

EC-20-199



CITY OF ALBUQUERQUE

Albuquerque, New Mexico

Office of the Mayor

Mayor Timothy M. Keller

INTER-OFFICE MEMORANDUM

October 19, 2020

TO: Pat Davis, President, City Council

FROM: Timothy M. Keller, Mayor

A handwritten signature in black ink, appearing to be 'TK', is written over the name 'Timothy M. Keller'.

SUBJECT: 10 Tanker Air Carrier Lease and Operating Agreement

Attached for Council action is a copy of the Lease and Operating Agreement between the City of Albuquerque and 10 Tanker Air Carrier ("10 Tanker").

Purpose: Currently, 10 Tanker has a lease for 106,960 SF of Air Cargo Ramp Space.

Council approval of this Lease will allow the Aviation Department to enter into a new lease with 10 Tanker Air Carrier. The new Lease will consolidate the aforementioned ramp space with newly leased space of 21,175 square feet of warehouse/hangar space and 5,836 square feet of office space located in the Sunport 1 Facility.


Term: The Agreement has a ten (10) year initial term. The Agreement allows for two (2) renewal periods of five (5) years each following the initial term.

Revenue Amount: \$175,729.60 per year, escalated annually.

The attached transmittal of the Lease and Operating Agreement is submitted for consideration and action by the City Council.

10 Tanker Air Carrier Lease and Operating Agreement

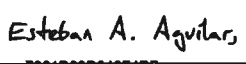
Approved:



Sarita Nair
Chief Administrative Officer

10/23/20
Date

Approved as to Legal Form:

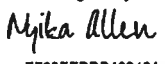
DocuSigned by:


Esteban A. Aguilar, Jr.
City Attorney

10/21/2020 | 10:02 AM MDT
Date

Recommended:

DS
PKP

DocuSigned by:


Nyika A. Allen, C.M.
Director of Aviation

10/20/2020 | 11:14 AM PDT
Date

Cover Analysis

1. What is it?

A lease and operating agreement of warehouse/hangar, office, and ramp space at the Albuquerque International Sunport between the City and 10 Tanker Air Carrier (“10 Tanker”).

2. What will this piece of legislation do?

Currently, 10 Tanker has a lease for 106,960 SF of Air Cargo Ramp Space.

Council approval of this Lease will allow the Aviation Department to enter into a new lease with 10 Tanker Air Carrier. The new Lease will consolidate the aforementioned ramp space with newly leased space of 21,175 square feet of warehouse/hangar space and 5,836 square feet of office space located in the Sunport 1 facility. The Agreement has a ten (10) year initial term. The Agreement allows for two (2) renewal periods of five (5) years each following the initial term.

3. Why is this project needed?

The Lease will allow the Aviation Department to obtain revenue from an existing structure. Obtaining revenue from the leasing of airport properties to offset airport costs is a requirement to obtain grant funds from the Federal Aviation Administration.

4. How much will it cost and what is the funding source?

There is no cost to the City as this is a revenue producing agreement.

5. Is there a revenue source associated with this Plan? If so, what level of income is projected?

The Lease is estimated to generate annual revenue to the Aviation Department of One Hundred Seventy-Five Thousand Seven Hundred Twenty-nine and 60/100 dollars (\$175,729.60) per year, escalated annually per Consumer Price Index, during the initial ten (10) year term.

FISCAL IMPACT ANALYSIS

TITLE: 10 Tanker Air Carrier Sunport 1 Hangar Lease and Operating Agreement

R: O:
FUND: 611

DEPT: 700611

- No measurable fiscal impact is anticipated, i.e., no impact on fund balance over and above existing appropriations.
- (If Applicable) The estimated fiscal impact (defined as impact over and above existing appropriations) of this legislation is as follows:

	2021	Fiscal Years 2022		2023	Total
Base Salary/Wages					-
Fringe Benefits at	-	-	-	-	-
Subtotal Personnel	-	-	-	-	-
Operating Expenses					-
Property	-	-	-	-	-
Indirect Costs	-	-	-	-	-
Total Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
[X] Estimated revenues not affected					
[] Estimated revenue impact					
Revenue from program					0
Amount of Grant		-	-	-	
City Cash Match					
City Inkind Match					
City IDOH		-	-	-	-
Total Revenue	\$ -	\$ -	\$ -	\$ -	\$ -

These estimates do not include any adjustment for inflation.

* Range if not easily quantifiable.

Number of Positions created

COMMENTS:

COMMENTS ON NON-MONETARY IMPACTS TO COMMUNITY/CITY GOVERNMENT:

PREPARED BY:
DocuSigned by:

Joshua Castellano
FISCAL ANALYST
10/20/2020 7:05 PM MDT

APPROVED:
DocuSigned by:

Myika Allen
DIRECTOR
10/20/2020 | 11:14 AM PDT

REVIEWED BY:
DocuSigned by:

Linda Cutler
EXECUTIVE BUDGET ANALYST
10/20/2020 | 2:51 PM MDT

DocuSigned by:

Laura Wood
BUDGET OFFICER
10/20/2020 | 4:15 PM MDT

DocuSigned by:

Christina Brown
CITY ECONOMIST
10/20/2020 | 9:25 AM MDT

**Albuquerque International Sunport
Lease and Operating Agreement
10 Tanker Air Carrier**

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**Albuquerque International Sunport
Lease and Operating Agreement**

10 Tanker Air Carrier

This **Lease and Operating Agreement** ("Agreement") is made and entered into by and between the **City of Albuquerque**, a New Mexico municipal corporation ("City") and **10 Tanker Air Carrier**, a corporation organized and existing under the laws of the state of New Mexico ("Tenant").

In consideration of the rights, privileges, and mutual obligations contained in this Agreement, City and Tenant agree as follows:

Section 1. Recitals.

1.1 City owns and operates through its Aviation Department the Albuquerque International Sunport ("Airport") as shown in **Exhibit A** attached hereto and incorporated herein, located in the County of Bernalillo, State of New Mexico; and

1.2 Tenant desires to lease from City, and City is willing to lease to Tenant, a portion of the existing building located at the Airport, referred to as the Sunport I Facility, and air cargo ramp space; and

1.3 City and Tenant have the right and power to enter into this Agreement.

Section 2. Premises. City, for and in consideration of the rents and fees reserved in this Agreement and each of the covenants, conditions, and agreements set forth in this Agreement to be kept and performed by Tenant, hereby leases to Tenant for its exclusive use, and Tenant leases from City, upon the conditions, covenants, and agreements set forth in this Agreement, all of which Tenant accepts, the "Premises" depicted in **Exhibit B** attached hereto and incorporated herein, comprised of Twenty-one Thousand One Hundred Seventy-five (21,175) sq. ft. of warehouse/hangar space in the Sunport 1 Facility; Five Thousand Eight Hundred Thirty-six (5,836) sq. ft. of office/operational space in the Sunport 1 Facility; and One Hundred Six Thousand Nine Hundred Sixty (106,960) sq. ft. of air cargo ramp space.

Upon Occupation of the Premises, Tenant shall accept the Premises in its "as is" condition without any liability or obligation on the part of City to make any alterations, improvements, or repairs of any kind on or about the Premises. Tenant has inspected the Premises and has deemed same suitable for the intended use of Tenant. City shall

not be liable to Tenant or its officers, employees, agents, contractors, or invitees for any damage or injury caused by the condition of the Premises

Section 3. Tenant's Use of Premises.

3.1 Limited Use. Tenant shall have the right, subject to specific limitations or requirements contained in this Agreement to use and occupy the Premises for the purpose of aircraft parking and the storage of aircraft parts, as well as storage of various supplies for use in support of Tenant's firefighting operations.

Tenant shall have the right to ramp access by ground vehicles driven in support of Tenant operations.

Tenant may perform minor or preventative maintenance within the hangar facility as would normally be performed by an aircraft owner without the assistance of an aircraft mechanic, or may employ a mechanic to perform any required maintenance on aircraft owned, managed and contracted by Tenant. Tenant shall take steps to ensure that the performance of any such allowed maintenance work does not damage the hangar, and is performed using extreme caution and with all appropriate safety equipment immediately available to the operation. Any activity or operation of Tenant that is a spark producing or an open flame activity, including but limited to, welding, grinding, brazing, or cutting with a torch, is prohibited absent installation of an automatic fire suppression system.

Tenant shall keep the Premises at all times clean and free of debris and accumulation of oil, lubricants, solvents, paints, and grease. Fueling of any aircraft in any location other than a designated ramp space is strictly prohibited.

3.2 Minimum Standards. Tenant acknowledges and agrees that it is a Specialized Aviation Service Operator as defined by and subject to the Airport's minimum standards, and is specifically prohibited from selling aircraft fuels, providing aircraft hangar space for rental or lease, and providing aircraft tie-down for rental or lease.

Section 4. Assignment and Subletting. Tenant shall not assign, sublet, mortgage, or otherwise transfer, in whole or in part, any of the rights granted in this Agreement without the prior written approval of City.

Section 5. Term. The initial term of this Agreement ("Initial Term") shall become effective upon the first day of the month following the date of the signature of the last party signing below ("Effective Date"), and ending on December 31, 2029, unless earlier terminated pursuant to any provisions of this Agreement.

At any time during the Initial Term, Tenant has the option of leasing other premises (existing facility, partially developed or undeveloped land) at the Airport from the City, and terminating this agreement upon payment of all accrued rents and fees.

Following the expiration of the Initial Term, Tenant shall have the option to renew this Agreement for two (2) additional five (5) year periods ("Renewal Periods"). Tenant must notify City in writing of its intent to exercise its option to renew at least 90 days before the end of the Initial Term and 90 days before the end of the first Renewal Period. Such renewals shall be granted provided that Tenant is current in its payments to City, and is compliant with all conditions, covenants, and agreements set forth in this Agreement at the start of each Renewal Period.

Holding over by Tenant after the expiration of the Term, whether with or without the consent of City, shall not operate to extend or renew this Agreement. Any such holding over shall be construed as a month-to-month tenancy on the same terms and conditions of this Agreement then in effect; provided, however, that the monthly rent during such tenancy shall be equal to one hundred ten percent (110%) of the monthly rent paid by Tenant during the final month of the Initial Term or Renewal Period, if applicable.

Section 6. Rents and Fees.

6.1 Rent. Beginning on the Commencement Date as consideration for the rights granted to Tenant pursuant to this Agreement, Tenant agrees to pay City, in advance without invoice, on the first day of each calendar month, for the use of the Premises, **One Hundred Seventy-five Thousand Seven Hundred Twenty-nine and 60/100 (\$175,729.60)** per year, which is **Fourteen Thousand Six Hundred Forty-four and 14/100 Dollars (\$14,644.14)** per month. Rent is based on:

6.1.1 Four and No/100 Dollars (\$4.00) per square foot per year for Twenty-one Thousand One Hundred Seventy-five (21,175) sq. ft. of warehouse/hangar space in the Sunport 1 Facility which is Eighty-four Thousand Seven Hundred and No/100 Dollars (\$84,700.00) per year or Seven Thousand Fifty-eight and 34/100 Dollars (\$7,058.34) per month, and

6.1.2 Nine and No/100 Dollars (9.00) per square foot per year for Five Thousand Eight Hundred Thirty-six (5,836) sq. ft. of office/operational space in the Sunport 1 Facility which is Fifty-two Thousand Five Hundred Twenty-four Dollars (\$52,524.00) per year or Four Thousand Three Hundred Seventy-seven and No/100 Dollars (\$4,377.00) per month, and

6.1.3 Thirty-six cents (\$0.36) per sq. ft. per year for One Hundred Six Thousand Nine Hundred Sixty (106,960) sq. ft. of air cargo ramp space which is Thirty-eight Thousand Five Hundred Five and 60/100 Dollars (\$38,505.60) per year or Three Thousand Two Hundred Eight and 80/100 Dollars (\$3,208.80) per month, and

6.1.4 Associated non-exclusive automobile parking areas at the Sunport 1 Facility.

6.2 Rent Adjustment. Commencing on July 1, 2021, and at each successive one (1) year period thereafter during the Initial Term, the Rent payable to City will be adjusted by an amount equal to the average of the increase in the Consumer Price Index for All Urban Consumers (CPI-U) for the U.S. City Average for All Items, 1982-84=100 as published by the U.S. Bureau of Labor Statistics Division of Consumer Prices for the immediately preceding one (1) year period. City shall notify Tenant, in writing, of the adjustment to the Rent at least sixty (60) days prior to the commencement of the adjusted Rent for that one (1) year period. In no event shall the Rent for any subsequent one (1) year period be less than the Rent for the immediately preceding one (1) year period of the Term. During the first and second Renewal Periods, if applicable, the fair market rental rate and escalation method for the entire leasehold will be negotiated at the outset of the first Renewal Period based on an appraisal or market study. The methodology of the appraisal or assessment and any related third-party documentation must be disclosed to Tenant, and the new fair market rental rate and escalation method determined no less than 180 days before the first Renewal Period. If Tenant thereafter provides timely notification of its intent to exercise its first Renewal Period option, an amendment to this Agreement providing the new rental rate and escalation method shall be submitted to City Council for approval. The Parties understand and agree that the fair market rental rate at the time of the first Renewal Period may result in an increase or a decrease in the rental rate and a change in the escalation method, depending on market conditions.

6.3 Airport Identification ("ID")/Access Card Fees. Tenant shall pay to City, all fees assessed for the issuance of an Airport ID/Access card. Tenant shall also pay, as required, replacement fees for Airport ID/Access cards lost, stolen, or unreturned to City.

6.4 Miscellaneous Fees. Within thirty (30) days following receipt of invoice from City, Tenant shall pay to City additional fees in the event of any of the following:

6.4.1 If City has paid any sum or sums, or has incurred any obligation or expense, for which Tenant has agreed to pay or reimburse City.

6.4.2 If City is required or elects to pay any sum or sums, or incurs any obligation or expense, because of the failure, neglect or refusal of Tenant to perform or fulfill any of the terms, conditions, or covenants required of it hereunder.

6.4.3 If City provides any services to Tenant other than those expressly provided for in this Agreement following Tenant's written request for such services and agreement as to the cost of the services.

6.4.4 If other fees for services are rendered which may include, but are not limited to, utilities, trash removal, delivery access fees, and similar fees.

6.5 Rents and Fees Prorated. If the Commencement Date, expiration of the Term, or earlier termination of this Agreement occurs on a date other than the first or last day of a calendar month, Rents and Fees shall be prorated according to the number of days in that month during which the Premises and rights were enjoyed.

6.6 Place of Payment. Tenant shall deliver payments of Rents and Fees to the office of the Director or at such other place as may be designated by City from time to time. Payment shall be made to the order of the "City of Albuquerque."

6.7 Late Payment Fees. If rents and fees required by this Agreement are not received by City on or before the date specified in this Agreement, Tenant shall pay an interest charge to City of one and one-half percent (1½%) per month (eighteen (18%) annually) for each month or partial month that any payment due is not paid. In addition, Tenant shall pay an administrative fee to City of **Fifty and 00/100 Dollars (\$50.00)** if City sends Tenant a late payment notice.

Section 7. Provisions Incorporated by Exhibits. Throughout the term of this Agreement, Tenant shall comply with the provisions of the following exhibits, attached hereto and incorporated herein as though set forth in full:

Exhibit C: Security Deposit Provisions. Prior to the Commencement Date, Tenant shall deposit at the Office of Director an Irrevocable Letter of Credit ("LOC") issued exclusively to City, or a Performance Bond ("Bond") in the amount of **Fifteen Thousand and No/100 Dollars (\$15,000.00)**. The Tenant currently has a security deposit of Fifteen Thousand and No/100 dollars (\$15,000.00) deposited with the City, which amount will transfer to this Agreement. The Bond or LOC shall conform to the requirements provided in **Exhibit C**, attached hereto and incorporated herein.

Exhibit D: Insurance and Indemnity Provisions. Insurance with limits required by this Agreement are as follows, and shall conform to the requirements provided in Exhibit D.

1. Aircraft Liability Insurance shall have liability limits in amounts not less than **One Hundred Million and No/100 Dollars (\$100,000,000.00)**.

2. Commercial General Liability Insurance shall have liability limits in amounts not less than **One Hundred Million and No/100 Dollars (\$100,000,000.00)**.

3. Commercial Automobile Liability Insurance shall have liability limits in amounts not less than **Five Million and No/100 Dollars (\$5,000,000.00)**.

4. Workers' Compensation and Employers Liability Insurance as required by New Mexico Law.

Exhibit E: Environmental Provisions.

Exhibit F: Airport Security Provisions.

Exhibit G: General Conditions.

Section 8. Utilities.

8.1 Responsibility of Tenant. The Sunport 1 Facility has two (2) utilities metering groups, Meter Group A and Meter Group B. The portion of the Sunport 1 Facility occupied by the Tenant under this Lease is entirely contained within the area metered by Meter Group A. The City shall have the meters in Meter Group A placed into the City's name. City will pay the total cost of the utilities, and invoice each tenant for their individual portion of the utility bill, based upon the percentage of the square footage occupied. For the current occupancy, the City shall invoice the Tenant for an amount equal to thirty percent (30%) of the total utility bills as measured by Meter Group A. When invoiced by City, Tenant shall pay City within thirty (30) days following the date of such invoice. Tenant agrees that any and all such fees for any and all such services shall be paid before delinquency, provided however, that Tenant may contest the amount or validity of, and may compromise, any such fees in good faith. Tenant shall at all times protect and hold City harmless from liens or charges against City or the Premises caused by Tenant's actions.

8.2 Non-Liability of City. City shall not be liable to Tenant for any interruption in or curtailment of any utility service. City shall not be liable for damages to persons or property for any such interruption, nor shall such interruption in any way be construed as cause for abatement of rents or fees or operate to release Tenant from any of its obligations hereunder, except that, in the event the interruption is caused solely by the act or omission of City and the interruption continues for more than twenty-four (24) hours, rents will be abated for the duration of the interruption.

Section 9. Notices, Consents, and Approvals. All notices, consents, and approvals required by this Agreement shall be in writing and shall be given by registered or certified mail by depositing the same in the U.S. mail in the continental United States, postage prepaid, return receipt requested, or by personal delivery, or by facsimile or email transmission to the "FAX" number or e-mail address given below, provided that the completed transmission is electronically verified. Either party shall have the right, by giving written notice to the other, to change the address and/or FAX number and e-mail

address at which its notices are to be received. Until any such change is made, notices shall be delivered as follows:

City: Director of Aviation
Albuquerque International Sunport
Certified Mail: PO Box 9948
Albuquerque, NM 87119-1048
Personal Delivery: 2200 Sunport Blvd. SE - 3rd Floor
Albuquerque, NM 87106
Telephone: (505) 244-7700
FAX Transmission: (505) 842-4278
Email: nallen@cabq.gov

Tenant: 10 Tanker Air Carrier
Tenant Official: John Gould
Title: President
**Certified Mail and
Personal Delivery:** 2503-A Clark Carr Loop SE
Albuquerque, NM 87106
Telephone: (505) 258-0130
Email: jgould@10tanker.com

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

The effective date of such notice, consent, or approval shall be the date of the receipt as shown by the U.S. Postal Service Return Receipt, or the date personal delivery is certified, or the date of electronic verification of the facsimile transmission, unless provided otherwise in this Agreement.

Section 10. Termination of Agreement.

10.1 Termination by City: 15-Day Cure Period. This Section shall govern Tenant's failure to comply with the following provisions (hereafter, "Events of Default"):

- 10.1.1** pay rents and fees;
- 10.1.2** provide and maintain a security deposit;
- 10.1.3** provide and maintain insurance.

In the event Tenant fails to comply with any or all of the Sections for a period of fifteen (15) days after receipt by Tenant of City's written notice of an Event of Default, City shall be entitled to terminate this Agreement, provided that no notice of termination shall be effective if Tenant has fully cured all Events of Default identified in the fifteen (15) day

notice prior to Tenant's receipt of the notice of termination. Termination of this Agreement will take effect immediately upon Tenant's receipt of notice of termination unless stated otherwise in the notice of termination.

10.2 Termination by City: 30-Day Cure Period. Except for Events of Default, if Tenant fails to comply with any covenant or agreement herein required for a period of thirty (30) days following receipt from City of written Notice of Non-Compliance, City shall be entitled to terminate this Agreement by sending Tenant a written Notice of Termination. Termination of this Agreement shall take effect immediately upon Tenant's receipt of the Notice of Termination unless stated otherwise in the Notice of Termination, provided, however, that if prior to Tenant's receipt of the Notice of Termination, Tenant has fully cured all events of Non-Compliance identified in the thirty (30) day notice, then this Agreement shall remain in full force and effect and the Notice of Termination shall be null and void.

In the event this Agreement is terminated, Tenant shall remain liable to City for damages in an amount equal to the payment obligation for outstanding rents and fees required.

10.3 City's Non-Waiver. City's performance of all or any part of this Agreement for or during any period or periods following a default of any of the terms, covenants, and conditions herein contained to be performed, kept and observed by Tenant, shall not be deemed a waiver of any rights on the part of City to terminate this Agreement for failure by Tenant to perform, keep or observe any of the terms, covenants or conditions hereof to be performed, kept and observed by Tenant and shall not be construed to be or act as a waiver by City of any subsequent default of any of the terms, covenants, and conditions herein contained to be performed, kept, and observed by Tenant.

10.4 Termination by Tenant: 30-Day Cure Period. Tenant shall be entitled to terminate this Agreement if City fails to comply with any covenant or agreement herein required for a period of thirty (30) days following receipt from Tenant of written Notice of Non-Compliance, by sending City a written Notice of Termination. Termination of this Agreement shall take effect immediately upon City's receipt of the Notice of Termination unless stated otherwise in the Notice of Termination; provided, however, that if prior to City's receipt of the Notice of Termination, City has fully cured all events of Non-Compliance identified in the thirty (30) day notice, then this Agreement shall remain in full force and effect and the Notice of Termination shall be null and void.

10.5 Tenant's Non-Waiver. Tenant's performance of all or any part of this Agreement for or during any period or periods following a default of any of the terms, covenants, and conditions herein contained to be performed, kept and observed by City, shall not be deemed a waiver of any rights on the part of Tenant to terminate this Agreement for failure by City to perform, keep or observe any of the terms, covenants or conditions herein contained and shall not be construed to be or act as a waiver by Tenant

of any subsequent default of any of the terms, covenants, and conditions herein contained to be performed, kept, and observed by City.

Section 11. Savings. City and Tenant acknowledge that they have thoroughly read this Agreement, including all exhibits hereto, and have sought and received whatever competent advice and counsel that was necessary for them to form a full and complete understanding of all rights and obligations herein. City and Tenant further acknowledge that this Agreement is the result of extensive negotiations between them and that this Agreement shall not be construed against either party by reason of that party's preparation of all or part of this Agreement.

Section 12. Signature Process. The parties agree that this Agreement may be electronically signed and that the electronic signatures appearing on the Agreement are the same as handwritten signatures for the purposes of validity, enforceability, and admissibility.

Section 13. Administration of Agreement. The Director or the authorized representative of the Director of Aviation of the City of Albuquerque shall administer this Agreement for the City of Albuquerque.

Section 14. Approval of Agreement. This Agreement shall not become effective or binding until approved by the Albuquerque City Council and signed by the Chief Administrative Officer of the City of Albuquerque.

THIS SECTION INTENTIONALLY LEFT BLANK

IN WITNESS WHEREOF, City has caused this Agreement to be executed by its Chief Administrative Officer, and Tenant has caused the same to be executed by its appropriate and authorized officers.

City of Albuquerque:

By: _____ Date: _____
Sarita Nair
Chief Administrative Officer

Recommended:

By: _____ Date: _____
Nyika A. Allen, C.M.
Director of Aviation

10 Tanker Air Carrier

By: _____ Date: _____
John Gould
President

Exhibit A

Airport

Exhibit A Airport

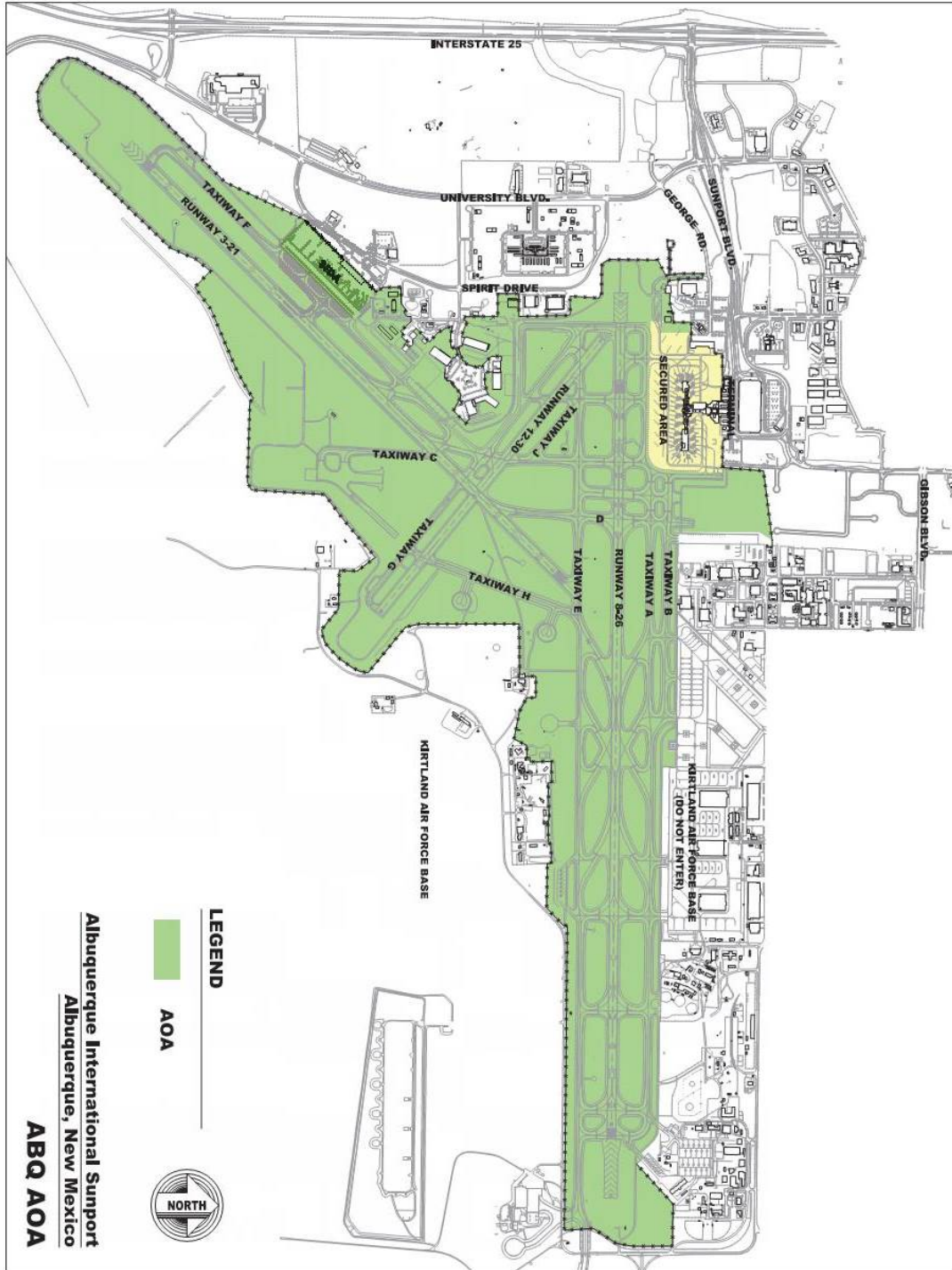
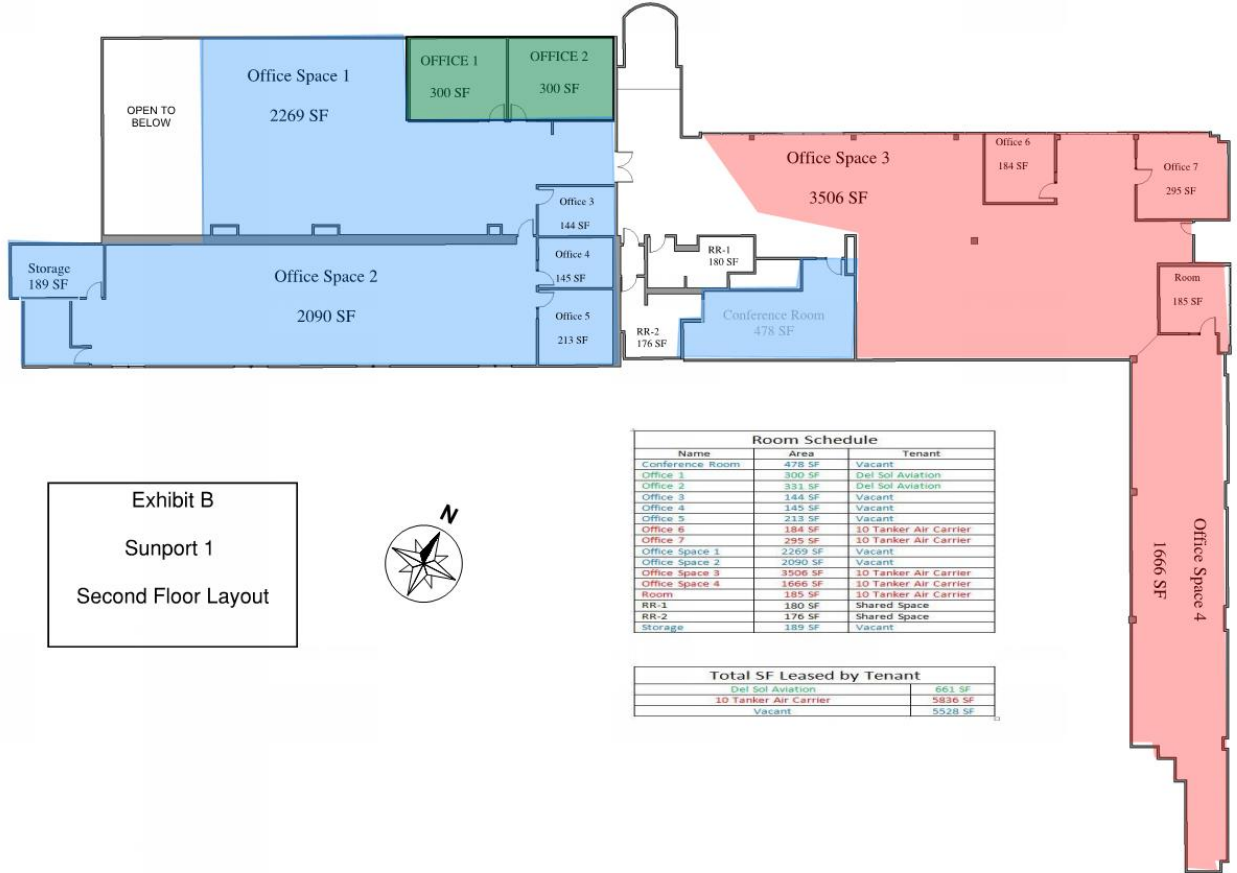


Exhibit B

Premises

Exhibit B Premises Sunport 1 Office Space



Room Schedule		
Name	Area	Tenant
Conference Room	478 SF	Vacant
Office 1	300 SF	Del Sol Aviation
Office 2	300 SF	Del Sol Aviation
Office 3	144 SF	Vacant
Office 4	145 SF	Vacant
Office 5	213 SF	Vacant
Office 6	184 SF	10 Tanker Air Carrier
Office 7	295 SF	10 Tanker Air Carrier
Office Space 1	2269 SF	Vacant
Office Space 2	2090 SF	Vacant
Office Space 3	3506 SF	10 Tanker Air Carrier
Office Space 4	1666 SF	10 Tanker Air Carrier
Room	185 SF	10 Tanker Air Carrier
RR-1	180 SF	Shared Space
RR-2	176 SF	Shared Space
Storage	189 SF	Vacant

Total SF Leased by Tenant	
Del Sol Aviation	661 SF
10 Tanker Air Carrier	5836 SF
Vacant	5528 SF

① 2F
1/16" = 1'-0"

Exhibit B Premises Sunport 1 Warehouse Space

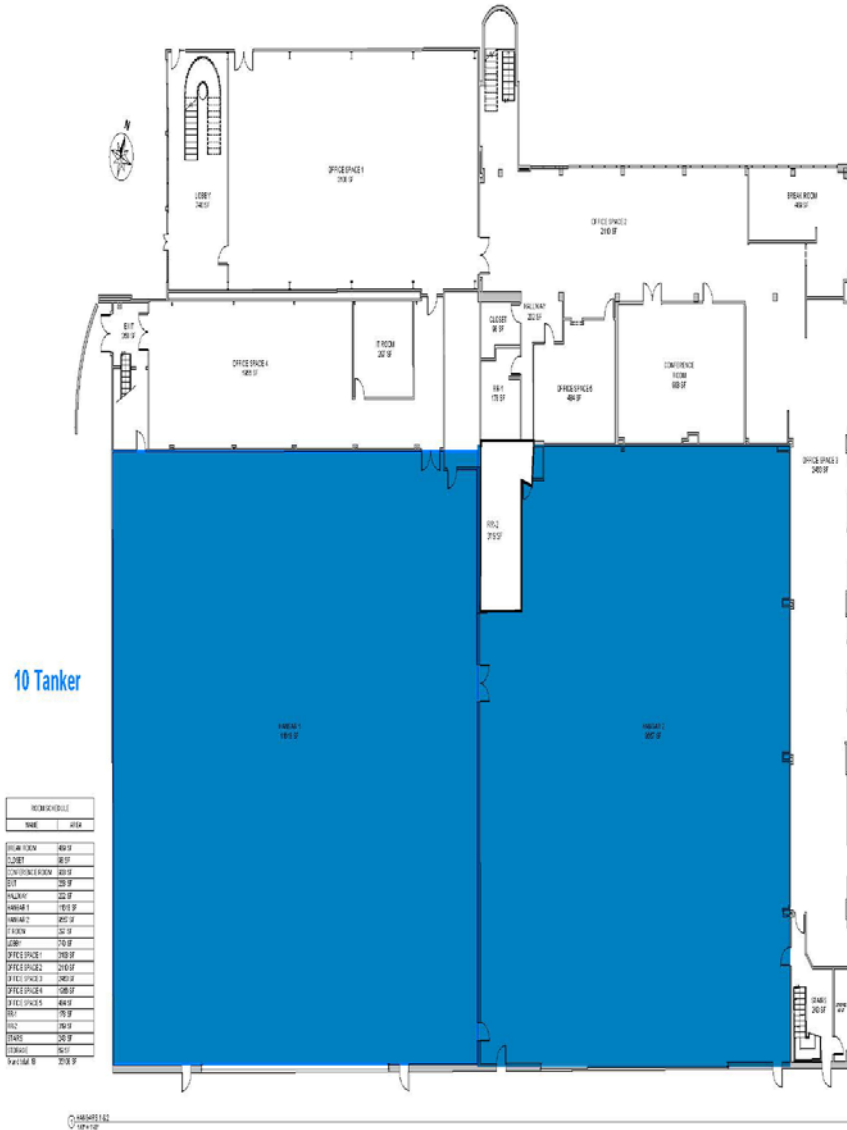


Exhibit B Premises Air Cargo Ramp Space

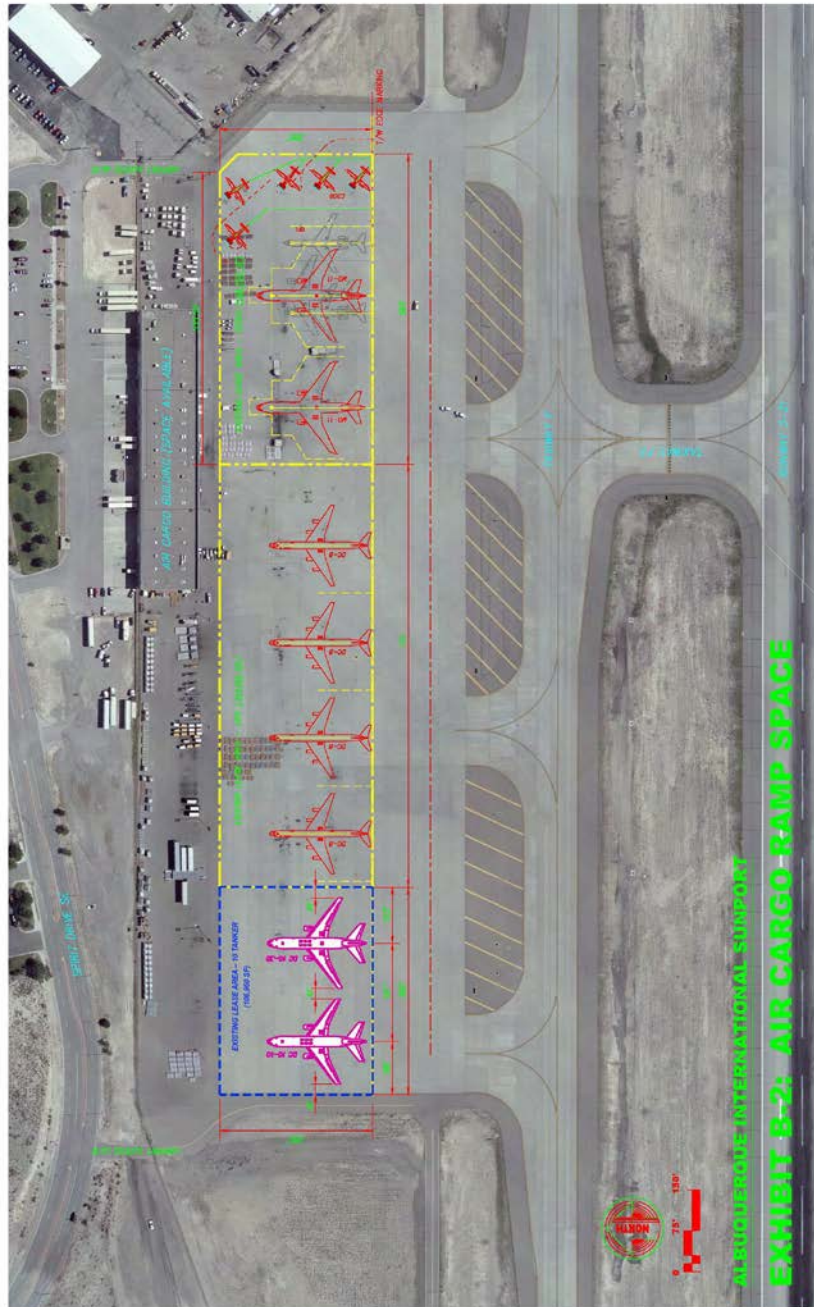


Exhibit C
Security Deposit Provisions

Exhibit C Security Deposit Provisions

Purpose of Security Deposit. The LOC or Bond will be held by City as security for the full and faithful performance of all the terms, covenants and conditions to be performed by Tenant under this Agreement.

Form of Security Deposit. Such Security Deposit shall be a Bond or an irrevocable Letter of Credit ("LOC") in a form substantially the same as attached hereto and incorporated herein. The Bond shall be made payable on demand to the City of Albuquerque. The LOC shall be made to the order of the City of Albuquerque.

The LOC or Bond shall expressly permit partial payment and shall be issued exclusively to City of Albuquerque. The LOC or Bond shall allow presentment of claims by City by mail and shall not restrict such presentment to in-person appearances at a particular place. If a Bond is provided, such Bond shall be issued with City of Albuquerque as obligee by a surety licensed to conduct business in the State of New Mexico that has sufficient bonding capacity for the amount of the Bond and is named in the current list of "Companies Holding Certificates of Authority as Acceptable Sureties on Federal Bonds and as Acceptable Reinsuring Companies" as published in the Federal Register by the U.S. Treasury Department or its successor agency.

Document(s) evidencing the security deposit shall provide that it shall remain in full force and effect for a period of sixty (60) days following termination or cancellation of this Agreement, and shall allow City to make a partial draw on such security deposit. In the event of a partial draw, Tenant shall immediately reinstate the security deposit to the full amount required in this Section. Documents establishing the continuation or replacement of a LOC or Bond shall be received by the Aviation Department no less than thirty (30) days prior to the expiration of the existing LOC or Bond. If payments required by Tenant under the terms of this Agreement are not made in accordance with the payment provisions set forth in Section 6 above, City shall have the right to forfeit, take, and use as much of such security deposit as may be necessary to make such payment in full and to exercise any other legal remedies to which it may be entitled. The LOC or Bond shall be released by City within sixty (60) days following expiration or termination of this Agreement, provided Tenant has fully performed.

City shall have the option of accepting cash security deposits. City shall not be required to place cash security deposits in interest-bearing accounts; however, should City elect to do so, City shall be entitled to all interest earned from such account as compensation for handling such account. City shall not be required to keep cash security deposits in separate accounts.

At any time this Agreement requires the return of the security deposit, such provision shall be deemed to require the return of all deposits held by City under the terms of this Agreement, and the release of any supporting rights and documentation, including Uniform Commercial Code security interests and control agreements.

PERFORMANCE BOND
(sample format)

Bond No. _____

KNOW ALL MEN BY THESE PRESENTS, that we _____, as Principal, and _____, as Surety, are held and firmly bound unto the **City of Albuquerque**, New Mexico, in the penal sum of _____ **Dollars (\$_____)** lawful money of the United States, to the payment of which well and truly to be made we bind ourselves and our heirs, administrators, successors, and assigns, jointly and severally, firmly by these presents.

WHEREAS, the above bonded Principal has signed a _____ (“Agreement”) with the City of Albuquerque, dated _____.

NOW, THEREFORE, the condition of this obligation is such that, if the above bonded Principal shall faithfully perform each and every provision of the Agreement, then this obligation shall be void; otherwise, to remain in full force and effect.

This Performance Bond is to remain in force and to be binding upon Surety for a period of _____ year(s) from the date hereof, but may be continued from year to year by delivery of Continuation Certificate signed by Attorney-in-Fact and under seal of said Surety. City of Albuquerque is allowed to make a partial draw on this Bond, pursuant to Section ___ of the above-referenced Agreement. Further, this Performance Bond shall remain in full force and effect for a period of sixty (60) days following termination or cancellation of the above-referenced Agreement. The Surety shall have the right to terminate their liability upon giving the City of Albuquerque thirty (30) days’ notice by registered mail of its intention to so terminate, but said Surety shall remain liable for all sums due under the provision of this Bond up to and including the effective date of such termination and liability.

IN WITNESS WHEREOF, the Principal and Surety have hereunto set their Bonds and seals this _____ day of _____, _____.

ATTEST: Principal

By: _____
Title: _____

ATTEST: Surety

By: _____
Title: _____

STATE OF _____)
) ss.
COUNTY OF _____)

I, _____, a Notary Public in and for the State and County aforesaid, do hereby certify that _____ of the _____ who is personally known to me, appeared before me this day and acknowledged that he/she signed, sealed and delivered the foregoing instrument as his/her free and voluntary act as _____ of the _____, for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this _____ day of _____, _____.

Notary Public

My Commission Expires:

Irrevocable Letter Of Credit
(sample format)

Letter of Credit No. _____

Date: _____

Amount: \$ _____

City of Albuquerque
Aviation Department
Albuquerque International Sunport
P. O. Box 9948
Albuquerque, NM 87119-1048

We hereby establish an Irrevocable Letter of Credit in your favor in the amount of:

_____ Dollars (\$_____) for the account of

_____ available by your draft at sight when accompanied by:

[name of Tenant]

A certificate signed by the Director of Aviation of the City of Albuquerque to the effect that _____ [name of Tenant] _____ has failed to perform the terms, covenants and conditions to be performed as required by the _____ [exact title of the agreement] _____ ("Agreement") dated _____.

This Letter of Credit shall remain in full force and effect for a period of sixty (60) days following termination or cancellation of the Agreement.

Drafts under this credit must bear upon their face the words:

Drawn under _____ Bank

Letter of Credit No. _____ Dated _____.

We hereby agree with drawers, endorsers and bona fide holders of drafts negotiated under and in compliance with the terms of this credit that the same will be duly honored upon presentation to Drawee if drawn and negotiated on or before _____.

This credit is subject to the "Uniform Customs and Practice for Documentary Credits" as established by the International Chamber of Commerce, and such revisions thereof as are in effect as of the date of issuance.

[name of bank]

By: _____
Authorized Signature

Exhibit D

Insurance and Indemnity Provisions

Exhibit D Insurance and Indemnity Provisions

1. Insurance

1.1 General Requirements. For the term of this Agreement Tenant shall, at its sole cost and expense, procure and maintain insurance in conformance with the requirements set forth in this Section. Tenant will use insurance companies authorized to do business in the State of New Mexico and with a minimum A.M. Best rating of A-VII or its equivalent, or as approved by City, covering all operations under this Agreement, whether performed by it or its agents. Various types of required insurance may be written in one or more policies.

When requested by City, Tenant shall allow City to review in the presence of Tenant's insurance representatives any or all policies of insurance for the insurance coverage required herein. Policies of insurance shall be procured for all insurance required and coverage limits of such policies of insurance shall not be reduced or replaced in part or in whole by self-insurance, including self-insurance retention amounts, except as provided below.

Tenant shall not violate the terms or prohibitions of insurance policies required to be furnished by Tenant. Tenant shall promptly notify City of any claim or loss at the airport exceeding the amount of the deductible under any liability insurance policies, and certify that proper notice has been given the appropriate insurance carrier.

1.2 Additional Insured. With respect to all coverage required other than workers' compensation, the City shall be a certificate holder and endorsed as an additional insured or loss payee. All coverage afforded shall be primary and non-contributory with respect to operations provided. City shall have no liability for any premiums charged for such coverage, and the inclusion of City as an additional insured is not intended to, and shall not make City a partner or joint venturer with Tenant in its operations on the Airport.

Coverage for an additional insured shall **not** be limited to its vicarious liability, and coverage shall extend to damage, destruction, and injury to City-owned or City-leased property and City personnel, and caused by or resulting from work, acts, operations, or omissions of Tenant, its officers, agents, employees, and independent contractors on the Airport, notwithstanding City's status as an additional insured.

1.3 Insurance Certificates and Endorsements. Before commencing the Services and on the renewal of all coverage, Tenant shall furnish to the Director of Aviation, Albuquerque International Sunport, P.O. Box 9948, Albuquerque, New Mexico 87119-1048, all necessary certificates and additional insured endorsements in form satisfactory to the City showing that it has complied with this Section. All insurance certificates shall provide that thirty (30) days written notice, seven (7) days in the case

of War & Allied Perils, ten (10) days for non-payment of premium, be given to the Director of Aviation before a policy is canceled, materially changed, or not renewed. Acceptance of the Certificates of Insurance and endorsements by City shall not relieve Tenant of any of the insurance requirements set forth herein, nor decrease the liability of Tenant. Neither Tenant nor any contractors, assignees or other transferees of Tenant shall begin any operations pursuant to this Agreement until the required insurance has been obtained and proper certificates of insurance delivered to the Director.

Tenant agrees to provide written notice to the City of any material changes in coverage including cancellation and non-renewal as soon as possible.

1.4 General Insurance Specifications. The types of insurance required in this Agreement must meet the following specifications:

1.4.1 Aircraft Liability Insurance. The Tenant shall procure and maintain policies of insurance for aircraft liability in an amount not less than as required by this Agreement for bodily injury and property damage including passengers, which shall include but not necessarily be limited to all of the following coverages: Contractual Liability, Hangar Keepers Legal Liability, Motor Vehicle Liability within the confines of the Airport, Mail and Cargo Legal Liability, and Fueling and Refueling (if such operations are conducted by Tenant). Such coverage shall include War & Allied Perils.

1.4.2 Commercial General Liability Insurance. The Tenant shall procure and maintain policies of insurance for aviation commercial general liability in an amount not less than as required by this Agreement including bodily injury and property damage, Premises, Products, Completed Operations, Mobile Equipment, Independent Contractors, Personal and Advertising Injury and Contractual Liability. Such coverage shall include War & Allied Perils.

1.4.3 Commercial Automobile Liability Insurance. The tenant shall procure and maintain policies of insurance for commercial automobile liability in an amount not less than as required by this Agreement covering owned, non-owned and hired autos for bodily injury and property damage arising from activities on, or operations with respect to Airport premises, both on and off work.

1.4.4 Environmental Impairment Liability Insurance. The Tenant shall procure and maintain policies of insurance of not less than the amount required in this agreement per occurrence, as necessary to insure the indemnification provisions of this Agreement. Environmental Impairment Liability Insurance shall be obtained by Tenant and evidence of compliant coverage provided to the City no less than 15 days prior to the start of fueling operations. Tenant shall not perform fueling operations before City has acknowledged and approved evidence of Environmental Impairment Liability Insurance in writing.

City reserves the right to review and modify the limits stated above at one-year intervals to give effect to the changing risk management environment, statutory requirements, and inflationary trends.

The liability insurance required in paragraphs 1-4 above must:

- a) be written on an occurrence basis.
- b) include coverage for Tenant's contractual liability to City hereunder. Contractual liability coverage shall specifically insure the Indemnification provisions of this Agreement.
- c) include a severability of interest provision applicable to all insureds and additional insureds separately, except with respect to the insurer's limits of liability.

1.4.5 Workers' Compensation and Employers Liability Insurance.

Tenant shall comply with the provisions of the New Mexico Workers' Compensation Act, the Subsequent Injury Act, and the New Mexico Occupational Disease Disablement Law. Tenant shall procure and maintain during the term of this Agreement complete Workers' and Employer's Liability Insurance in accordance with New Mexico laws and regulations. Coverage shall include coverage permitted under NMSA 1978 § 52-1-10 for safety devices. The insurance shall also include a waiver of subrogation against the City and its employees and agents.

With respect to Workers' Compensation Insurance, if Tenant elects to be self-insured, Tenant shall comply with the applicable requirements of law. If any portion of the work is to be sublet, Tenant shall require the subtenants similarly to provide such coverage (or qualify as a self-insured) for all the latter's employees to be engaged in such work. Tenant hereby covenants and agrees that City, its officers, or employees will not be liable or responsible for any claims or actions occasioned by Tenant's failure to comply with the provisions of this subparagraph and that the Indemnification provision of this Agreement shall apply to this paragraph. It is expressly agreed that the employees of Tenant are not City employees for any purpose.

1.4.6 Commercial Property Insurance in an amount equal to the replacement cost of Tenant's improvements and all personal property situated on the Tenant's Premises.

1.4.7 Builders Risk Insurance during any period of construction or reconstruction for which Tenant contracts. Tenant shall carry, or shall require its contractor or contractors to carry, Builders Risk Insurance in an amount sufficient to insure the value of the work.

1.5 Minimum Insurance. The insurance requirements of this Agreement shall be the greater of (1) the minimum coverage limits specified in this Agreement, or (2) the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the named insured. It is agreed that these insurance requirements shall not in any way act to reduce coverage that is broader or that includes higher limits than the minimums required here. No representation is made that the minimum insurance requirements of this Agreement are sufficient to cover the obligations of Tenant under this Agreement.

1.6. Self-Insurance Retention. In the event any of the insurance policies required in this Section (except as allowed by New Mexico law regarding Workers' Compensation) contain a self-insurance retention provision, for each such amount, Tenant shall post a bond or an irrevocable letter of credit made exclusively for the benefit of City and held by a bank authorized to do business in New Mexico which is acceptable to City, or provide City with evidence that its net worth (as shown by independently audited financial statements) is in excess of the amount of the total self-insurance retentions.

2. Indemnification

2.1 General Indemnification. Tenant agrees to defend, indemnify and hold harmless City and its officers, employees, and agents from and against all suits, actions, claims, demands, penalties, fines, liabilities, damages, costs and expenses (including but not limited to consultants' fees, reasonable fees of attorneys, court costs and litigation expenses) of whatever kind or nature, known or unknown, contingent or otherwise, brought against City because of any injury, including death at any time resulting from bodily injury, damages for care and loss of services, or damage received or sustained by any person, persons or property arising out of or resulting from any negligent act, error, or omission of Tenant, its agents or its employees arising out of the operations of Tenant under this Agreement, all except to the extent caused by the negligence, error, omission, or willful misconduct on the part of City, its officers, employees, or agents.

2.2 Environmental Harm Indemnification. Without limiting any provisions of this Agreement, Tenant shall also defend, indemnify and hold City and its officers and employees harmless from and against all suits, actions, claims, demands, penalties, fines, liabilities, damages, costs and expenses (including but not limited to reasonable attorneys' and consultants' fees, court costs and litigation expenses) of whatever kind or nature, known or unknown, contingent or otherwise, brought against City arising out of or in any way related to the operations under this Agreement, all except to the extent caused by the negligence, error, omission, or willful misconduct on the part of the City, its officers, employees, or agents as follows:

2.2.1 any actual or alleged contamination by Hazardous Substances of the Premises or the Airport by Tenant or its agents;

2.2.2 the presence, disposal, or release of Hazardous Substances by Tenant or its agents at the Airport that is on, from or affects the soil, air, water, vegetation, buildings, personal property, persons, animals or otherwise;

2.2.3 any bodily injury (including wrongful death), property damage, or personal injury arising out of or related to the use of Hazardous Substances by Tenant at the Airport;

2.2.4 any violation by Tenant of any Environmental Laws.

Tenant's obligations and liabilities under this subsection shall survive the termination of this Agreement and the transactions contemplated in this Agreement.

2.3 Limitations. To the extent, if at all, NMSA 1978 § 56-7-1 is applicable to this Agreement, these Insurance and Indemnity Provisions shall not extend to or be construed to require Tenant to defend, indemnify and hold harmless City, its officers, employees, and agents from and against liability, claims, damages, losses or expenses, including attorneys' fees, arising out of bodily injury or damage to persons or property caused by, resulting from, or arising out of the negligence, error, omission, or willful misconduct of City, its officers, employees, or agents.

2.4 Scope of Indemnification. In addition, with respect to any claims, actions, suits, damages or judgments caused by or resulting from the negligent acts, omissions or operations of Tenant, its agents, servants, or employees, Tenant shall (1) investigate or cause the investigation of accidents involving such injuries; (2) negotiate or cause to be negotiated all claims made as may be deemed expedient by Tenant, and defend, or cause to be defended, suits for damages, even if groundless, false or fraudulent, brought on account of such injuries or damages, in the name and on behalf of City; (3) pay and satisfy judgments finally establishing the liability of City in all actions defended by Tenant pursuant to this Section; (4) resolve claims by performing remediation activities, to the extent authorized and required by applicable Environmental Laws, utilizing commercial/industrial cleanup standards and other engineered barriers and institutional controls; and (5) pay or cause to be paid: a) all costs taxed against City in any legal proceeding defended or caused to be defended by Tenant as aforesaid; b) any interest accruing up to the date of payment by Tenant; c) all premiums charged upon appeal bonds required in such proceedings; and d) all expenses incurred by City for investigation, negotiation, and defense, including but not limited to reasonable expert witnesses' and attorneys' fees incurred, should Tenant fail to provide the defense and indemnification required herein.

By way of further clarification, these requirements do not apply to the extent the claims, actions, suits, damages, or judgments are caused by the negligence, error, omission, or willful misconduct on the part of City, its officers, employees, or agents.

2.5 Miscellaneous. City shall, promptly upon receipt, give Tenant every demand, notice, summons, or other process received in any claim or legal proceeding contemplated herein. In the event City shall fail to give Tenant notice of any such demand, notice, summons, or other process received by City and such failure to give notice shall result in prejudice to Tenant in the defense of any action or legal proceeding contemplated herein, such failure or delay shall release Tenant of its liability as set forth in this paragraph insofar as only the particular claim or legal proceeding is concerned, and only to the extent of such prejudice. Nothing herein shall be deemed a change or modification in any manner whatsoever of the method or conditions of preserving, asserting, or enforcing any claim or legal liability against City. This Section shall not be construed as a waiver of City's immunity. The provisions of this Section shall not be construed to prohibit Tenant from seeking contribution or indemnity from any third party which may have caused or contributed to the event for which Tenant indemnified City.

3. Non-liability of City. City shall not in any event be liable for any acts or omissions of Tenant, or its agents, servants, employees, or independent contractors, or for any condition resulting from the operations or activities of Tenant, Tenant's agents, servants, employees, or independent contractors working for, or on behalf of, Tenant.

City shall not be liable for Tenant's failure to perform any of its obligations under this Agreement or for any delay in the performance thereof, nor shall any such delay or failure be deemed a default by City.

Exhibit E
Environmental Provisions

Exhibit E Environmental Provisions

I. Compliance with Environmental Laws. In connection with its operations or any other activity at the Airport, Tenant shall at all times and in all respects comply with all applicable Environmental Laws including Federal, State and local laws, ordinances and regulations pertaining to Hazardous Substances, which are applicable to the Premises and Tenant's operations at the Airport. Upon expiration or earlier termination of this Agreement, Tenant shall cause all Hazardous Substances introduced to the Premises and the Airport by Tenant or its agents or invitees to be removed from the Premises and the Airport as required by and in compliance with applicable Environmental Laws, and transported for use, storage, or disposal in accordance and in compliance with all applicable Environmental Laws.

II. Waste Disposal. Shall not dispose of or permit any other person to dispose of any waste material taken from or products used (whether liquid or solid) with respect to its aircraft into the sanitary or storm sewers at the Airport unless such waste material or products first be properly treated if required under applicable Environmental Laws, by equipment installed for that purpose or otherwise disposed of pursuant to law. Tenant shall also obtain all government agency approvals, which are required under applicable Environmental Laws for disposal of such waste material, and shall immediately notify City's Aviation Department if a governmental agency approval is required for such disposal. All such disposal shall comply with applicable regulations of the United States Department of Agriculture and shall be in compliance with Section 1 above or Section 3 below of this Agreement.

III. Federal Stormwater Regulations.

A. Notwithstanding any other provisions or terms of this Agreement, Tenant acknowledges that the Airport is subject to all applicable Federal, state, and local stormwater regulations. Tenant further acknowledges that it is familiar with these stormwater regulations; that it may conduct or operate from time to time aircraft, vehicle, or ground support equipment maintenance (including vehicle rehabilitation, mechanical repairs, painting, fueling and lubrication), equipment cleaning operations, deicing activities, or other activities as defined in the federal stormwater regulations; and that it is aware that there are significant penalties for submitting false information, including fines and imprisonment for knowing violations.

B. Notwithstanding any other provisions or terms of this Agreement, including Tenant's right to quiet enjoyment, City and Tenant both acknowledge that close cooperation is necessary to ensure compliance with any stormwater discharge permit terms and conditions, as well as to ensure safety and to minimize costs. Tenant acknowledges that it may be necessary to undertake measures to minimize the exposure of stormwater to significant materials generated, stored, handled or otherwise used by Tenant as defined in the federal stormwater regulations, by implementing and maintaining best management practices.

C. Tenant acknowledges that City's stormwater discharge permit ("Stormwater Permit") is incorporated by reference into this Agreement and any subsequent renewals. Tenant agrees to be bound by all applicable portions of said permit. The City agrees to utilize its best efforts to obtain reasonable and cost-effective terms and conditions, provide an opportunity for Tenant to participate in the development of the terms of the Stormwater Permit and follow the procedures provided below in subsection D.

D. City shall provide Tenant with written notice of those Stormwater Permit requirements that Tenant shall be obligated to perform from time to time, including, but not limited to: certification of non-stormwater discharges; preparation of stormwater pollution prevention or similar plans; implementation of "good housekeeping" measures or Best Management Practices; corrective actions to identified findings or noted violations as a result of an inspection; and maintenance of necessary records. Such written notice shall include applicable deadlines. Tenant within twenty (20) days of receipt of such written notice, shall notify City in writing if it disputes any of the Stormwater Permit requirements it is being directed to undertake. If Tenant does not provide such timely notice, it is deemed to assent to undertake such requirements. If Tenant provides City with written notice, as required above, that it disputes such Stormwater Permit requirements, City and Tenant agree to negotiate a prompt resolution of their differences. Tenant warrants that it will not object to City notices required pursuant to this paragraph for purposes of delay or avoiding compliance.

E. Subject to the dispute resolution provision of subsection D above, Tenant agrees to undertake at its sole expense, unless otherwise agreed to in writing between City and Tenant, those Stormwater Permit requirements for which it has received written notice from City. Tenant warrants that it shall meet any and all deadlines that may be imposed on or agreed to by City and Tenant. Tenant agrees that time is of the essence.

F. City and Tenant agree to provide each other upon request with any non-privileged information collected and submitted to any government entity(ies) pursuant to applicable stormwater regulations.

G. Tenant agrees that the terms and conditions of City's Stormwater Permit may change from time to time. City will notify Tenant and provide Tenant with an opportunity to confer with City on any proposed changes to City's Stormwater Permit.

H. Tenant agrees to participate, to the extent reasonably possible, in any City organized task force or other work group established to coordinate stormwater activities at the Airport.

I. All such remedies of City with regard to environmental requirements as set forth herein shall be deemed cumulative in nature and shall survive termination of this Agreement.

IV. Prior Written Consent. Tenant shall not cause or permit any Hazardous Substance to be brought upon, kept or used in or about the Premises by Tenant, its agents, employees, contractors or invitees without providing notice to the Aviation Department Environmental Manager. City may require removal of a Hazardous

Substances unless Tenant demonstrates to City's reasonable satisfaction that such Hazardous Substance is necessary or useful to Tenant's business and will be used, kept and stored in a manner that complies with all laws regulating any such Hazardous Substance brought upon, used or kept in or about the Premises. City hereby consents to the presence of (i) Retail Motor Vehicle Fuels, (ii) retail packages of motor oil and other lubricants, automotive antifreeze/coolant, cleaning compounds, and other ordinary household and automotive products, and (iii) such office supplies, cleaning compounds and other substances used and stored in accordance with applicable law as may be necessary or useful in the conduct of Tenant's business operations on the Premises.

V. Liability and Remediation. If Tenant breaches the obligations stated in the preceding paragraph, or if the presence of a Hazardous Substance on the property caused or permitted by Tenant results in Contamination of the Premises, or if Contamination of the Premises by such Hazardous Substance otherwise occurs for which Tenant is legally liable to City for damage resulting therefrom, Tenant shall indemnify, defend and hold City harmless from any claims, judgments, damages, penalties, fines, costs, liabilities or losses (including but not limited to, diminution in value of the Premises and sums paid in settlement of claims, reasonable attorneys' fees, consultant fees and expert fees) which arise during or after the Term as a result of such Contamination. This indemnification of City by Tenant includes, but is not limited to, costs incurred in connection with any investigation of site conditions or any clean-up, remediation, removal or restoration work required by any federal, state or local governmental agency or political subdivision because of such Hazardous Substance present in the soil or ground water on or under the Premises.

Without limiting the foregoing, if the presence of any Hazardous Substance on the Premises caused or permitted by Tenant results in any Contamination of the Premises, Tenant shall promptly take all actions at its sole expense as are necessary to remediate the release on the Premises to the extent required by government agencies having jurisdiction. Tenant shall not have any liability to City for any environmental, investigatory, monitoring, or cleanup costs except as ordered by a federal, state, or local agency of competent jurisdiction. In the event such an order is issued, City shall immediately notify Tenant and provide it the opportunity to negotiate with the acting government authority and enter the Premises to conduct investigatory, monitoring, or cleanup work. In the event Tenant is responsible for any investigatory remediation or cleanup work on the Premises after expiration or earlier termination of this Agreement, Tenant shall have the right to enter the Premises for performance of such obligation. In no event shall City be responsible for any damages or costs of Tenant.

The indemnification required by these provisions shall not apply to any Hazardous Substance existing on, under or about the Premises prior to the date of full execution of this Agreement. However, the Parties recognize that there has been no environmental assessment establishing the presence or absence of any Hazardous Substance on, under or about the Premises as of the date of full execution of this Agreement. The Parties

agree that, as of the date of full execution of this Agreement, they are not aware of the existence of any Hazardous Substance on, under or about the Premises.

VI. Notices. Tenant shall immediately notify City in writing of any enforcement, clean-up, removal or other governmental or regulatory action instituted, completed or threatened pursuant to any Environmental Laws related to its operations on the Premises. Except as otherwise provided below, Tenant shall also provide City as promptly as possible, and in any event within ten (10) business days after Tenant first receives or sends the same, with copies of all claims, reports, complaints, notices or warnings or asserted violations relating in any way to the Premises or Tenant's use thereof.

VII. Environmental Notices; Indemnification Notices. Tenant shall provide City with a copy of any written release notices or reports that Tenant is required to submit to any Environmental Agency with respect to releases of any and all Hazardous Substances or Contaminants at the Premises during the Term. Tenant shall, within twenty-four (24) hours, provide City written notification of liquid petroleum product releases in excess of five (5) gallons or any amount that enters the storm drains, soil, or groundwater on or under the Premises. City and Tenant each shall promptly provide the other with a copy of 1) any claim or demand for Corrective Action that any Environmental Agency issues and 2) any other claim giving rise to either Party's indemnification obligations herein.

VIII. City's Right of Entry. During the Term, Director, or those authorized by Director, shall have the right of entry to test and determine the extent of any Hazardous Substance Contamination of the Premises. Entry for this purpose shall be with advance notice, at reasonable times, except in case of emergency, and shall not unreasonably interfere with Tenant's use of the Premises.

IX. Tenant's Corrective Action Obligation. Tenant shall undertake Corrective Action to remove Contaminants released by Tenant, its agents, employees, contractors, or representative during Tenant's occupancy of the Premises, if and to the extent required by any Environmental Agency. Tenant shall, in consultation with City, determine the schedule, technique, method, and design of the Corrective Action, subject to Environmental Agency requirements and approval, provided, however that Tenant may contest and appeal any Environmental Agency decision or directive. Tenant shall have no further obligations for Corrective Action under this Agreement following receipt by Tenant and City of a "No Further Action" letter or equivalent written directive, if applicable, from the appropriate regulatory agency(ies) indicating that no further Corrective Action is required to satisfy applicable law and regulations.

X. Tenant's Environmental Access Right. In the event Tenant's Remediation Equipment remains on the Premises following the expiration or earlier termination of this Agreement, Tenant and its representatives and contractors will have the right of access to the Premises during normal business hours and business days, to install additional Remediation Equipment; to maintain, modify, monitor, operate, repair Tenant's Remediation Equipment; and to verify to the applicable Environmental Agency that Tenant's Corrective Action has been completed. Tenant or its representative or contractor shall provide City written notice of its intent to exercise its access right at least two (2)

business days prior to exercising such right. Tenant will attempt to minimize, to the extent reasonably possible, any interference with the operation of any business conducted at the Premises, except in the case of an emergency, as determined by Tenant. In conducting its operations at the Premises following the expiration or earlier termination of this Agreement, City shall attempt to minimize, to the extent reasonably possible, any interference with Tenant's Corrective Action. The access right will terminate when the Environmental Agency issues a letter to Tenant stating that, based on certain assumptions and conditions, no further Corrective Action will be necessary and Tenant removes its existing Remediation Equipment. If, however, following the Environmental Agency's issuance of such letter, the Environmental Agency requires Tenant to perform further Corrective Action, then the access right provided herein will resume.

XI. Definitions. The following words and phrases, wherever used in the Agreement, shall have the following meanings:

A. "Environmental Laws" shall be interpreted in the broadest sense to include any and all federal, state, and local statutes, ordinances, regulations, rules, policies, procedures, or guidelines having the force and effect of law now or hereafter in effect during the term of this agreement, as the same may be amended from time to time, which govern Hazardous Substances or relate to the protection of human health, safety or the environment, without limitation.

B. "Hazardous Substances" shall be interpreted in the broadest sense to include any and all substances, materials, wastes, pollutants, oils or governmental regulated substances or contaminants as defined or designated as hazardous, toxic, radioactive, dangerous, or any other similar term in or under any of the Environmental Laws, including but not limited to asbestos and asbestos containing materials, petroleum products including crude oil or any fraction thereof, gasoline, aviation fuel, jet fuel, diesel fuel, lubricating oils and solvents, urea formaldehyde, flammable explosives, PCBs, radioactive materials or waste, or any other substance that, because of its quantity, concentration, physical, chemical, or infectious characteristics may cause or threaten a present or potential hazard to human health, the environment, or public welfare when improperly generated, used, stored, handled, treated, discharged, distributed, disposed, or released. Hazardous Substances shall also mean any substances regulated or defined as hazardous materials, hazardous wastes, or toxic substances under any applicable Environmental Laws.

Exhibit F
Airport Security Provisions

Exhibit F Airport Security Provisions

I. Compliance. Throughout the term of this Agreement, Tenant and its employees shall strictly comply with the Airport Security Plan and all other Airport security regulations, as from time to time may be adopted or required by the TSA or other governmental agencies. If a breach of the Airport Security Plan or such other Airport security regulation occurs as a result of the acts or omissions of Tenant and its employees in any manner or form at any time during the term of this Agreement, Tenant shall immediately remedy such breach or assist City, TSA, or other governmental agencies in remedying such breach, regardless of the circumstances.

II. Airport Security Access Media (Card and/or Keys). As a requirement for the execution of this Agreement by Tenant, and in order to perform the duties and obligations pursuant to the terms of this Agreement, Tenant and its employees shall be required to obtain Airport Security Access Media (card and/or keys). Individuals who have been convicted of certain categories of crimes during the past ten (10) years will not be issued Airport Security Access Media. In addition, individuals who have been charged with any of these crimes will not be issued an ID/Access card until disposition of the charges has been resolved to the Director's satisfaction. Tenant and its employees may not begin any work of any nature until the required Airport ID/Access Media has been issued. All persons who are issued an Airport ID/Access card must display it at all times while at the Airport.

All persons applying for Airport Security Access Media must pass a 10-year FBI fingerprint-based Criminal History Records Check ("CHRC"), a Security Threat Assessment ("STA"), and attend a security/ramp driving training class sponsored by City before such Airport Security Access Media will be issued. In conjunction with Tenant's right and privilege to use the Airport, unescorted access may be authorized for Tenant and its employees via card reader-controlled doors and gates to the AOA, the Airport's Security Identification Display Area ("SIDA"), and all secured areas of the Airport.

All Airport Security Access Media issued to Tenant and its employees/contractors are the property of City. Tenant shall be obligated to return to City all Airport Security Access Media in the event of: a) the termination of this Agreement, or b) the termination of employment or resignation of Tenant's employee/contractor, or c) the suspension of Tenant employee/contractor. Tenant requesting Airport Security Access Media shall be fully responsible for the replacement cost of all lost, stolen, or non-returned Airport Security Access Media.

City reserves the right to confiscate or suspend any Airport Security Access Media of any person allegedly involved in any of the criminal acts enumerated under 49 C.F.R. Part 1542, or for a violation of the Airport Security Plan or other Airport security regulations, as from time to time may be promulgated. In addition, City, TSA, or other governmental

agencies as may be authorized, shall have the right to search any person, including Tenant and its employees who have been issued an Airport ID/Access card.

III. Security Measures. Tenant shall implement and maintain, and shall cause its personnel (employees and contractors) to implement and maintain, at a minimum, the following security measures with regard to access control to and from the secured areas of the Airport:

A. During all hours, access points to secure areas of the airport shall be secured and locked.

B. Tenant's personnel shall challenge any person in the SIDA not properly displaying an Airport ID/Access card.

C. Tenant shall restrict the activities of its personnel who are authorized to be on the AOA to the portion of those areas in which Tenant is authorized to operate.

D. Tenant is responsible for ensuring that all of its personnel attend Airport Security Training, that they comply with all Airport security requirements and access control procedures outlined in the training, and, because security requirements and access control procedures change, that Tenant's personnel are made aware of, and comply with, all changes to Airport security requirements and access control procedures of which the Tenant is made aware.

E. Tenant shall not allow any non-badged person under its control to enter the AOA unless that person is properly escorted at all times.

F. Tenant shall participate in the Airport's Security Program and comply with applicable security procedures including, but not limited to, the wearing of Airport ID/Access cards by Tenant's personnel.

G. Tenant shall immediately notify the aviation police of any suspicious activity observed on the AOA of the Airport.

H. Any unresolved questions concerning Airport security shall be directed to the Aviation Department's Airport Security Coordinator.

IV. Payment of fees and fines.

A. Tenant agrees to pay City for any and all applicable Airport Security Access Media fees incurred in connection with Tenant's use of the Airport.

B. Tenant further agrees to reimburse City for any and all penalties or fines levied against City by the Federal Aviation Administration, Transportation Security

Administration, or successor agency due to Tenant's failure to abide by the security measures described herein, provided however, Tenant shall have the right, to the extent allowed pursuant to federal regulations, to defend against such agency action.

V. Compliance with Revisions. Director or his designated representative will periodically evaluate the procedures set forth in this Section, and make revisions as required to comply with federal regulations. Failure of Tenant or Tenant's personnel to fully comply with the procedures set forth in this Section or as later revised, shall be sufficient grounds for City to immediately take any necessary corrective measures until security acceptable to City is restored.

Exhibit G
General Conditions

Exhibit G General Conditions

1. Maintenance of Premises. During the term of this Agreement, it shall be Tenant's obligation, without cost to City, to maintain the Premises, ordinary preventative maintenance, and ordinary upkeep and repair of the Premises. In addition, Tenant shall, at Tenant's sole discretion, maintain, repair, and when necessary, replace all personal property, trade fixtures, equipment, and other Tenant Improvements placed or installed on the Premises by Tenant. City shall maintain and repair the ramp and parking area, electrical system, HVAC system, and structural components of the Premises provided that Tenant shall be responsible for repairing any damage to these areas, systems, and components caused by Tenant's operations and activities at the Premises.

Tenant shall at all times keep the Premises neat, orderly, sanitary, and presentable. Tenant shall cause to be removed at Tenant's own expense from the Premises all waste, garbage, and rubbish, collectively referred to herein as refuse, and agrees not to deposit same on any part of Airport. City shall be entitled to remove Tenant's refuse from the Premises and charge Tenant a reasonable fee if Tenant fails to remove such refuse within five (5) business days after receiving written or verbal notice from City of improper disposal.

2. Surrender of Premises. Tenant covenants and agrees that upon expiration or earlier termination of this Agreement, Tenant will peaceably surrender possession of the Premises in good condition, reasonable wear and tear, acts of God, fire, and other casualties excepted, and City shall have the right to take possession of the Premises. City shall not be required to give notice to quit possession at the expiration of the Agreement.

2.1 Removal of Personal Property. Upon expiration or earlier termination of this Agreement, Tenant shall, immediately, remove any and all non-permanent equipment, trade fixtures, materials, supplies, and other personal property on or about the Premises, subject to any valid lien that City may have thereon for unpaid rents and fees, provided, however, that City shall have the right to occupy and use the Premises immediately upon the expiration of this Agreement. Following the removal of the personal property, Tenant shall be required to return the Premises to the same or comparable condition as existed on the Effective Date of this Agreement, reasonable wear and tear excepted.

2.2 Ownership of Property Not Removed. In the event Tenant fails to remove its personal property, City shall have the options of; a) removing Tenant's personal property at Tenant's expense but only in the event Tenant takes possession of such personal property immediately upon such removal; or b) if Tenant refuses to take possession of Tenant's personal property within forty-five (45) calendar days, taking title to Tenant's personal property in lieu of Tenant's removal.

In the event City takes title to such personal property, City shall be entitled to all proceeds of sale of such Tenant personal property as liquidated damages for the breach of Tenant's covenant to remove.

3. Title to Land. Fee simple title to the Land is and shall remain vested in City. Nothing contained in this Agreement or any action or inaction by City shall be deemed or construed to mean that City has granted to Tenant any right, power or permission to do any act or to make any agreement that may create, give rise to, or be the foundation for any right, title, interest, lien, charge or other encumbrance upon the fee simple title of City in the Land.

4. Compliance with Law. Tenant shall not use the Airport or any part thereof, or knowingly permit the same to be used by any of its employees, officers, agents, sublessees, invitees, or licensees for any illegal purposes and shall, at all times during the term of this Agreement, comply with all applicable regulations, ordinances, and laws of any city, county, or state government or of the U.S. Government, and of any political division or subdivision or agency, authority, or commission thereof which may have jurisdiction to pass laws or ordinances or to make and enforce rules or regulations with respect to the uses hereunder or the Premises.

Tenant shall comply with and conform to all present and future statutes and ordinances, and regulations promulgated thereunder, of all federal, state, and other government bodies of competent jurisdiction that apply to or affect, either directly or indirectly, Tenant or Tenant's operations and activities under this Agreement.

5. Rules, Regulations and Procedures. Tenant shall observe and obey all lawful and applicable executive instructions, administrative instructions, Airport security requirements, access control procedures, minimum standards, and other rules and regulations governing conduct on and operations at the Airport and use of its facilities promulgated by City from time to time during the Term hereof.

6. Non-Discrimination.

6.1 State and Local Compliance. Tenant agrees that no person, on the grounds of race, color, religion, national origin, ancestry, sex, sexual orientation, gender identity, spousal affiliation, age, or physical or mental handicap, shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination in the use of the Airport or any improvements thereon or the furnishing of services thereon, and shall use the premises in compliance with all other requirements which are or may be imposed in the future by or pursuant to provisions of New Mexico statutes and City ordinances relating to the enforcement of civil rights and affirmative action programs, including but not limited to the New Mexico Human Rights Act and the Albuquerque Human Rights Ordinance, and City's affirmative action policies and practices.

6.2 Federal Compliance.

6.2.1 General Civil Rights Provision. Tenant agrees to comply with pertinent statutes, Executive Orders and such rules as are promulgated to ensure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance. If Tenant transfers its obligation to another, the transferee is obligated in the same manner as the Tenant. This provision obligates Tenant for the period during which the property is used or possessed by Tenant and the Airport remains obligated to the Federal Aviation Administration. This provision is in addition to that required by Title VI of the Civil Rights Act of 1964.

6.2.2 Title VI Clauses for Compliance with Nondiscrimination Requirements. During the performance of this contract, Tenant, for itself, its assignees, and successors in interest (herein this subsection referred to as the "Contractor") agrees as follows:

(1) Compliance with Regulations: The Contractor (hereinafter includes consultants) will comply with the Title VI List of Pertinent Nondiscrimination Acts and Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.

(2) Nondiscrimination: The Contractor, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The Contractor will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR part 21.

(3) Solicitations for Subcontracts, including Procurements of Materials and Equipment: In all solicitations, either by competitive bidding or negotiation made by the Contractor for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by the Contractor of the contractor's obligations under this contract and the Nondiscrimination Acts and Authorities on the grounds of race, color, or national origin.

(4) Information and Reports: The Contractor will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the sponsor or the Federal Aviation Administration to be pertinent to ascertain compliance with such Nondiscrimination Acts and Authorities and instructions. Where any information required

of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, the Contractor will so certify to the sponsor or the Federal Aviation Administration, as appropriate, and will set forth what efforts it has made to obtain the information.

(5) Sanctions for Noncompliance: In the event of a Contractor's noncompliance with the non-discrimination provisions of this contract, the sponsor will impose such contract sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:

(a) Withholding payments to the Contractor under the contract until the Contractor complies; and/or

(b) Cancelling, terminating, or suspending a contract, in whole or in part.

(6) Incorporation of Provisions: The Contractor will include the provisions of paragraphs (1) through (6) in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations, and directives issued pursuant thereto. The Contractor will take action with respect to any subcontract or procurement as the sponsor or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the Contractor becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the Contractor may request the sponsor to enter into any litigation to protect the interests of the sponsor. In addition, the Contractor may request the United States to enter into the litigation to protect the interests of the United States.

6.2.3. Title VI Clauses for Lease of Real Property. Tenant, for itself, its heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that (a) no person on the grounds of race, creed, color, national origin, sex, age, or disability will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (b) that in the construction of any improvements on, over, or under such land, and the furnishing of services thereon, no person on the ground of race, creed, color, national origin, sex, age, or disability will be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, and (c) that Tenant will use the premises in compliance with all other requirements imposed by or pursuant to the Nondiscrimination Acts and Regulations listed in the Title VI List of Pertinent Nondiscrimination Acts and Authorities listed below.

In the event of breach of any of the above Nondiscrimination covenants, City will have the right to terminate this Agreement and to enter, re-enter, and repossess the

premises and facilities thereon, and hold the same as if the Agreement had never been made or issued.

6.2.4. Title VI List of Pertinent Nondiscrimination Acts and Authorities.

During the performance of this Agreement, Tenant, for itself, its assignees, and successors in interest agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

- Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d *et seq.*, 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin);
- 49 CFR part 21 (Non-discrimination In Federally-Assisted Programs of The Department of Transportation—Effectuation of Title VI of The Civil Rights Act of 1964);
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. § 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794 *et seq.*), as amended, (prohibits discrimination on the basis of disability); and 49 CFR part 27;
- The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 6101 *et seq.*), (prohibits discrimination on the basis of age);
- Airport and Airway Improvement Act of 1982, (49 USC § 471, Section 47123), as amended, (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987, (PL 100-209), (Broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms “programs or activities” to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act of 1990, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§ 12131 – 12189) as implemented by Department of Transportation regulations at 49 CFR parts 37 and 38;
- The Federal Aviation Administration’s Non-discrimination statute (49 U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures non-discrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;
- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);

- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. 1681 et seq).

7. Disability Laws and Accessibility Requirements. Tenant shall comply with provisions of the Americans with Disabilities Act of 1990 ("ADA"), and federal regulations promulgated thereunder. With respect to any improvements Tenant constructs on the Premises, Tenant agrees to meet all the requirements of the ADA which are imposed directly on the Tenant or which would be imposed on the City as a public entity. Tenant agrees to be responsible for knowing all applicable rules and requirements of the ADA and to defend, indemnify and hold harmless the City, its officials, agents and employees from and against any and all claims, actions, suits or proceedings of any kind brought against City as a result of any acts or omissions of Tenant or its contractors or agents in violation of the ADA.

8. Tenant's Compliance with Environmental Laws. In connection with its operations or any other activity at the Airport, Tenant shall at all times and in all respects comply with all environmental laws including federal, state and local laws, ordinances and regulations pertaining to hazardous substances. Environmental laws shall be interpreted in the broadest sense to include any and all federal, state, local statutes, ordinances, regulations, or rules now or hereafter in effect, as the same may be amended from time to time, which govern hazardous substances or relate to the protection of human health, safety or the environment. Hazardous substances shall be interpreted in the broadest sense to include any and all substances, materials, wastes, pollutants, oils or governmental regulated substances or contaminants as defined or designated as hazardous, toxic, radioactive, dangerous, or any other similar term in or under any of the environmental laws. Upon expiration or earlier termination of this Agreement, Tenant shall cause all hazardous substances introduced at the Airport by Tenant, its personnel, or its agents to be removed from the Airport and transported for use, storage, or disposal in accordance and compliance with all applicable environmental laws. Tenant shall further comply with any environmental provisions provided as an exhibit to this Agreement.

9. City's Right of Inspection.

9.1 City's Right to Enter. City, by its authorized officers, employees, agents, contractors, subcontractors, and other representatives, shall have the right, but not the obligation, at such times as may be reasonable under the circumstances and with as little interruption of Tenant's operations as possible, to enter upon the Premises, accompanied by an authorized Tenant representative, if practicable, to inspect such space to determine whether Tenant is in compliance with the terms and conditions of this Agreement, including inspection for safety, fire protection, or security purposes. Tenant further agrees to make any and all corrections of violations observed by City as a result of this inspection; however, in no event shall Tenant be required to correct any violations that precede the Effective Date.

The failure of City to inspect or monitor or give Tenant notice of a default or a notice of a hazardous or unsafe condition with respect to Tenant's operations under this Agreement shall not release Tenant from its liability to perform its obligations under this Agreement or impose any liability on City.

10. Construction of Improvements. Tenant may not construct any improvements to the Premises without written approval from the Director of Aviation.

10.1 Approval by the Director of Aviation. Before the commencement of any such construction, detailed plans and specifications, including any modifications or amendments thereto requested by City, shall be filed with, and approved, in writing, by the Director of Aviation ("Director") and all governmental agencies and authorities having jurisdiction over such construction. Tenant shall, at its sole expense, obtain all necessary licenses, permits, and approvals required for construction of the improvements.

The quality, design, and appearance of such improvements shall conform with the Airport's architectural design criteria and be consistent with first-class, modern facilities. Such construction shall be performed in a good and workmanlike manner and in accordance with the plans and specifications approved for same. At all times during such construction, Tenant shall have a copy of the approved plans and specifications on the Premises for inspection by City or other governmental agencies.

10.2 Coordination of Construction. Tenant shall cooperate with the Aviation Department in the construction of the improvements. Tenant agrees that all construction and installation of said improvements at the Airport shall be accomplished without interfering with other users of the Airport, and that Tenant and its construction contractor and subcontractors shall at all times keep the construction site and surrounding areas clean, orderly, safe, free of accumulated construction debris and waste materials, and shall be solely responsible for removal of all construction debris and waste materials to a suitable licensed landfill away from the Airport.

Tenant shall be responsible for obtaining and paying for any temporary utilities needed during construction of the improvements.

10.3 Removal of Unapproved Improvements. Improvements made on the Premises without the Director's written approval as required or portions of the improvements that are not constructed as indicated and specified on approved plans will be considered to be unapproved improvements constructed in violation of the provisions of this Lease. Unapproved improvements shall be removed by Tenant, at Tenant's sole expense, within sixty (60) calendar days following Tenant's receipt of written notice to do so from the Director.

10.4 Improvements by Tenant to Remain Throughout Term. All of Tenant's improvements shall remain on the Premises throughout the term of this Lease, unless otherwise approved in writing by the Director.

10.5 Ownership of Improvements. All improvements constructed on the Premises by Tenant, shall be, and shall remain, the property of Tenant until expiration or earlier termination of this Lease. Tenant shall not, however, remove any of the improvements from the Premises, nor waste, destroy, demolish or alter, any of the improvements on the Premises except as permitted by this Lease.

Upon expiration or earlier termination of this Lease, Tenant shall be obligated to remove all improvements constructed or installed upon the Premises unless City has consented that said improvements may remain upon the Premises. If City has not provided such consent, and if Tenant fails to remove said improvements within thirty (30) days following expiration or earlier termination of this Lease, City shall become the owner thereof, and may exercise any and all of its legal rights or remedies, including the right, with or without legal process, to remove and dispose of said improvements without notice to, or consent of, Tenant. Tenant shall have the right to remove any and all trade fixtures on the Premises below, provided, however, that Tenant shall repair any damage caused by such removal at its sole cost and expense.

10.6 Real Time Crime Center. If Tenant installs security cameras on its premises, Tenant agrees to cooperate in establishing camera links to the Albuquerque Police Department Real Time Crime Center to the extent feasible.

11. Signs. Any advertising sign, billboard, identification sign or symbol, or other similar device, regardless of content, shall not be erected, maintained, or displayed on the Premises, or elsewhere at the Airport, without the prior written consent of the Director, which consent shall not be unreasonably withheld. Tenant shall submit to the Director for approval, detailed drawings indicating dimensions, location, materials, and colors for all proposed signs at the Premises.

12. Damage or Destruction of Premises. If, for any reason the Premises are damaged to such an extent that it is untenable in whole or in substantial part, then:

12.1 Minor Damage. If the repairs, rebuilding, or construction necessary to restore the Premises to its condition prior to the occurrence of the damage can, in the judgment of City, be completed within ninety (90) days, City shall so notify Tenant, in writing, consult with Tenant, and shall proceed promptly with such repairs, rebuilding, or construction at City's sole cost and expense, provided that Tenant shall be responsible for, and bear the cost of, replacing its trade fixtures and equipment. In such event, Tenant shall receive a pro rata abatement of the rents and fees due based only on the reduction of usable square feet in the Premises. If applicable, this abatement shall be allowed only for the period from the date of the occurrence of such damage to the date

upon which repairs, rebuilding, or construction is completed. Thereafter, the rents and fees due shall be calculated without regard to the period of time that the fee was reduced.

Notwithstanding the above provisions, if the damage is caused by the intentional or grossly negligent act or omission of Tenant, its officers, agents, employees, contractors, subcontractors, licensees or invitees, Tenant shall be responsible for reimbursing City for the cost and expense incurred in such repair, rebuilding, or construction. In order to expedite such repair, rebuilding, or construction, Tenant shall apply all insurance proceeds paid on account of such damage or destruction under the policies of insurance required. If the insurance proceeds are not sufficient to pay the entire cost of such repairs, rebuilding, or construction, Tenant shall pay the amount of any such deficiency and shall apply the same to the payment of the cost of the repairs, rebuilding, or construction.

In the event the cause of the damage or destruction is by risk, which is or was uninsurable, then Tenant shall have the same responsibility to provide the funds necessary to pay the cost of the repairs, rebuilding, or construction. In the event of such minor damage, there shall be no abatement of the rents and fees payable by Tenant to City under this Agreement.

12.2 Extensive Damage. If repairs, rebuilding, or construction would, in the judgment of City, exceed one hundred fifty (150) days to complete, City, at its option, to be evidenced by notice in writing to Tenant, may:

12.2.1 Seek Tenant's consent and cooperation, and proceed promptly with repairs, rebuilding, or construction at City's sole cost and expense, in which event abatement of rents and fees shall be allowed, or

12.2.2 Terminate the letting of the Premises, in which event the rents and fees due shall be eliminated beginning from the date of the occurrence of the damage. City shall not be deemed in default under this Agreement in the event it elects to terminate the letting of the damaged or destroyed Premises.

12.2.3 In the event the Premises are destroyed or so damaged and rendered untenable as a result of the intentional or grossly negligent act or omission of Tenant, its officers, agents, servants, employees, contractors, subcontractors, licensees, or invitees, City may repair, rebuild, or construct, and Tenant shall be responsible for reimbursing City for the costs and expenses incurred in such repair, rebuilding, or construction. In order to expedite such repair, rebuilding, or construction, Tenant shall apply all insurance proceeds paid on account of such damage or destruction under the policies of insurance required. If the insurance proceeds are not sufficient to pay the entire cost of such repairs, rebuilding, or construction, Tenant shall pay the amount of any such deficiency and shall apply the same to the payment of the cost of the repairs, rebuilding, or construction. In the event the cause of the damage or destruction is by

risk, which is or was uninsurable, then Tenant shall have the same responsibility to provide the funds necessary to pay the cost of the repairs, rebuilding, or construction. In the event of such extensive damage, there shall be no abatement of the rents and fees payable by Tenant to City under this Agreement.

12.3 Alternative Space. In the event repairs, rebuilding, or construction is required, City shall use reasonable efforts to provide Tenant with alternative space, if necessary, during any repairs, rebuilding, or construction of the Premises. City shall advise Tenant as soon as may be practicable regarding City's intention with respect to any necessary repairs, rebuilding, or construction.

In the event City provides alternative space to Tenant, City shall be responsible for those costs directly associated with moving Tenant to the temporary space and back to restored space, except in the event that such repair, rebuilding, or construction is required as a result of the intentional or grossly negligent act or omission of Tenant, its officers, agents, employees, contractors, subcontractors, licensees, or invitees, in which case Tenant shall bear the entire cost of moving. Should smaller square footage space be provided by City to Tenant, then the rent due shall be reduced pro rata to the reduction of square footage of the alternative space. All reductions of rent shall be allowed only for the period from the date of the occurrence of such damage to the date repairs and rebuilding are completed. Thereafter, the rent due shall be calculated without regard to the period of time that the rent was reduced.

12.4 Limits of City's Obligations Defined. City shall not be obligated to repair, rebuild, or construct the Premises to an extent greater than its original obligation to provide facilities and service to the Premises as set forth in this Agreement.

13. Agreement Subject to Avigation Priority. Tenant's right to use the Premises for the purposes as set forth in this Agreement shall be secondary to and subordinate to the operation of the Airport. Tenant acknowledges that due to the location of the Premises at the Airport, there may be an impact to the use of the Premises as a result of the noise, vibrations, odors, vapors, fumes, smoke, dust, particulates, and other interference caused by Airport operations. Tenant hereby waives any and all rights or remedies against City arising out of any noise, vibrations, odors, vapors, fumes, smoke, dust, particulates, and other interference that is caused by the operation of the Airport. City specifically reserves for itself, and for the public, a right of flight for the passage of aircraft in and through the airspace above the surface of the Premises together with the right to cause in said airspace such noise, vibrations, odors, vapors, fumes, smoke, dust, particulates and other interference as may be inherent in the present and future operation of aircraft.

Tenant further acknowledges that its use of the Premises, in relation to the avigation priority as referenced in this subsection, is reserved upon and subject to certain conditions and restrictions including Tenant's limitations: a) to cause electrical, electronic

or other interference with radio, radar, microwave or other similar means of communications between the Airport and any aircraft; b) to adversely affect or impair the ability of operators of aircraft to distinguish between regularly installed air navigation lights and visual aids and other lights serving the Airport; or c) to cause glare in the eyes of operators of aircraft approaching or departing the Airport, or to impair visibility in the vicinity of the Airport, or to otherwise endanger the approaching, landing upon, taking off from, maneuvering about or operating of aircraft on, above and about the Airport; provided, however, that, notwithstanding any contrary provision contained above, Tenant shall be permitted to construct and maintain such improvements and to utilize all lighting, finishes and building materials as shall have been submitted to and approved by City.

14. Subordination to Agreements with the U.S Government. This Agreement is subject and subordinate to the provisions of any agreements heretofore or hereafter made between City and the United States, relative to the operation or maintenance of the Airport, the execution of which has been required as a condition precedent to the transfer of federal rights or property to City for Airport purposes, or to the expenditure of federal funds for the improvement or development of the Airport, including the expenditure of federal funds for the development of the Airport in accordance with the provisions of the Federal Aviation Act of 1958, as amended, or in accordance with successive airport development acts.

15. Other Subordination. The Premises are, and this Agreement is, subject to and subordinate to the terms of that certain deed from the United States of America to City dated December 15, 1962, and filed for record on December 19, 1962 in Volume 672 of Records, Folio 469 with the records of the County Clerk of the County of Bernalillo, New Mexico, wherein City agreed to hold title to certain property upon certain terms and which also provides that the United States may regain title should City not cure any default within sixty (60) days of notice thereof.

Nothing in this Agreement shall be construed or interpreted as limiting, relinquishing or waiving any rights of ownership enjoyed by City in the Airport; except as specifically provided in this Agreement; or impairing, exercising or defining governmental rights and the police powers of City. This Agreement is subject to and subordinate to any and all City Ordinances codified in the Revised Ordinances of City of Albuquerque, New Mexico, 1994, and the provisions of any agreements or deeds made between the City and the United States. This Agreement is subject to and subordinate to any and all Bond Ordinances pertaining to Airport Bonds.

16. No Exclusive Rights. Nothing herein contained shall be deemed to grant to Tenant any exclusive right or privilege within the meaning of 49 U.S.C. § 40103(e) and FAA Advisory Circular 150/5190-6 or the most recent versions thereof for the conduct of any activity on the Airport, except that, subject to the terms and provisions hereof, Tenant shall have the right to exclusive possession of the Exclusive Use of Space leased to Tenant under the provisions of this Agreement.

17. Economic Non-Discrimination. In connection with the conduct of any aeronautical activity that involves furnishing services to the public at the Airport, Tenant agrees: (1) to furnish said services on a fair, equal and not unjustly discriminatory basis to all users, and (2) to charge fair, reasonable and not unjustly discriminatory prices for each unit or service, provided that Tenant may make reasonable and non-discriminatory discounts, rebates or other similar price reductions to volume purchasers.

18. Amendment and Waiver. This Agreement may be amended in writing as allowed by City Ordinance, except that Director shall have the authority to waive requirements and prohibitions or otherwise modify this Agreement by written supplement signed by the parties, to address changes in circumstances which will benefit the parties and the traveling public, provided that such modifications are non-discriminatory, and do not extend the term of the Agreement or modify rent and fee provisions. No custom or practice, or waiver of default, which may evolve between the parties in the administration of the terms of this Agreement, may be construed to waive or lessen the right of either party to insist upon the performance of the other party in strict accordance with the terms of this Agreement.

19. Relation to Other Tenants and Lessees. This Agreement is separate and distinct from, and shall be construed separately from, any other agreement between City and any other tenant or lessee at the Airport. The fact that such other agreement contains provisions which differ from those contained in this Agreement shall have no bearing on the construction of this Agreement.

20. Assignment and Subletting. Tenant shall not assign, sublet, mortgage or otherwise transfer, in whole or in part, any of the rights granted in this Agreement.

21. Financial Responsibility.

21.1 Taxes, Licenses, Debts. Tenant shall promptly pay all taxes and other exactions assessed or assessable and pay all license fees and permit fees applicable to Tenant's operations on the Premises, and acquire and keep current all licenses, municipal, state or federal, required as the result of Tenant's operations on the Premises pursuant to this Agreement, and shall not allow any of said taxes, excises or fees to become delinquent. Tenant shall pay promptly when due all bills, debts and obligations incurred in connection with its operations or activities on the Premises and shall not permit them to become delinquent; provided however, Tenant may contest the amount or validity of, and may compromise, any such bills, debts and obligations in good faith.

21.2 Liens. Tenant shall not permit any judgment, execution or mechanic's or materialman's or any other lien to become attached to or be foreclosed upon the Premises by reasons of work, labor performed, or materials or equipment furnished to Tenant.

22. Construction Inconvenience. Tenant agrees that from time to time during the term of this Agreement, the Aviation Department and City shall have the right to initiate and carry forward programs of construction, reconstruction, expansion, relocation, maintenance, and repair of the various buildings, infrastructure and facilities on the Airport ("Airport Construction"), including but not limited to terminal facilities, roadways, parking areas for aircraft and ground vehicles, runways, and taxiway areas. Tenant agrees that it shall not hold the Aviation Department or City, including its officers, agents, employees and representatives, liable for damages of any nature whatsoever, including all damages arising out of or caused by inconveniences and/or interruptions of its business activities at the Airport, loss of business, and personal injury, including death, and property damage due to the Airport Construction, unless such damages are caused in whole or in part by the negligence or other fault of the Aviation Department or City or its officers, agents, employees and representatives. Tenant acknowledges receipt of adequate consideration by City in support of this waiver. Notwithstanding the above, if construction inconvenience interferes with Tenant's business to the extent that remaining at the Premises is not possible and the City cannot provide alternative premises, Tenant may terminate this Agreement upon payment of all outstanding rents and fees.

23. Non-Liability of Agents and Employees. City shall not in any event be liable for any acts or omissions of Tenant, its agents, or personnel, or independent contractors, or for any condition resulting from the operations or activities of Tenant, Tenant's agents, personnel, or independent contractors either to Tenant or to any other person.

24. No Partnership or Agency. Nothing contained in this Agreement is intended or shall be construed in any respect to create or establish any relationship other than that of lessor and lessee, and nothing herein shall be construed to establish any partnership, joint venture or association or to make Tenant the general representative or agent of City for any purpose whatsoever.

25. Force Majeure. Except as expressly provided in this Agreement, neither City nor Tenant shall be deemed to be in default hereunder if either party is prevented from performing any of the obligations, other than payment of rents and fees hereunder, by reason of strikes, boycotts, labor disputes, embargoes, shortages of energy or materials, acts of a public enemy, acts of terrorism or threatened acts of terrorism, weather conditions or the results of acts of nature, riots, rebellion, sabotage or other causes similar to those enumerated for which it is not responsible or which are not within its reasonable control.

26. Dispute Resolution, Remedies, and Forum Selection. Any dispute, cause of action, claim, suit, demand, or other case or controversy arising from or related to this Agreement must first be submitted to a mediator mutually agreeable to the parties. If mediation is not successful, the matter shall be resolved by binding arbitration submitted to the American Arbitration Association. The parties will evenly share the cost of mediation and arbitration fees and expenses, and will pay their own attorney fees and

costs, regardless of outcome. The provisions of this subsection shall survive the expiration or earlier termination of this Agreement. All mediations and arbitrations must occur in the City of Albuquerque.

27. Ethics.

27.1 Conflict of Interest. Upon execution of this Agreement, or within five (5) days following the acquisition of any interest in this Agreement during the term of this Agreement, Tenant shall disclose in writing to City whether any City Councilor, Albuquerque Airport Advisory Board member, officer or employee of City has or hereafter acquires any direct, indirect, legal, or beneficial interest in Tenant or in any contract, Agreement, or agreement between City and Tenant, or in any franchise, concession, right, or privilege of any nature granted by City to Tenant in this Agreement or otherwise.

27.2 Fair Dealing. Tenant covenants and warrants that the only entity interested in this Agreement is named in this Agreement and that no other person or firm has any interest in this Agreement, and this Agreement is entered into by Tenant without collusion on the part of Tenant with any person or firm, without fraud and in good faith. Tenant also covenants and warrants that no gratuities, in the form of entertainment, gifts or otherwise, were, or during the term of this Agreement, will be, offered or given by Tenant or any agent or representative of Tenant to any officer or employee of City with a view towards securing this Agreement or for securing more favorable treatment with respect to making any determinations with respect to performing this Agreement.

27.3 Board of Ethics and Campaign Practices. Tenant agrees to provide the Board of Ethics and Campaign Practices of the City of Albuquerque or its investigator (the "Board") with any records or information pertaining in any manner to this Agreement whenever such records or information are within Tenant's custody, are germane to an investigation authorized by the Board, and are requested by the Board. Tenant further agrees to appear as a witness before the Board as required by the Board in hearings concerning ethics or campaign practices charges heard by the Board. If applicable, Tenant agrees to require that all subcontractors employed by Tenant for services performed for this Agreement shall agree to comply with the provisions of this subsection. Tenant and its subcontractors shall not be compensated under this Agreement for its time or any costs incurred in complying with this subsection.

28. Audits and Inspections. The Contractor understands and will comply with the City's Accountability in Government Ordinance, §2-10-1 et seq. and the Inspector General Ordinance, §2-17-1 et seq. R.O.A. 1994, and also agrees to provide requested information and records and appear as a witness in hearings for the City's Board of Ethics and Campaign Practices pursuant to Article XII, Section 8 of the Albuquerque City Charter.

29. Contract Interpretation.

29.1 Severability. In the event any covenant, condition or provision herein is held to be invalid, illegal, or unenforceable by any court of competent jurisdiction, such covenant, condition or provision shall be deemed amended to conform to applicable laws so as to be valid or enforceable or, if it cannot be so amended without materially altering the intention of the parties, it shall be stricken. If stricken, all other covenants, conditions and provisions of this Agreement shall remain in full force and effect provided that the striking of such covenants, conditions or provisions does not materially prejudice either City or Tenant in its respective rights and obligations contained in the valid covenants, conditions or provisions of this Agreement.

29.2 Non-waiver of Rights. No waiver of default by either party of any of the terms, covenants, and conditions hereof to be performed, kept and observed by the other party shall be construed as, or shall operate as, a waiver of any subsequent default of any of the terms, covenants, or conditions herein contained, to be performed, kept and observed by the other party.

29.3 Gender, Singular/Plural. Words of any gender used in this Agreement shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, unless the context otherwise requires.

29.4 Captions and Section Headings. The captions, section headings, and table of contents contained in this Agreement are for convenience of reference only, and in no way limit, define, or enlarge the terms, scope, and conditions of this Agreement.

29.5 Entire Agreement. This Agreement represents the entire contract between the parties and, except as otherwise provided herein, may not be amended, changed, modified, or altered without the written consent of the parties hereto. This Agreement incorporates all of the conditions, agreements, and understandings between the parties concerning the subject matter of this contract, and all such conditions, understandings and agreements have been merged into this Agreement. No prior condition, agreement, or understanding, verbal or otherwise, of the parties or their agents shall be valid or enforceable unless embodied in this written Agreement.

29.6 Relationship of Contract Documents. All documents attached to this Agreement or incorporated into this Agreement are complementary, and any requirement of one contract document shall be as binding as if required by all.

29.7 Exhibits, Certificates, Documents Incorporated and Attachments. Incorporation by Reference: All certificates, documents, exhibits, attachments, riders, and addenda referred to in this Agreement, including but not limited to the exhibits referred to in this Agreement, are hereby incorporated into this Agreement by reference and made a part hereof as though set forth in full in this Agreement to the extent they are consistent with its conditions and terms.

29.8 Applicable Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of New Mexico, and the laws, rules and regulations of the City of Albuquerque.

29.9 Successors. All covenants, stipulations and agreements in this Agreement shall extend to and bind the legal representatives, successors, and assigns of the respective parties hereto.

29.10 Governmental Rights and Powers. Nothing in this Agreement shall be construed or interpreted as limiting, relinquishing or waiving any rights of ownership enjoyed by City in the Airport property, or waiving or limiting City's control over the management, operations or maintenance of property, except as specifically provided in this Agreement, or impairing, exercising, waiving, or defining governmental rights and the police powers of City.

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