens

AIRLINE shall cause to be removed promptly any and all liens of any nature arising out of or because of any construction performed by AIRLINE or any of its contractors or subcontractors upon AIRLINE's Terminal Complex Space or arising out of or because of the performance of any work or labor by or for it or them on such space, reserving the right to contest in court the validity of any such liens. AIRLINE shall have the right to post an appropriate bond to cover its obligations pursuant to this paragraph.

In the event any person or corporation shall attempt to assert a mechanic's lien against the Terminal Complex Space for improvements made by AIRLINE, AIRLINE shall hold AUTHORITY harmless from such claim, including the cost of defense.

13. Payment of Taxes

AIRLINE shall pay all lawful taxes, assessments, or charges which during the term of this Permit may become a lien or be levied upon any interest in AIRLINE's Terminal Complex Space or any possessory right which AIRLINE might have in or to such Space or any improvements thereof, by reason of its use or occupation thereof or otherwise, reserving to AIRLINE, however, the right to contest, by administrative proceeding, court or otherwise the validity or applicability of any such tax, assessment, or charge. AUTHORITY shall provide such information as requested by AIRLINE as may be required by such proceeding.

14. Vending Machines

AIRLINE shall assure that no amusement vending or self ticketing machines, public pay phones or other machines operated by coins, tokens or credit cards are installed or maintained in or at AIRLINE's Terminal Complex Space except with the prior written permission of AUTHORITY.

15. Interest on Past Due Accounts

There shall be added to all sums due AUTHORITY subsequent to the execution date of the Permit and unpaid, as may be established by AUTHORITY, an interest charge of one and one-half percent (1 1/2%) of the principal sum computed as simple interest. No interest shall be charged upon that portion of any debt which, in good faith, is in dispute. No interest shall be charged upon any account until payment is thirty (30) days overdue, but such interest when assessed thereafter, shall be computed from the due date.

16. Insurance

AIRLINE shall carry public liability insurance with financially responsible underwriters, insuring AIRLINE against liability for bodily injuries (including wrongful death) and damage to property caused by AIRLINE's use, occupancy, activities, or operations by AIRLINE at or on [ Airport Name] or appurtenances thereto, the policy limits thereof to be single limit of \$100,000,000.00 for any one occurrence, bodily injury (including passengers), aircraft liability and property damage liabilities combined. AIRLINE shall name AUTHORITY as an additional insured on all such policies of insurance to the extent AIRLINE is required to indemnify AUTHORITY pursuant to paragraph 16 herein and shall furnish AUTHORITY with certificates issued by the insurance underwriters evidencing the existence of valid policies of insurance as aforesaid. Such certificates shall state that the coverage will not be amended so as to decrease the protection below the limits therein or be subject to cancellation without thirty (30) days written notice to AUTHORITY.

If at any time AIRLINE shall fail to obtain or maintain in force the insurance required herein, AUTHORITY may notify AIRLINE of its intention to purchase such insurance for AIRLINE's account and, if AIRLINE has not delivered evidence of insurance to AUTHORITY before the date on which the current insurance expires, AUTHORITY may effect such insurance by taking out policies in companies satisfactory AUTHORITY, such insurance to be in amounts no greater than those stipulated herein or as may be in effect from time to time. The amount of the premiums paid for such insurance by AUTHORITY shall be payable by AIRLINE upon receipt of AUTHORITY's billing thereof, with interest at the rate of eighteen percent (18%) per year commencing at the date of payment by AUTHORITY.

17. Indemnification

AIRLINE agrees fully to indemnify, defend, save and hold harmless AUTHORITY from and against all claims and actions (and all reasonable expenses incidental to the investigation and defense thereof including reasonable attorney fees) based on or arising out of death or injury to person or persons or damages to property caused by, or arising out of the use, occupancy, activities or operations by AIRLINE at or on [Airport Name] or appurtenances thereto; provided that AIRLINE shall not be liable for any injuries, death, damage, or loss to the extent that such injury, death, damage, or loss is caused by the fault or negligence of AUTHORITY, its agents, or employees; and provided further that AUTHORITY shall give to AIRLINE prompt and reasonable notice of any such claims or actions.

18. Public Address System

AIRLINE agrees that the use of AUTHORITY's public address system will be in accordance with AUTHORITY's written public address system policy. AIRLINE shall not install, cause to be installed, or use any other public address system at the Terminal Complex without the prior approval of AUTHORITY.

19. Employees of AIRLINE

AIRLINE shall require all of its employees, subcontractors, or independent contractors hired by AIRLINE working in view of the public and about the Terminal Complex to wear clean and neat attire and to display appropriate identification.

20. Cancellation

In the event that AIRLINE shall fail to perform, keep and observe any of the terms, covenants or conditions herein contained, AUTHORITY shall give written notice to correct such conditions or cure such default, and if such condition or default shall continue for ten (10) days after receipt of such notice of AIRLINE, AUTHORITY may immediately thereafter terminate this Permit. AIRLINE shall nevertheless remain liable for fees and payments accrued prior to the date of termination. Either party may cancel upon thirty (30) days written notice.

21. Non-Discrimination

AIRLINE for itself, its personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that (1) no person, on the grounds of race, color, or national origin, shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin, shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that AIRLINE shall use the premises in compliance with other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21 Nondiscrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said regulations may be amended.

In the event of breach of any of the above non-discrimination covenants, AUTHORITY shall have the right to terminate this Permit, and hold the same as if said Permit had never been made of issued.

22. Disclaimer of Leasehold Interest

The parties agree that the Permit does not grant AIRLINE a leasehold interest in the Terminal Complex Space occupied or used by AIRLINE and upon termination or cancellation of this Permit for any reason, AIRLINE shall immediately vacate its Terminal Complex Space and restore the space at its expense to its original condition.

23. Paragraph Headings

Paragraph headings contained herein are for convenience in reference only and are not intended to define or limit the scope of any provision of this Permit.

24. Invalid Provision

In the event any covenant, condition, or provision herein contained is held to be invalid by any court of competent jurisdiction, the invalidity of any such covenant, condition, or provision shall, in no way, affect any other covenant, condition, or provision herein contained.

25. Deposit

AIRLINE shall deposit the sum of Two Thousand Dollars (\$2,000.000) with AUTHORITY to insure AIRLINE's faithful compliance with the terms of the Permit. Deposit will be returned to AIRLINE upon termination of this Permit, provided AIRLINE has fully paid all fees and charges due AUTHORITY, pursuant to the terms of this Permit.

26. Notices

Whenever any notice or payment is required by this Permit to be made, given or transmitted to the parties herein, such notice or payment shall be deemed to have been given if enclosed in an envelope with sufficient postage attached to insure delivery, and deposited in the United States mail, addressed to:

AUTHORITY ..... [Executive Director]  
[Airport Sponsor Name]  
[Street Address]  
[City Name] [State Name] [Zip]

AIRLINE .....

or such other place as either party shall in writing designate in the manner herein provided.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed as of the date first above mentioned at [City Name], [State Name].

[Airport Sponsor]

by: \_\_\_\_\_  
President

by: \_\_\_\_\_  
Vice President

by: \_\_\_\_\_  
Secretary

by: \_\_\_\_\_  
Member

by: \_\_\_\_\_  
Member

AUTHORITY

by: \_\_\_\_\_

Title \_\_\_\_\_

AIRLINE