

**NOTICE OF A REGULAR MEETING OF
THE FRIEDMAN MEMORIAL AIRPORT AUTHORITY**

PLEASE TAKE NOTICE that a regular meeting of the Friedman Memorial Airport Authority shall be held Tuesday, November 14, 2023 at 5:30 p.m. at the **Old Blaine County Courthouse Meeting Room** Hailey, Idaho.

This meeting is open to the public and attendees are able to attend in person or by web access. Web access instructions below:

Please join the meeting from your computer, tablet, or smartphone.

<https://www.microsoft.com/en-us/microsoft-teams/join-a-meeting>

Meeting ID: 241 310 773 002

Meeting Passcode: TSKRDd

You can also dial in using your phone.

United States: 1 (208) 996-1013

Dial In Conference ID: 436 433 38#

The proposed Agenda for the meeting is as follows:

**AGENDA
November 14, 2023**

- I. APPROVE AGENDA – ACTION ITEM**
- II. PUBLIC COMMENT (10 Minutes Allotted)**
- III. FRIEDMAN MEMORIAL AIRPORT AUTHORITY MEETING MINUTES OF:**
 - A. October 3, 2023 Regular Meeting – Motion to Approve – **Attachment #1 ACTION ITEM**
- IV. REPORTS**
 - A. Chair Report
 - B. Blaine County Report
 - C. City of Hailey Report
 - D. Fly Sun Valley Alliance Report
 - E. Airport Team Report
- V. AIRPORT STAFF BRIEF (5 Minutes Allotted)**
 - A. Noise Complaints in October
 - B. Profit & Loss, ATCT Traffic Operations Count and Enplanement Data – **Attachment #2 – #4**
 - C. Airport Commercial Flight Interruptions (unofficial)
 - D. Review Correspondence – **Attachment #5 – #6**
- VI. ACTION ITEMS (a vote may occur but is not required to be taken)**
 - A. NEW BUSINESS
 - 1. Idaho Airport Aid Program Grant Offer – Consideration of Recommendation of Acceptance – **Attachment #7 - #8 ACTION ITEM**
 - 2. Airline Operating Agreement and Terminal Building Lease – Consideration of Recommendation of Acceptance – **Attachment #9 ACTION ITEM**
 - B. CONTINUING BUSINESS
 - 1. None
- VII. UPDATES AND DISCUSSION**
 - A. NEW BUSINESS
 - 1. None
 - B. CONTINUING BUSINESS
 - 1. Miscellaneous
 - i. Future Aeronautical Development RFP – Update
 - ii. Ranch Management RFP – Update
 - 2. Construction and Capital Projects
 - i. None
 - 3. Airport Planning Projects
 - i. None
- VIII. PUBLIC COMMENT**
- IX. ADJOURNMENT**

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III. FRIEDMAN MEMORIAL AIRPORT AUTHORITY MEETING MINUTES OF:

- A. October 3, 2023 Regular Meeting – Motion to Approve – **Attachment #1 ACTION ITEM**

IV. REPORTS

- A. Chair Report

This item is on the agenda to permit a Chair report if appropriate.

- B. Blaine County Report

This item is on the agenda to permit a County report if appropriate.

- C. City of Hailey Report

This item is on the agenda to permit a City report if appropriate.

- D. Fly Sun Valley Alliance Report

This item is on the agenda to permit a report if appropriate.

- E. Staff Team Report

This item is on the agenda to permit a Staff Team's report if appropriate.

V. AIRPORT STAFF BRIEF – (5 Minutes Allotted)

- A. Noise Complaints in October

LOCATION	DATE	TIME	AIRCRAFT TYPE	INCIDENT	ACTION/RESPONSE
Hailey	10/11/2023	19:30	Small Prop Airplane	Resident called Deputy Director of Operations on cell phone to state concerns over student pilots wreaking havoc on community. Caller stated airport must regulate this activity. Caller stated student pilots are the number one cause of accidents and death in United States. Flight schools must be forced to relocate to different part of country.	Deputy Director attempted to explain that airports cannot discriminate against aircraft operators. Resident disagreed about airport's actual authority and said he would call FAA. Deputy Director provided FAA Noise Obudsman number to resident. Resident stated he will come to next board meeting to express his concerns for safety.
Sun Valley	10/29/2023	15:17	Helicopter	Resident called to report a helicopter working on a private residence all week in Ketchum is extremely disruptive.	Deputy Director of Operations called resident back to explain that the helicopter was conducting construction work and explained that the operations were taking place well outside the SUN Airspace. Due to the inherent nature of helicopter abilities, helicopter operations are legal at all altitudes within the USA. The airport does not have the authority to tell the helicopter to cease operation.

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B. Profit & Loss, ATCT Traffic Operations Count and Enplanement Data - **Attachments #2 - #4**

Attachment #2 is Friedman Memorial Airport Profit & Loss Budget vs. Actual (unaudited)

Attachment #3 is ATCT Traffic Operations Record comparison by month.

Attachment #4 is Enplanements, Deplanements and Seat Occupancy data.

The following revenue and expense analysis is provided for Board information and review:

September 2023

Total Non-Federal Revenue	September, 2023	\$805,432
Total Non-Federal Revenue	September, 2022	\$373,961
Total Non-Federal Revenue	FY '23 thru September	\$9,881,556
Total Non-Federal Revenue	FY '22 thru September	\$7,216,777
Total Non-Federal Expenses	September, 2023	\$401,650
Total Non-Federal Expenses	September, 2022	\$270,564
Total Non-Federal Expenses	FY '23 thru September	\$4,586,276
Total Non-Federal Expenses	FY '22 thru September	\$3,607,156
Net Income excluding Federal Programs	FY '23 thru September	\$5,295,280
Net Income excluding Federal Programs	FY '22 thru September	\$3,609,621
Net Income to include Federal Programs	FY '23 thru September	\$5,592,548
Net Income to include Federal Programs	FY '22 thru September	\$24,991,762

C. Airport Commercial Inbound Flight Interruptions (unofficial):

AIRLINE	FLIGHT CANCELLATIONS	FLIGHT DIVERSIONS
	October 2023	October 2023
Alaska Airlines	0	0
Delta	0	0
United	0	2

D. Review Correspondence – **Attachment #5 - #6**

VI. ACTION ITEMS (a vote may occur but is not required to be taken)

A. NEW BUSINESS

1. Idaho Airport Aid Program Grant Offer – Consideration of Recommendation of Acceptance – **ACTION ITEM Attachment #7 - #8**

The Idaho Transportation Department Division of Aeronautics announced a grant to airports under the Idaho Airport Aid Program to assist in financing improvements to airports during State fiscal year 2024. SUN's grant amount is \$1,000,000.

The \$1,000,000 of grant funds will be forthcoming upon acceptance of the grant agreement (Attachments #7 - #8), which will be used to help reimburse SUN for the purchase of the Oshkosh Striker 6x6 ARFF vehicle that was approved by the Board at the September 2023 meeting.

ACTION REQUESTED: Motion to recommend acceptance of the ITD Division of Aeronautics Grant Offer by the City of Hailey and Blaine County as airport co-sponsors. The action will further direct Staff and Legal Counsel to develop the appropriate City and County Resolutions to support acceptance of the ITD Division of Aeronautics Grant Offer.

2. Airline Operating Agreement and Terminal Building Lease – Consideration of Recommendation of Acceptance – **Attachment #9 ACTION ITEM**

As the Board is aware, for the past several months, the Finance/Lease Committee, airport legal counsel, and staff have been working with Ricondo & Associates to prepare and negotiate a renewal of the current Airline Operating Agreement and Terminal Building Lease with the air carriers. Attachment #9 is the result of those negotiations and is the final draft of the Airline Operating Agreement.

If acceptable, Staff is requesting a motion to approve the Board Chair to execute the lease contingent upon on final review and acceptance by legal counsel.

ACTION REQUESTED: Motion to approve Board Chair to execute the lease based on final review and acceptance by airport and airline legal counsel.

B. CONTINUING BUSINESS

1. None

VII. UPDATES AND DISCUSSION

A. NEW BUSINESS

1. None

B. CONTINUING BUSINESS

1. Miscellaneous

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i. Future Aeronautical Development RFP - Update

The RFP is now out on the street, the “cone of silence” for the Board and selection committee as directed by legal counsel is in place. For this meeting, staff and legal counsel will provide a brief update to the Board regarding progress and the next milestones in the process.

A copy of the full RFP and other supporting documents can be found on the airport website.

ii. Ranch Management RFP – Update

The Ranch Management RFP is now out on the street. For this meeting, staff and legal counsel will provide a brief update to the Board regarding progress and the next milestones in the process.

A copy of the full RFP and other supporting documents can be found on the airport website.

2. Construction and Capital Projects

i. None

3. Airport Planning Projects

i. None

VIII. PUBLIC COMMENT

IX. ADJOURNMENT

**MINUTES OF A REGULAR MEETING
OF THE
FRIEDMAN MEMORIAL AIRPORT AUTHORITY
October 3, 2023
5:30 P.M.**

IN ATTENDANCE:

BOARD MEMBERS:

Board Chair – Martha Burke, Vice Chair – Muffy Davis, Secretary – Angenie McCleary, Board Members – John Strauss, Sam Linnet, Jacob Greenberg, Lindsay Mollineaux, Treasurer – Ron Fairfax

FRIEDMAN MEMORIAL AIRPORT STAFF:

Airport Director – Chris Pomeroy, Deputy Director, Finance & Administration – Jenna Elliott, Deputy Director, Operations & Maintenance – Tim Burke, Security Manager – Steve Guthrie, Business Operations Coordinator – Becca Lynn, Administrative Coordinator II – Janice Hicks

AIRPORT LEGAL COUNSEL:

Lawson Laski Clark PLLC – Jim Laski, Kaplan Kirsch Rockwell – Peter Kirsch

CALL TO ORDER: The meeting was called to order at 5:30 p.m. by Board Chair Burke

I. APPROVE AGENDA (0:45)

A motion to approve the agenda as presented.

MOTION: *Made by Board Member Greenberg to approve the agenda as presented. Seconded by Board Member Strauss.*

PASSED UNANIMOUSLY

II. PUBLIC COMMENT (1:49)

None

III. APPROVE FMAA MEETING MINUTES (2:08)

A. September 5, 2023, Regular Meeting – Motion to Approve – **Attachment #1 ACTION ITEM**

MOTION: *Made by Secretary McCleary to approve the minutes as presented. Seconded by Board Member Mollineaux.*

PASSED UNANIMOUSLY

IV. REPORTS (4:12)

A. Chair Report

Board Chair Burke thanked Deputy Director of Operations & Maintenance, Tim Burke, and all staff for the efforts and success of the Meet the Fleet Event.

B. Blaine County Report

No report given.

C. City of Hailey Report

No report given.

Side note from Board Member Strauss: He received a phone call from a long-standing customer of his who is not only flying for United airlines but was also just type rated in an Airbus.

D. Fly Sun Valley Report

Carol Waller announced the winter schedule has been released and they are already seeing bookings for the seasons. She stated the winter schedule will provide 14% more seat capacity than prior winters. A strategic plan is being developed long term, updating the prior plan and what will be pursued in the future.

E. Airport Team Reports (see PowerPoint Presentation) (08:11)

Airport Director Pomeroy reported September passenger enplanements were down 8% from September 2022. Year-to-date enplanements were up 13% versus 2022.

Operations for September were down 3% from September 2022. Overall operations were down 4% year-to-date from 2022.

Airport Director Pomeroy extended a congratulations to Deputy Director, Finance & Administration, Jenna Elliott for achieving her Certified Member (CM) Certification through The American Association of Airport Executives (AAAE). Also, Deputy Director, Operations & Maintenance, Tim Burke, was asked to be the Keynote Speaker at the National Airports Convention; he spoke about the concept of work life balance.

Airport Director Pomeroy announced that Oliver Nordlie is the airport's newest ARFF/Operations staff member.

He reiterated his appreciation to staff members and their dedication to the airport as well as an extra thanks to Tim Burke for all his work on the Triennial and Meet the Fleet events.

Airport Director Pomeroy met with the Blaine County Pilot's Association (BCPA) and their committee, which brought forth a project of a pilot lounge and wash rack for GA tenants.

He attended the NWAAGE annual conference in Canada along with Jenna Elliott and Tim Burke and passed his Presidency to the incoming President. He will remain involved as immediate past chair.

Airport Director Pomeroy was invited to speak at an AAEE conference in Syracuse, NY, on November 6/7th, which conflicts with the Board Meeting scheduled for that day. He asked the Board to consider moving that Board Meeting to the following week, November 14th. The Board unanimously supported moving the next Board Meeting to November 14th.

Deputy Director, Operations & Maintenance Burke extended a congratulations to Vice Chair Davis, for her recognition within the Paralympics community. He also gave a summary of the Triennial Drill which the airport hosted on October 26th. He publicly thanked all the agencies that were involved in both the Triennial Drill as well as the Meet the Fleet event.

Airport Director Pomeroy expressed appreciation for Tim Burke bringing up the Public Information Officer, Deb Smith, from Denver to assist in simulating Pomeroy's role in a Mass Casualty Incident at the Airport. Tim also built in a mock press conference.

Deputy Director, Finance & Administration Jenna Elliott stated the annual audit preparations have commenced along with wrapping up fiscal year 2023.

Airport Director Pomeroy mentioned in next month's Board packet he will include a communication chain between him and FlexJet in reference to the Noise Abatement program.

V. AIRPORT STAFF BRIEF

- A. Noise Complaints in September.
- B. Profit & Loss, ATCT Traffic Operations Count and Enplanement Data **(See Attachment #2-#4)**
- C. Airport Commercial Flight Interruptions (unofficial)
- D. Review Correspondence

VI. ACTION ITEMS

- A. NEW BUSINESS (23:09)

1. Ranch Management RFP– ACTION ITEM Attachment #5

Director Pomeroy stated staff has developed a draft Ranch Management RFP for ranch management activities beginning spring of 2024. The draft RFP for initial review by the full Board and public was introduced at the August meeting and is included as **Attachment #5**. This is the third presentation of the draft for review and comment by the Board. No material changes have been made to the draft RFP since it was introduced in August.

As discussed at the September meeting, release of the draft soon would be in the best interest of the airport to ensure a new ranch management structure is in place by March 2024, and the next irrigation/agricultural season.

He also thanked Chad and Rick Lee for their efforts in the ranch management over the course of this last season.

Board Member Mollineaux commended the staff for incorporating sustainability within the goals and outcomes while balancing the needs of experience, reputation, and familiarity with the airport. She is in support of the RFP as drafted.

MOTION: ***Made by Board Member Strauss to approve the RFP for ranch management services for the next irrigation/agricultural season beginning March 2024. Seconded by Board Member Mollineaux.***

PASSED UNANIMOUSLY

2. Consideration of High Speed Rotary Broom/Snow Plow Donation – ACTION ITEM

Airport Director Pomeroy and staff discussed with the Board on numerous occasions, the improved instrument approach combined with the airport's aging snow removal equipment fleet has resulted in the need to evolve and modernize our fleet. With the two MB5 multi-task units currently in our fleet and a third on its way, the need for us to use our independent runway brooms has drastically decreased as the MB5 units provide brooming capability (and more).

In 2010, the airport took delivery of a Wausau High Speed Rotary Snow Plow which is seeing limited use. This unit was purchased for \$563,230 via our AIP entitlement funds with a \$28,162 (5%) local match. Since the unit is seeing limited use, staff has been looking at options to get the unit to another airport with a need for an independent runway broom.

FAA requires that airport sponsors looking to dispose of FAA AIP acquired equipment follow very stringent guidelines. There are basically two means of disposal. One, if the airport sponsor intends to sell the equipment, Fair Market Value must be determined and when sold, the airport sponsor must repay the FAA the federal share of the sale price (95% for FMAA). The second method, and the method preferred by the FAA, is the airport sponsor donates the equipment to another airport. Considering the cumbersome and costly process of disposing using the Fair Market Value process and limited financial return to the airport, it is the staff's recommendation to donate the broom, as is, to another airport. We have located a general aviation airport in Idaho who desperately needs a broom – the McCall Municipal Airport (MYL) in McCall, ID.

As a reminder, the Board recently approved a similar donation of another limited use unit to the Northern Colorado Regional Airport.

MOTION: ***Made by Vice Chair Davis to approve disposal of the airport's Wausau High Speed Rotary Broom/Snow Plow. A candidate airport for donation is the McCall Municipal Airport (MYL) in McCall, ID. The donation to MYL, or any other airport, will be subject to FAA and FMAA legal counsel review and support/approval. Seconded by Board Member Mollineaux.***

PASSED UNANIMOUSLY

B. CONTINUING BUSINESS

1. None

VII. UPDATES AND DISCUSSION

A. NEW BUSINESS

1. None

C. CONTINUING BUSINESS

(31:50)

1. Miscellaneous

- i. Future Aeronautical Development RFP - Update **Attachment #6**

The final RFP as approved by the Board for public distribution is included as **Attachment #6**.

The RFP has been released and the "cone of silence" for the Board and selection committee as directed by legal counsel is in place.

The next milestone is the mandatory pre-submittal meeting on October 26, 2023, for any proposers planning on submitting.

Proposals are due January 31, 2024.

2. Construction and Capital Projects

- i. None

3. Airport Planning Projects

- i. None

VIII. PUBLIC COMMENT

(36:50)

Local Pilot, Carlton Green, reiterated how well the Meet the Fleet event turned out. He also gave some history regarding the price of AvGas at the airport. He mentioned the Blaine County Pilot's Association was starting to develop a fuel farm as an alternative the using the FBO's services. He stated the association was forced to sell their AvGas fuel farm to what was Sun Valley Aviation at the time. Green said in the negotiations there was a cost-plus contract put into place, meaning that there would be a competitive price for self-serve AvGas. In closing he stated there was no additional benefit to local pilots in getting another supplier of AvGas to this airport.

IX. ADJOURNMENT

The October 3, 2023, Regular Meeting of the Friedman Memorial Airport Authority was adjourned at 6:08 p.m.

Angenie McCleary, Secretary

** Additional resources/materials that should be reviewed with these meeting minutes include but are not limited to the Friedman Memorial Airport Authority Board Packet briefing, the PowerPoint presentation prepared for this meeting and any referenced attachments.*

Friedman Memorial Airport

Profit & Loss Budget vs. Actual (COMBINED '23)

8:13 AM

11/08/2023

Accrual Basis

Ordinary Income/Expense

Income

4000-00 · AIRCARRIER

4000-01 · Aircarrier - Lease Space	185,664.10	474,004.00	-288,339.90	39.17%
4000-02 · Aircarrier - Landing Fees	252,619.48	260,000.00	-7,380.52	97.16%
4000-04 · Aircarrier - Utility Fees	360.00	360.00	0.00	100.0%
4010-07 · Aircarrier - '14 PFC App	407,516.22	447,780.00	-40,263.78	91.01%

Total 4000-00 · AIRCARRIER	846,159.80	1,182,144.00	-335,984.20	71.58%
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4020-00 · TERMINAL AUTO PARKING REVENUE

4020-01 · Automobile Parking - Terminal	832,109.33	576,250.00	255,859.33	144.4%
4020-02 · Automobile Parking - Passes	1,280.00	250.00	1,030.00	512.0%

Total 4020-00 · TERMINAL AUTO PARKING REVENUE	833,389.33	576,500.00	256,889.33	144.56%
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4030-00 · AUTO RENTAL REVENUE

4030-01 · Automobile Rental - Commission	797,151.75	654,000.00	143,151.75	121.89%
4030-02 · Automobile Rental - Lease Space	33,171.84	29,000.00	4,171.84	114.39%
4030-03 · Automobile Rental - Auto Prkng	81,296.97	65,000.00	16,296.97	125.07%
4030-04 · Automobile Rental - Utilities	2,555.09	2,000.00	555.09	127.76%

Total 4030-00 · AUTO RENTAL REVENUE	914,175.65	750,000.00	164,175.65	121.89%
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4040-00 · TERMINAL CONCESSION REVENUE

4040-01 · Terminal Shops - Commission	30,430.95	12,000.00	18,430.95	253.59%
4040-03 · Terminal Shops - Utility Fees	2,554.90	2,000.00	554.90	127.75%
4040-10 · Advertising - Commission	48,555.05	45,000.00	3,555.05	107.9%
4040-11 · Vending Machines - Commission	9,405.01	7,350.00	2,055.01	127.96%
4040-12 · Terminal ATM	600.00	600.00	0.00	100.0%

Total 4040-00 · TERMINAL CONCESSION REVENUE	91,545.91	66,950.00	24,595.91	136.74%
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4050-00 · FBO REVENUE

4050-01 · FBO - Lease Space	187,935.72	168,998.00	18,937.72	111.21%
4050-02 · FBO - Overnight Parking Fees	384,750.00	417,000.00	-32,250.00	92.27%
4050-03 · FBO - Landing Fees - Trans.	0.00	0.00	0.00	0.0%
4050-04 · FBO - Commission	51,043.13	34,002.00	17,041.13	150.12%
4050-07 · FBO - Miscellaneous	0.00	0.00	0.00	0.0%

Total 4050-00 · FBO REVENUE	623,728.85	620,000.00	3,728.85	100.6%
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4060-00 · FUEL FLOWAGE REVENUE

4060-01 · Fuel Flowage - FBO	464,491.62	440,000.00	24,491.62	105.57%
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Total 4060-00 · FUEL FLOWAGE REVENUE	464,491.62	440,000.00	24,491.62	105.57%
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4070-00 · TRANSIENT LANDING FEES REVENUE

4070-02 · Landing Fees - Non-Comm./Gov't	623,794.90	669,500.00	-45,705.10	93.17%
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Total 4070-00 · TRANSIENT LANDING FEES REVENUE	623,794.90	669,500.00	-45,705.10	93.17%
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4080-00 · HANGAR REVENUE

4080-01 · Land Lease - Hangar	725,398.14	658,837.00	66,561.14	110.1%
4080-02 · Land Lease - Hangar/Trans. Fee	247,425.00	23,345.00	224,080.00	1,059.86%
4080-03 · Hangar/Utilities (E8,11,24)	1,315.24			
4080-05 · Land Lease - FMA Hangar Rentals	35,072.52	33,454.00	1,618.52	104.84%

Total 4080-00 · HANGAR REVENUE	1,009,210.90	715,636.00	293,574.90	141.02%
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4090-00 · TIEDOWN PERMIT FEES REVENUE

4090-01 · Tiedown Permit Fees (FMA)	37,018.00	31,465.00	5,553.00	117.65%
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Total 4090-00 · TIEDOWN PERMIT FEES REVENUE	37,018.00	31,465.00	5,553.00	117.65%
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4100-00 · CARGO CARRIERS REVENUE

4100-02 · Cargo Carriers - Tiedown	5,472.00	5,500.00	-28.00	99.49%
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Total 4100-00 · CARGO CARRIERS REVENUE	5,472.00	5,500.00	-28.00	99.49%
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4110-00 · MISCELLANEOUS REVENUE

4110-01 · Misc. Revenue	13,650.79	5,000.00	8,650.79	273.02%
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	Oct '22 - Sep 23	Budget	\$ Over Budget	% of Budget
Total 4110-00 · MISCELLANEOUS REVENUE	13,650.79	5,000.00	8,650.79	273.02%
4120-00 · GROUND TRANSP. PERMIT REVENUE				
4120-01 · Ground Transportation Permit	23,336.66	24,000.00	-663.34	97.24%
4120-02 · GTSP - Trip Fee	5,720.00	5,000.00	720.00	114.4%
Total 4120-00 · GROUND TRANSP. PERMIT REVENUE	29,056.66	29,000.00	56.66	100.2%
4400-00 · TSA/SECURITY				
4400-02 · Terminal Lease	42,425.04	41,910.00	515.04	101.23%
4400-03 · Security Prox. Cards	38,720.00	33,540.00	5,180.00	115.44%
Total 4400-00 · TSA/SECURITY	81,145.04	75,450.00	5,695.04	107.55%
4450-00 · RANCH REVENUE				
4450-01 · Ranch House Rent	1,800.00			
4450-02 · Ranch Lease	18,000.00			
Total 4450-00 · RANCH REVENUE	19,800.00			
4500-00 · IDAHO STATE GRANT PROGRAM REV.				
4500-23 · SUN-23	15,000.00			
Total 4500-00 · IDAHO STATE GRANT PROGRAM REV.	15,000.00			
4520-00 · INTEREST REVENUE				
4520-01 · Interest Revenue - General	285,517.42	15,000.00	270,517.42	1,903.45%
4520-07 · Interest Revenue - '14 PFC	287.01			
4520-12 · Interest Revenue - CFC	585.05			
Total 4520-00 · INTEREST REVENUE	286,389.48	15,000.00	271,389.48	1,909.26%
4600-00 · Coronavirus Relief Grants Oper.				
4600-01 · Coronavirus Relief Grants Oper.	4,002,526.81	2,000,000.00	2,002,526.81	200.13%
Total 4600-00 · Coronavirus Relief Grants Oper.	4,002,526.81	2,000,000.00	2,002,526.81	200.13%
4749-00 · AIP '49 - Acq. SRE/Pavement Mai				
4749-01 · AIP '49 - Acq. SRE/Pavement Mai	10,555.95			
Total 4749-00 · AIP '49 - Acq. SRE/Pavement Mai	10,555.95			
4750-00 · Terminal Area Plan (TAP)				
4750-01 · Terminal Area Plan	-13,369.35			
Total 4750-00 · Terminal Area Plan (TAP)	-13,369.35			
4752-00 · CARES Act				
4752-01 · CARES Act	-614,539.99	3,905,383.00	-4,519,922.99	-15.74%
Total 4752-00 · CARES Act	-614,539.99	3,905,383.00	-4,519,922.99	-15.74%
4753-00 · AIP '53 - Rehabilitate Runway				
4753-01 · AIP '53 - Rehabilitate Runway	-84,602.36	65,000.00	-149,602.36	-130.16%
Total 4753-00 · AIP '53 - Rehabilitate Runway	-84,602.36	65,000.00	-149,602.36	-130.16%
4756-00 · AIP '56 - Rehab Runway Phase 2				
4756-01 · AIP '56 - Rehab Runway Phase 2	28,898.19			
Total 4756-00 · AIP '56 - Rehab Runway Phase 2	28,898.19			
4758-00 · AIP '58 - Rehab Runway Phase 3				
4758-01 · AIP '58 - Rehab Runway Phase 3	55,137.55	365,000.00	-309,862.45	15.11%
Total 4758-00 · AIP '58 - Rehab Runway Phase 3	55,137.55	365,000.00	-309,862.45	15.11%
4759-00 · AIP '59 - Acquire Land for Appr				
4759-01 · AIP '59 - Acquire Land for Appr	100,000.00			
Total 4759-00 · AIP '59 - Acquire Land for Appr	100,000.00			
4760-00 · AIP '60 - CARES Dev. Addendum				
4760-01 · AIP '60 - CARES Dev. Addendum	1,589,191.00			
Total 4760-00 · AIP '60 - CARES Dev. Addendum	1,589,191.00			
4800-00 · Current Year AIP	0.00	4,198,000.00	-4,198,000.00	0.0%
4850-00 · CFC Pass-through Revenue	276,829.01	210,000.00	66,829.01	131.82%
Total Income	11,244,655.74	15,925,528.00	-4,680,872.26	70.61%
Gross Profit	11,244,655.74	15,925,528.00	-4,680,872.26	70.61%
Expense				
5000 · EXPENDITURES				
5000-00 · "A" EXPENSES				

	Oct '22 - Sep 23	Budget	\$ Over Budget	% of Budget
5000-01 · Salaries - Airport Director	174,604.31	166,290.00	8,314.31	105.0%
5010-00 · Salaries - Deputy Director F&A	111,486.60	101,048.00	10,438.60	110.33%
5010-01 · Salaries - Admin Coordinator	48,217.44	122,200.00	-73,982.56	39.46%
5010-03 · Salaries - Sr Admin Coordinator	0.00	69,000.00	-69,000.00	0.0%
5010-04 · Salaries - Business Ops Coord	69,693.01			
5020-00 · Salaries - Deputy Director O&M	135,387.96	127,200.00	8,187.96	106.44%
5030-00 · Salaries - ARFF/OPS Specialist	559,041.61	547,618.00	11,423.61	102.09%
5030-01 · Salaries - Parking Specialists	93,567.05	107,000.00	-13,432.95	87.45%
5040-00 · Salaries - Security Manager	100,953.85	96,146.00	4,807.85	105.0%
5050-00 · Salaries- Seasonal-Snow Removal	37,814.25	70,000.00	-32,185.75	54.02%
5050-01 · Salaries - Seasonal - Arpt Host	2,707.25	5,000.00	-2,292.75	54.15%
5050-02 · Salaries - Merit Increase	21,250.00	84,975.00	-63,725.00	25.01%
5050-03 · Salaries - One-time Pay	1,500.00	5,000.00	-3,500.00	30.0%
5050-04 · Salaries - ARFF Coverage	0.00	9,600.00	-9,600.00	0.0%
5060-01 · Overtime - General	9,073.76	2,000.00	7,073.76	453.69%
5060-02 · Overtime - Snow Removal	18,090.13	45,000.00	-26,909.87	40.2%
5100-00 · Retirement	150,920.86	169,298.00	-18,377.14	89.15%
5110-00 · Social Security/Medicare	101,273.50	119,249.00	-17,975.50	84.93%
5120-00 · Life Insurance	0.00	2,000.00	-2,000.00	0.0%
5130-00 · Medical Insurance	252,945.84	255,000.00	-2,054.16	99.19%
5160-00 · Workman's Compensation	22,898.00	20,000.00	2,898.00	114.49%
5170-00 · Unemployment Claims	405.70			
Total 5000-00 · "A" EXPENSES	1,911,831.12	2,123,624.00	-211,792.88	90.03%
6000 · "B" EXPENDITURES				
6000-0 · "B" EXPENSES - ADMINISTRATIVE				
6000-00 · TRAVEL EXPENSE				
6000-01 · Travel	35,755.24	40,000.00	-4,244.76	89.39%
Total 6000-00 · TRAVEL EXPENSE	35,755.24	40,000.00	-4,244.76	89.39%
6010-00 · SUPPLIES/EQUIPMENT EXPENSE				
6010-01 · Supplies/Equipment - Office	7,993.59	8,000.00	-6.41	99.92%
6010-02 · Supplies/Equipment - Parking	978.06	1,000.00	-21.94	97.81%
6010-03 · Supplies/Equipment - Computer	21,284.30	25,000.00	-3,715.70	85.14%
Total 6010-00 · SUPPLIES/EQUIPMENT EXPENSE	30,255.95	34,000.00	-3,744.05	88.99%
6020-00 · INSURANCE				
6020-01 · Insurance	55,029.00	55,100.00	-71.00	99.87%
Total 6020-00 · INSURANCE	55,029.00	55,100.00	-71.00	99.87%
6030-00 · UTILITIES				
6030-01 · Utilities - Gas/Terminal	20,774.80	14,000.00	6,774.80	148.39%
6030-02 · Utilities - Gas/AOB & Cold Stor	9,011.00	5,500.00	3,511.00	163.84%
6030-03 · Utilities - Elect./Runway&PAPI	4,707.02	6,000.00	-1,292.98	78.45%
6030-04 · Utilities - Elec./AOB & Cold St	10,264.93	8,100.00	2,164.93	126.73%
6030-05 · Utilities - Electric/Terminal	67,801.34	56,000.00	11,801.34	121.07%
6030-06 · Utilities - Telephone	20,637.05	17,200.00	3,437.05	119.98%
6030-07 · Utilities - Water	13,528.47	11,000.00	2,528.47	122.99%
6030-08 · Utilities - Garbage Removal	16,772.56	14,500.00	2,272.56	115.67%
6030-09 · Utilities - Sewer	7,199.34	4,800.00	2,399.34	149.99%
6030-11 · Utilities - Electric/Tower	7,151.45	7,000.00	151.45	102.16%
6030-12 · Utilities - Elec./Brdfrd.Hghl	802.24	500.00	302.24	160.45%
6030-13 · Utilities - Elec. Exit Booth	1,434.26	2,200.00	-765.74	65.19%
6030-15 · Utilities - Elec/AWOS	3,380.93	3,800.00	-419.07	88.97%
6030-16 · Utilities - Elec. Wind Cone	75.86	150.00	-74.14	50.57%
6030-17 · Utilities - Elec./Gas- Hangar	6,900.48	5,000.00	1,900.48	138.01%
6030-18 · Utilities - Lubricant Wst. Dspl	0.00	300.00	-300.00	0.0%
6030-20 · Utilities - Ranch	34,945.48			
Total 6030-00 · UTILITIES	225,387.21	156,050.00	69,337.21	144.43%
6040-00 · SERVICE PROVIDER				

	Oct '22 - Sep 23	Budget	\$ Over Budget	% of Budget
6040-02 · Service Provider - Term. Serv.	6,904.00	8,900.00	-1,996.00	77.57%
6040-03 · Service Provider - AOB Services	47,761.69	52,000.00	-4,238.31	91.85%
6040-04 · Service Provider-Ops./Airfield	14,740.00	16,000.00	-1,260.00	92.13%
6040-13 · Service Provider-Parking Lot	44,085.77	8,100.00	35,985.77	544.27%
Total 6040-00 · SERVICE PROVIDER	113,491.46	85,000.00	28,491.46	133.52%
6050-00 · PROFESSIONAL SERVICES				
6050-01 · Professional Services - Legal	150,695.04	100,000.00	50,695.04	150.7%
6050-02 · Professional Serv. - Audit/Fina	115,088.33	93,200.00	21,888.33	123.49%
6050-03 · Professional Services - Enginee	37,013.50	26,500.00	10,513.50	139.67%
6050-04 · Professional Services - HR	22,425.04	15,000.00	7,425.04	149.5%
6050-05 · Professional Services - Gen.	19,488.00	20,000.00	-512.00	97.44%
6050-10 · Prof. Svcs.-IT/Comp. Support	138,113.77	132,000.00	6,113.77	104.63%
6050-12 · Prof. Serv. - Planning Air Serv.	410.00	8,000.00	-7,590.00	5.13%
6050-13 · Prof. Serv.-Website Hosting	869.00	10,000.00	-9,131.00	8.69%
6050-15 · Prof. Serv.-Web Maint-Outreach	16,190.96	25,000.00	-8,809.04	64.76%
6050-17 · Prof. Serv. - Airspace Consult.	12,090.00	35,000.00	-22,910.00	34.54%
6050-18 · Prof. Services - Approach Maint	3,535.00	35,000.00	-31,465.00	10.1%
6050-19 · Prof. Serv.-ATCT Relocation	5,280.00	60,000.00	-54,720.00	8.8%
6050-20 · Prof Services - New Approach	4,466.50	0.00	4,466.50	100.0%
6050-21 · Professional Services - Other	7,210.00	35,000.00	-27,790.00	20.6%
Total 6050-00 · PROFESSIONAL SERVICES	532,875.14	594,700.00	-61,824.86	89.6%
6060-00 · MAINTENANCE-OFFICE EQUIPMENT				
6060-01 · Maint.-Office Equip./Gen.	0.00	0.00	0.00	0.0%
6060-04 · Maintenance - Copier	1,139.04	2,000.00	-860.96	56.95%
6060-05 · Maintenance - Phone	1,249.00	1,215.00	34.00	102.8%
Total 6060-00 · MAINTENANCE-OFFICE EQUIPMENT	2,388.04	3,215.00	-826.96	74.28%
6070-00 · RENT/LEASE OFFICE EQUIPMENT				
6070-02 · Rent/Lease - Postage Meter	877.95	1,171.00	-293.05	74.97%
Total 6070-00 · RENT/LEASE OFFICE EQUIPMENT	877.95	1,171.00	-293.05	74.97%
6080-00 · DUES/MEMBERSHIPS				
6080-01 · Dues/Memberships	7,030.00	6,000.00	1,030.00	117.17%
6080-04 · Publications	0.00	3,500.00	-3,500.00	0.0%
6080-07 · Cove Canal Assoc Dues - Ranch	2,085.72			
Total 6080-00 · DUES/MEMBERSHIPS	9,115.72	9,500.00	-384.28	95.96%
6090-00 · POSTAGE				
6090-01 · Postage/Courier Service	1,615.49	1,000.00	615.49	161.55%
Total 6090-00 · POSTAGE	1,615.49	1,000.00	615.49	161.55%
6100-00 · EDUCATION/TRAINING				
6100-01 · Education/Training - Admin.	6,855.04	10,000.00	-3,144.96	68.55%
6100-02 · Education/Training - OPS	3,695.41	14,000.00	-10,304.59	26.4%
6100-03 · Education/Training - ARFF	1,317.90	20,000.00	-18,682.10	6.59%
6100-04 · Ed/Train. - ARFF Trienn. Drill	3,399.57	4,000.00	-600.43	84.99%
6100-06 · Education - Security	648.00	2,500.00	-1,852.00	25.92%
Total 6100-00 · EDUCATION/TRAINING	15,915.92	50,500.00	-34,584.08	31.52%
6101-00 · PUBLIC OUTREACH/ADS/COMMUNICATI				
6101-01 · Advertising/Social Media/Sponso	28,323.94	35,000.00	-6,676.06	80.93%
6101-02 · Public Outr/Comm - Noise Abatem	0.00	500.00	-500.00	0.0%
6101-03 · Public Outr/Comm - SAAC	9,929.37	10,000.00	-70.63	99.29%
Total 6101-00 · PUBLIC OUTREACH/ADS/COMMUNICATI	38,253.31	45,500.00	-7,246.69	84.07%
6110-00 · CONTRACTS				
6110-02 · Contracts - FMAA	73,627.00	42,000.00	31,627.00	175.3%
6110-16 · Contracts - Prkg Mngt Fee/Ops	29,583.84	50,000.00	-20,416.16	59.17%
6110-17 · Contracts - Landing Fee Equip.	15,992.82	16,000.00	-7.18	99.96%
6110-18 · Contracts - Vector Commissions	81,093.32	100,000.00	-18,906.68	81.09%
Total 6110-00 · CONTRACTS	200,296.98	208,000.00	-7,703.02	96.3%

	Oct '22 - Sep 23	Budget	\$ Over Budget	% of Budget
6130-00 · MISCELLANEOUS EXPENSES				
6130-01 · Misc. - General	527,055.40	15,000.00	512,055.40	3,513.7%
6140-01 · Merchant Fees	19,000.23	22,000.00	-2,999.77	86.37%
Total 6130-00 · MISCELLANEOUS EXPENSES	546,055.63	37,000.00	509,055.63	1,475.83%
Total 6000-0 · "B" EXPENSES - ADMINISTRATIVE	1,807,313.04	1,320,736.00	486,577.04	136.84%
6001 · "B" EXPENSES - OPERATIONAL				
6500-00 · SUPPLIES/EQUIPMENT-OPERATIONS				
6500-01 · Supplies/Equipment - General	8,792.81	13,500.00	-4,707.19	65.13%
6500-02 · Supplies/Equipment - Tools	8,035.53	20,000.00	-11,964.47	40.18%
6500-03 · Supplies/Equipment-ClothingOps	3,450.95	4,000.00	-549.05	86.27%
6500-04 · Supplies/Equipment - Janitorial	35,094.72	22,000.00	13,094.72	159.52%
6500-07 · Supplies/Equipment-ClothingPark	540.27	2,000.00	-1,459.73	27.01%
Total 6500-00 · SUPPLIES/EQUIPMENT-OPERATIONS	55,914.28	61,500.00	-5,585.72	90.92%
6505-00 · EQUIP/VEHICLE - LEASE/RENTAL				
6505-01 · Eq./Vehi Lease/Rental - General	87,942.10	88,000.00	-57.90	99.93%
Total 6505-00 · EQUIP/VEHICLE - LEASE/RENTAL	87,942.10	88,000.00	-57.90	99.93%
6510-00 · FUEL/LUBRICANTS				
6510-02 · Fuel	79,399.37	50,000.00	29,399.37	158.8%
6510-03 · Lubricants	6,985.38	8,000.00	-1,014.62	87.32%
Total 6510-00 · FUEL/LUBRICANTS	86,384.75	58,000.00	28,384.75	148.94%
6520-00 · VEHICLES/MAINTENANCE				
6520-01 · R/M Equipment - General	42,698.37	50,000.00	-7,301.63	85.4%
6520-06 · R/M Equip. - '85 Ford Dump	609.83	6,000.00	-5,390.17	10.16%
6520-08 · R/M Equip. - '96 Tiger Tractor	0.00	1,000.00	-1,000.00	0.0%
6520-17 · R/M Equip. '01 Case 921 Ldr.	0.00	500.00	-500.00	0.0%
6520-20 · R/M Equip. - '02 Kodiak Blower	392.90	750.00	-357.10	52.39%
6520-25 · R/M Equip. - '04 Batts De-Ice	0.00	500.00	-500.00	0.0%
6520-28 · R/M Equip.-'06 Case 621 Loader	3,483.52	1,000.00	2,483.52	348.35%
6520-29 · R/M Equip.- '10 Waus Broom/Plow	0.00	1,100.00	-1,100.00	0.0%
6520-30 · R/M Equip.-'05 Ford F-350	938.07	500.00	438.07	187.61%
6520-31 · R/M Equip. - '10 Oshkosh Blower	1,136.55	9,000.00	-7,863.45	12.63%
6520-32 · R/M Equip. - '09 Mini Truck	26.97	350.00	-323.03	7.71%
6520-34 · R/M Equip. - '12 Case 921F Load	824.95	1,000.00	-175.05	82.5%
6520-35 · R/M Equip. - '14 Ford Explorer	0.00	500.00	-500.00	0.0%
6520-36 · R/M Equip. - '10 Toyota Forklif	685.23	250.00	435.23	274.09%
6520-37 · R/M Equip. - '15 Tool Cat	4,844.42	3,000.00	1,844.42	161.48%
6520-38 · R/M Equip. - '15 Wausau Broom	1,850.32	6,000.00	-4,149.68	30.84%
6520-39 · R/M Equip. - Boss Spreader	0.00	250.00	-250.00	0.0%
6520-40 · R/M Equip. - '17 Ford-350 Super	1,572.26	1,000.00	572.26	157.23%
6520-41 · R/M Equip. - '17 Kodiak Blower	965.51	1,500.00	-534.49	64.37%
6520-43 · R/M Equip. - '18 279D Skid St.	631.35	4,500.00	-3,868.65	14.03%
6520-44 · R/M Equip. - '18 Cat 972M Ldr	1,000.39	1,000.00	0.39	100.04%
6520-45 · R/M Equip. - '19 Oshkosh Broom	383.50	6,000.00	-5,616.50	6.39%
6520-46 · R/M Equip. - '20 Chev. 1500 PU	4,697.54	1,900.00	2,797.54	247.24%
6520-47 · R/M Equip. - '19 Cat 972M Ldr	3,006.98	1,000.00	2,006.98	300.7%
6520-48 · R/M Equip.-'18 New Holland Trac	2,949.74	1,000.00	1,949.74	294.97%
6520-49 · R/M Equip. - '21 MB Combo	16,343.45	14,000.00	2,343.45	116.74%
6520-50 · R/M Equip. - '22 MB Combo	16,827.35	14,000.00	2,827.35	120.2%
6520-51 · R/M Equip. - '22 MB Deice Truck	4,073.82	3,000.00	1,073.82	135.79%
6520-52 · R/M Equip. - '22 MB4 Blower	1,033.21	2,000.00	-966.79	51.66%
6520-53 · R/M Equip. - '22 F-350	2,433.99	3,500.00	-1,066.01	69.54%
6520-54 · R/M Equip. - '23 Expedition	5,445.71			
6520-55 · R/M Equip. - '23 Ford Maverick	1,172.32			
Total 6520-00 · VEHICLES/MAINTENANCE	120,028.25	136,100.00	-16,071.75	88.19%
6530-00 · ARFF MAINTENANCE				
6530-01 · ARFF Maint. Gen/Supplies	3,561.95	10,000.00	-6,438.05	35.62%

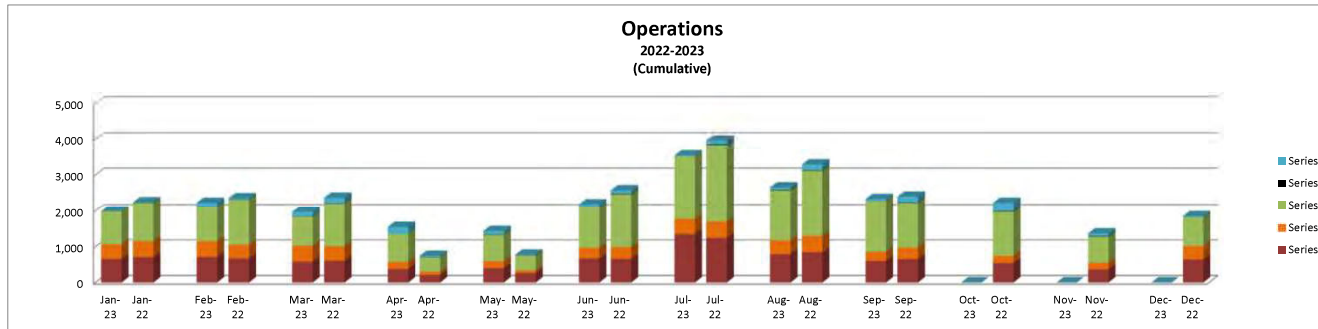
	Oct '22 - Sep 23	Budget	\$ Over Budget	% of Budget
6530-04 · ARFF Maint. - Radios	6,016.89	6,000.00	16.89	100.28%
6530-05 · ARFF MAint. - '03 E-One	638.67	2,500.00	-1,861.33	25.55%
6530-06 · ARFF Maint. - '20 Oshkosh Strik	0.00	1,000.00	-1,000.00	0.0%
Total 6530-00 · ARFF MAINTENANCE	10,217.51	19,500.00	-9,282.49	52.4%
6540-00 · REPAIRS/MAINTENANCE - BUILDING				
6540-01 · R/M Bldg. - General	905.29	1,500.00	-594.71	60.35%
6540-02 · R/M Bldg. - Terminal	162,546.70	120,000.00	42,546.70	135.46%
6540-03 · R/M Bldg. - Terminal Concession	3,596.80	6,000.00	-2,403.20	59.95%
6540-04 · R/M Bldg. - Cold Storage	1,596.27	1,500.00	96.27	106.42%
6540-05 · R/M Bldg. - AOB/SHOP	24,301.50	29,300.00	-4,998.50	82.94%
6540-06 · R/M Bldg. - Hangars	27.98	5,000.00	-4,972.02	0.56%
6540-07 · R/M Bldg. - Tower	16,103.29	7,000.00	9,103.29	230.05%
6540-08 · R/M Bldg. - Parking Booth	0.00	1,000.00	-1,000.00	0.0%
6540-10 · R/M Bldg. - Ranch	5,364.90			
Total 6540-00 · REPAIRS/MAINTENANCE - BUILDING	214,442.73	171,300.00	43,142.73	125.19%
6550-00 · REPAIRS/MAINTENANCE - AIRSIDE				
6550-01 · R/M - General	2,365.85	8,000.00	-5,634.15	29.57%
6550-02 · R/M - Airfield/Runway	14,619.33	60,000.00	-45,380.67	24.37%
6550-03 · R/M - Airfield/Runway - Deice	104,612.74	120,000.00	-15,387.26	87.18%
6550-04 · R/M - Lights	10,852.36	15,000.00	-4,147.64	72.35%
Total 6550-00 · REPAIRS/MAINTENANCE - AIRSIDE	132,450.28	203,000.00	-70,549.72	65.25%
6551-00 · REPAIRS/MAINTENANCE - LANDSIDE				
6551-01 · RM - General	445.18	1,000.00	-554.82	44.52%
6551-02 · R/M - Parking Lot	7,662.86	10,000.00	-2,337.14	76.63%
6551-03 · R/M - Landscaping	9,605.74	10,000.00	-394.26	96.06%
6551-04 · R/M - Ranch	8,244.12			
Total 6551-00 · REPAIRS/MAINTENANCE - LANDSIDE	25,957.90	21,000.00	4,957.90	123.61%
6560-00 · SECURITY EXPENSE				
6560-01 · Security - General	12,009.49	12,000.00	9.49	100.08%
6560-02 · Security - Law Enf. Offi. (LEO)	3,572.66	10,000.00	-6,427.34	35.73%
6560-03 · Security - Subscription Licen.	58,942.08	62,565.00	-3,622.92	94.21%
6560-04 · Security - Perim./Access/CCTV	24,307.77	25,500.00	-1,192.23	95.33%
6560-05 · Security - Professional Serv.	13,670.00	19,000.00	-5,330.00	71.95%
Total 6560-00 · SECURITY EXPENSE	112,502.00	129,065.00	-16,563.00	87.17%
6570-00 · REPAIRS/MAINT.-AERONAUTICAL EQU				
6570-01 · R/M Aeronautical Equip - NDB/DME	8,516.80	10,000.00	-1,483.20	85.17%
6570-02 · R/M Aeronautical Equip. - Tower	4,258.40	8,000.00	-3,741.60	53.23%
6570-04 · R/M Aeron. Equip. - AWOS/ATIS	8,516.80	8,500.00	16.80	100.2%
Total 6570-00 · REPAIRS/MAINT.-AERONAUTICAL EQU	21,292.00	26,500.00	-5,208.00	80.35%
Total 6001 · "B" EXPENSES - OPERATIONAL	867,131.80	913,965.00	-46,833.20	94.88%
Total 6000 · "B" EXPENDITURES	2,674,444.84	2,234,701.00	439,743.84	119.68%
7000 · "C" EXPENSES				
7001-00 · CAPITAL EXPENDITURES				
7001-02 · Buildings and Improvements	241,831.72	15,468,952.00	-15,227,120.28	1.56%
7001-03 · Airfield & General Improvements	123,746.96	425,000.00	-301,253.04	29.12%
7001-04 · Office Equipment	6,092.88	12,000.00	-5,907.12	50.77%
7001-05 · Maintenance Equipment /Vehicle	80,148.00	80,000.00	148.00	100.19%
7001-06 · Assessments/Plans/Studies	0.00	75,000.00	-75,000.00	0.0%
7001-09 · Security Equipment	42,445.98	40,000.00	2,445.98	106.12%
7001-10 · SRE Aquisition Non-AIP	79,723.78	80,000.00	-276.22	99.66%
7001-12 · Network Equipment	34,329.84	47,300.00	-12,970.16	72.58%
7001-99 · CONTINGENCY	0.00	1,000,000.00	-1,000,000.00	0.0%
Total 7001-00 · CAPITAL EXPENDITURES	608,319.16	17,228,252.00	-16,619,932.84	3.53%
7549-00 · AIP '49 - SRE Aqu., Pavement Ma				
7549-01 · AIP '49 - Eligible	10,555.95			

	Oct '22 - Sep 23	Budget	\$ Over Budget	% of Budget
Total 7549-00 · AIP '49 - SRE Aqu., Pavement Ma	10,555.95			
7553-00 · AIP '53 - Rehab RW, TW & Apron				
7553-01 · AIP '53 - Eligible	105,134.22			
Total 7553-00 · AIP '53 - Rehab RW, TW & Apron	105,134.22			
7556-00 · AIP '56 - Rehab Runway Phase 2				
7556-01 · AIP '56 - Eligible	75,522.24			
Total 7556-00 · AIP '56 - Rehab Runway Phase 2	75,522.24			
7558-00 · AIP '58 - Rehab Runway Phase 3				
7558-01 · AIP '58 - Eligible	238,095.46			
Total 7558-00 · AIP '58 - Rehab Runway Phase 3	238,095.46			
7560-00 · AIP '60 - Development Addendum				
7560-01 · AIP '60 - Eligible	28,205.18			
Total 7560-00 · AIP '60 - Development Addendum	28,205.18			
8500-00 · Capital Imp. Program (CIP)				
8501-00 · CIP - General				
8501-01 · General	0.00	430,000.00	-430,000.00	0.0%
Total 8501-00 · CIP - General	0.00	430,000.00	-430,000.00	0.0%
Total 8500-00 · Capital Imp. Program (CIP)	0.00	430,000.00	-430,000.00	0.0%
Total 7000 · "C" EXPENSES	1,065,832.21	17,658,252.00	-16,592,419.79	6.04%
Total 5000 · EXPENDITURES	5,652,108.17	22,016,577.00	-16,364,468.83	25.67%
Total Expense	5,652,108.17	22,016,577.00	-16,364,468.83	25.67%
Net Ordinary Income	5,592,547.57	-6,091,049.00	11,683,596.57	-91.82%
Net Income	5,592,547.57	-6,091,049.00	11,683,596.57	-91.82%

Friedman Memorial Airport
September 2023

Attachment 3

ATCT Traffic Operations Record																							
Month	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
January	3,622	3,893	3,912	2,600	3,028	2,787	4,547	2,520	2,070	2,379	2,408	2,098	2,454	2,128	2,249	1,842	1,665	2,019	2,172	1,987	2,001	2,250	1,986
February	4,027	4,498	3,073	3,122	3,789	3,597	3,548	2,857	2,244	2,647	2,117	2,205	2,612	1,417	2,268	2,533	1,629	1,914	1,187	2,253	2,185	2,362	2,237
March	4,952	5,126	3,086	4,097	3,618	2,918	4,677	3,097	2,145	2,709	1,813	1,921	2,753	1,924	2,023	1,917	1,895	1,860	2,016	1,480	2,512	2,376	1,971
April	2,494	3,649	2,213	2,840	2,462	2,047	2,581	2,113	1,724	1,735	1,604	1,513	1,509	1,210	1,337	1,380	1,426	1,257	1,116	616	1,590	748	1,551
May	3,905	4,184	2,654	3,282	2,729	2,134	1,579	2,293	2,280	1,891	1,533	1,693	1,852	555	668	1,501	1,802	1,442	1,174	1,127	1,894	779	1,437
June	4,787	5,039	4,737	4,438	3,674	3,656	5,181	3,334	2,503	3,019	2,898	2,761	3,203	2,164	2,387	2,475	2,502	2,552	2,292	2,069	2,931	2,580	2,193
July	6,359	8,796	6,117	5,910	5,424	5,931	7,398	4,704	4,551	5,005	5,004	4,810	5,345	4,345	4,159	4,562	4,573	5,033	4,266	3,356	4,005	3,965	3,535
August	6,479	6,917	5,513	5,707	5,722	6,087	8,196	4,570	4,488	4,705	4,326	3,823	4,644	3,114	2,932	3,719	3,873	3,175	3,260	2,859	3,289	3,286	2,659
September	3,871	4,636	4,162	4,124	4,609	3,760	4,311	2,696	3,376	3,128	3,359	2,396	2,403	2,237	2,292	2,379	2,036	2,224	2,235	2,692	2,884	2,408	2,341
October	3,879	3,656	3,426	2,936	3,570	3,339	3,103	2,134	2,145	2,012	1,886	1,658	1,874	1,760	1,789	1,377	1,939	1,670	1,571	2,212	2,128	2,236	0
November	3,082	2,698	2,599	2,749	2,260	2,912	2,892	1,670	1,901	1,309	1,114	1,325	1,475	908	1,229	1,314	1,135	1,392	1,328	1,365	1,665	1,370	0
December	3,401	2,805	3,247	3,227	2,722	3,834	2,699	1,848	2,272	1,811	2,493	2,066	2,016	1,545	1,482	1,717	2,217	2,033	1,960	2,051	2,018	1,851	0
Totals	50,858	55,897	44,739	45,032	43,607	43,002	50,712	33,836	31,699	32,350	30,555	28,269	32,140	23,307	24,815	26,716	26,692	26,571	24,577	24,067	29,102	26,211	19,910

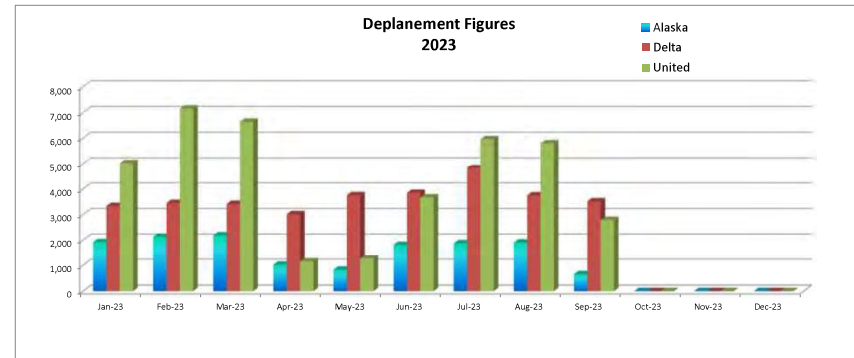
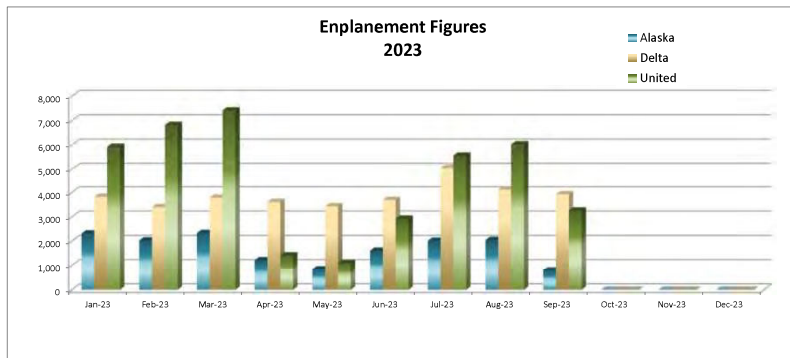


ATCT Operations Change (September 2023 vs. September 2022)			
	2023	2022	% Change
Air Taxi	606	658	-7.9%
Air Carrier	252	318	-20.8%
General Aviation	1,425	1,257	13.4%
Military	2	11	-81.8%
Civil	56	164	-65.9%
Total	2,341	2,408	-2.8%
YTD Total	19,910	20,754	-4.1%

**Friedman Memorial Airport
September 2023**

2023 Enplanements																	
Date	Alaska Airlines					Delta Airlines					United Airlines					Total Enp.	Prior Year Total Enp.
	Revenue	Non-Revenue	Total	Prior Year Month	Total % Change	Revenue	Non-Revenue	Total	Prior Year Month	Total % Change	Revenue	Non-Revenue	Total	Prior Year Month	Total % Change		
Jan-23	2,248	68	2,316	1,696	36.6%	3,782	43	3,825	4,836	-20.9%	5,856	63	5,919	5,413	9.3%	12,060	11,945
Feb-23	1,959	70	2,029	1,793	13.2%	3,344	55	3,399	3,605	-5.7%	6,739	75	6,814	6,085	12.0%	12,242	11,483
Mar-23	2,288	46	2,334	1,738	34.3%	3,720	66	3,786	3,897	-2.8%	7,304	109	7,413	6,761	9.6%	13,533	12,396
Apr-23	1,166	47	1,213	309	292.6%	3,549	62	3,611	2,082	73.4%	1,360	51	1,411	268	426.5%	6,235	2,659
May-23	784	49	833	296	181.4%	3,371	62	3,433	1,734	98.0%	1,068	26	1,094	0	100%	5,360	2,030
Jun-23	1,533	73	1,606	1,208	32.9%	3,634	60	3,694	4,616	-20.0%	2,854	71	2,925	2,266	29.1%	8,225	8,090
Jul-23	1,941	77	2,018	1,947	3.6%	4,963	86	5,049	4,942	2.2%	5,470	86	5,556	5,423	2.5%	12,623	12,312
Aug-23	1,981	64	2,045	1,989	2.8%	4,111	14	4,125	4,928	-16.3%	5,947	72	6,019	5,511	9.2%	12,189	12,428
Sep-23	756	27	783	829	-5.5%	3,890	37	3,927	4,932	-20.4%	3,193	67	3,260	2,945	10.7%	7,970	8,706
Totals	14,656	521	15,177	11,805	28.6%	34,364	485	34,849	35,572	-2.0%	39,791	620	40,411	34,672	16.6%	90,437	82,049

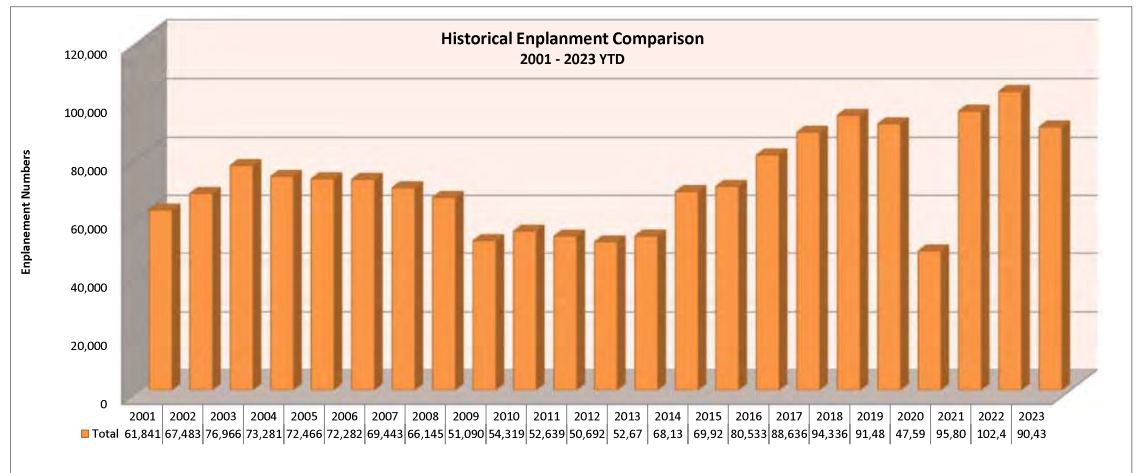
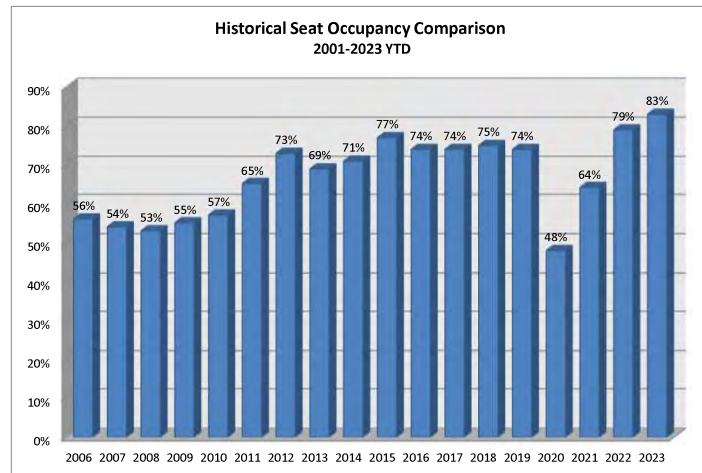
2023 Deplanements																	
Date	Alaska Airlines					Delta Airlines					United Airlines					Total Dep.	Prior Year Total Dep.
	Revenue	Non-Revenue	Total	Prior Year Month	Total % Change	Revenue	Non-Revenue	Total	Prior Year Month	Total % Change	Revenue	Non-Revenue	Total	Prior Year Month	Total % Change		
Jan-23	1,874	49	1,923	1,457	32.0%	3,278	52	3,330	4,188	-20.5%	4,950	70	5,020	4,589	9.4%	10,273	10,234
Feb-23	2,079	49	2,128	1,937	9.9%	3,399	46	3,445	3,521	-2.2%	7,071	80	7,151	6,226	14.9%	12,724	11,684
Mar-23	2,120	65	2,185	1,688	29.4%	3,367	45	3,412	3,590	-5.0%	6,532	110	6,642	5,816	14.2%	12,239	11,094
Apr-23	973	43	1,016	252	100.0%	2,941	69	3,010	1,881	60.0%	1,098	45	1,143	214	434.1%	5,169	2,347
May-23	793	32	825	277	197.8%	3,690	60	3,750	1,785	110.1%	1,198	58	1,256	0	100%	5,831	2,062
Jun-23	1,722	89	1,811	1,326	36.6%	3,807	33	3,840	5,009	-23.3%	3,587	75	3,662	2,855	28.3%	9,313	9,190
Jul-23	1,829	51	1,880	1,806	4.1%	4,738	86	4,824	5,001	-3.5%	5,863	96	5,959	5,468	9.0%	12,663	12,275
Aug-23	1,839	69	1,908	1,880	1.5%	3,707	36	3,743	4,874	-23.2%	5,730	68	5,798	5,098	13.7%	11,449	11,852
Sep-23	635	15	650	751	-13.4%	3,453	57	3,510	4,597	-23.6%	2,754	32	2,786	2,609	6.8%	6,946	7,957
Totals	13,864	462	14,326	11,374	26.0%	32,380	484	32,864	34,446	-4.6%	38,783	634	39,417	32,875	19.9%	86,607	78,695



**Friedman Memorial Airport
September 2023**

2023 Seat Occupancy																		
Date	Alaska Airlines				Delta Airlines				United Airlines				Seat Occupancy Totals			Seat Occupancy Totals Prior Year Comparison		
	Departure Flights	Seats Available*	Seats Occupied	Percent Occupied	Departure Flights	Seats Available*	Seats Occupied	Percent Occupied	Departure Flights	Seats Available*	Seats Occupied	Percent Occupied	Total Seats Available	Total Seats Occupied	Total Percent Occupied	% Change Total	% Change Total Seats	Change in Load Factor %
																Seats Available	Seats Occupied	
Jan-23	38	2,888	2,316	80%	59	4,136	3,825	92%	97	6,790	5,919	87%	13,814	12,060	87%	-11%	1%	10%
Feb-23	34	2,584	2,029	79%	57	3,990	3,399	85%	119	8,336	6,814	82%	14,910	12,242	82%	13%	7%	-5%
Mar-23	34	2,584	2,334	90%	61	4,270	3,786	89%	129	9,030	7,413	82%	15,884	13,533	85%	13%	9%	-3%
Apr-23	20	1,520	1,213	80%	61	4,270	3,611	85%	30	2,112	1,411	67%	7,902	6,235	79%	154%	134%	-6%
May-23	18	1,368	833	61%	62	4,340	3,433	79%	30	2,100	1,094	52%	7,808	5,360	69%	213%	164%	-12%
Jun-23	31	2,356	1,606	68%	60	4,200	3,694	88%	59	4,130	2,925	71%	10,686	8,225	77%	-6%	2%	6%
Jul-23	31	2,356	2,018	86%	84	5,880	5,049	86%	100	7,006	5,556	79%	15,242	12,623	83%	-4%	3%	6%
Aug-23	30	2,280	2,045	90%	62	4,340	4,125	95%	99	6,936	6,019	87%	13,556	12,189	90%	-15%	-2%	12%
Sep-23	12	912	783	86%	60	4,206	3,927	93%	56	3,920	3,260	83%	9,038	7,970	88%	-16%	-8%	7%
Totals	248	18,848	15,177	81%	566	39,632	34,849	88%	719	50,360	40,411	80%	108,840	90,437	83%	6%	10%	3%

Note: *Preliminary available seat calculations based on scheduled flights. Actual available seat calculations will be updated periodically when official DOT numbers are obtained.



Chris Pomeroy

Subject: FW: SUN Noise Abatement - LXJ375 Noise Abatement Violation 0623L SUNDAY 9/3
Attachments: Flexjet Noise Curfew Compliance Request

From: Chris Pomeroy
Sent: Sunday, September 3, 2023 6:46 AM
To: LZilke@onesky.com
Cc: Timothy Burke <Tim@iflysun.com>; Peter Kirsch <pkirsch@kaplankirsch.com>
Subject: Re: SUN Noise Abatement - LXJ375 Noise Abatement Violation 0623L SUNDAY 9/3

Lisa,

I have yet to receive a response to my email below to you 10 days ago.

Can you please explain why yet another FlexJet flight (LXJ375) ignored our noise abatement program and departed at 0623L this morning - on a holiday weekend Sunday, no less?

Should I have my understandingly upset community members impacted by this operation call or email you directly to get an explanation?

Again, if you can't assist me, please connect me with someone within FlexJet who can. It would be helpful if you can respond by this Tuesday the 5th as our next airport board meeting is that night and I intend to brief the board and community about this.

Thank you.

Chris Pomeroy, C.M.
Airport Director (KSUN)

Sent from my iPhone

On Aug 23, 2023, at 2:15 PM, Chris Pomeroy <Chris@iflysun.com> wrote:

Lisa,

Please see below from 8 months ago. Things seem to be consistent with FlexJet being one of our biggest offenders of non-compliance with our noise abatement program. This morning was a 0615L arrival. There have been others over the course of the past several months. The 6 am vs 7 am confusion was officially rectified months ago by the Airport Board and 7 am is now clear. Can you please provide an explanation why LXJ579 arrived at 0615L this morning?

I understand you are the FBO Services Manager. Does FlexJet have an Airport Relations Manager? I represent the Airport Authority and the greater Hailey and Bellevue communities who are growing more and more frustrated at the lack of respect and compliance by FlexJet with our noise abatement program at SUN. If you have an Airport Relations Manager or other management level representative I should speak to about this, please let me know.

Thanks.
Chris

Chris Pomeroy, C.M.

Airport Director
Friedman Memorial Airport
1616 Airport Circle
Hailey, ID 83333
chris@iflysun.com
Office: 208.788.9003
Cell: 208.720.1830



From: Chris Pomeroy
Sent: Sunday, February 12, 2023 5:32 PM
To: Chris Schweinfurth <cschweinfurth@onesky.com>
Subject: Re: Curfew departure tomorrow AM

Chris,

I will chime in here. I certainly do understand the confusion about the 6 am vs 7 am thing. That said, we clarified and made our position clear back in November - which you acknowledged for FlexJet. As a reminder the email string is included below.

Your assistance is making our position on 7 am clear within FJ is appreciated. I will continue to work within my protocols to make the changes to remove the 6 am from our noise abatement materials.

And, as I mentioned before, you can always make me the bad guy with your owners. I frankly don't care how important they think they are. They are not important enough to disrupt an entire community over an hour. And, not to mention you are all guests in our community. With the current wave of scrutiny and backlash directed toward "private jets" and carbon emissions and noise impacts, to me it's really tone deaf to not understand and comply. And it is simply the courteous thing to do.

I hope you can reverse this unfortunate trend of FJ literally becoming our worst noise abatement offender.

Thanks.
Chris

Chris Pomeroy, C.M.
Airport Director (KSUN)

Sent from my iPhone

On Nov 14, 2022, at 10:10 AM, Chris Schweinfurth <cschweinfurth@onesky.com> wrote:

Thank you Chris

I have always found the 0600 and 0700 definitions on the site a little confusing. I will 100% look for that change and update our system appropriately.

Thank you as always, and sorry for the inconvenience.

Chris

From: Chris Pomeroy <Chris@iflysun.com>
Sent: Monday, November 14, 2022 12:01 PM
To: Chris Schweinfurth <cschweinfurth@onesky.com>
Cc: Timothy Burke <Tim@iflysun.com>; Lisa Zilke <LZilke@onesky.com>
Subject: RE: SUN - FlexJet Noise Abatement Violation - 5:30 am Monday Nov. 14 2022

EXTERNAL: This email originated from outside the organization. Do not click links or open attachments unless you recognize the sender and trust the contents of this email.

Chris,

Thanks. Please note our noise abatement procedures state **7 am preferred** to coincide with ATCT staffing hours and availability of ARFF services. Also, in the winter we cannot guarantee airfield readiness during active snow removal before 7 am. After consultation with my legal counsel, here shortly, I will be removing the reference to 6 am in our next iteration of noise abatement procedures at SUN. So please make note, or be prepared to make, that change in your system.

Thanks again for the response.

R,

Chris

Chris Pomeroy, C.M.

Airport Director

Friedman Memorial Airport

1616 Airport Circle

Hailey, ID 83333

chris@iflysun.com

Office: 208.788.9003

Cell: 208.720.1830

<image001.jpg>

From: Chris Schweinfurth <cschweinfurth@onesky.com>

Sent: Monday, November 14, 2022 9:50 AM

To: Chris Pomeroy <Chris@iflysun.com>

Cc: Timothy Burke <Tim@iflysun.com>; Lisa Zilke <LZilke@onesky.com>

Subject: RE: SUN - FlexJet Noise Abatement Violation - 5:30 am Monday Nov. 14 2022

Hi Chris

I'm sorry to hear about the early wake up. I have included Lisa Zilke on this thread as she is our FBO Services Manager so she is aware of the issue.

I am looking into the "why" on the 0530 arrival for N451FX. It appears that the crew got their day started a little earlier than planned as the itinerary that was for N451FX was to land at 0600 empty and depart at 0730 with passengers to the Bahamas. There was a delay of about 45 min as they blocked out at 0818. We have the noise abatement program listed as no operations between 2300 and 0600 local, as per the IflySUN information on the voluntary noise abatement website. The APG usage limited to 30 min is also clearly listed on the website so I will speak to the crew regarding that as well as update our notes for the APU. We did not have limitation that listed in our system.

I have passed along your message to our scheduling team and reminded them of the curfew. In this instance it does appear that they accommodated the curfew with the 0600 arrival, but that was clearly not communicated to the crew effectively.

I certainly understand the recording and publicity of the violation as well as the association of the Flexjet name. We will work to reverse this unfortunate trend.

Chris

From: Chris Pomeroy <Chris@iflysun.com>
Sent: Monday, November 14, 2022 10:58 AM
To: Chris Schweinfurth <cschweinfurth@onesky.com>
Cc: Timothy Burke <Tim@iflysun.com>
Subject: SUN - FlexJet Noise Abatement Violation - 5:30 am Monday Nov. 14 2022

EXTERNAL: This email originated from outside the organization. Do not click links or open attachments unless you recognize the sender and trust the contents of this email.

Good morning, Chris.

Can you please look into this? FlexJet Gulfstream IV, LXJ451, landed at SUN at 5:30 am this morning, well before our 7 am noise abatement window. It is 10° outside and the G-IV is one of the most impactful aircraft when it lands at SUN and activates its thrust reversers. That means the impacts of this operation with the cold, still air was significant on the community of Hailey. In fact, I live one mile north of the airport and was sound asleep when this operation woke me up.

We have discussed the importance of our noise abatement program to the airport and our community before, so I am both disappointed and confused why Flex Jet doesn't seem to take it seriously lately. More confusing is the fact the aircraft departed, three hours after it arrived. Why did it have to arrive at 5:30 am for an 8:20 am departure

turn? Further, my airport operations team reported the aircraft's APU ran for the entirety of its three hour stay on the ramp, resulting in both additional noise and emissions impacts. While our noise abatement program is required by the FAA to be voluntary, as a reminder, you are a guest in this community and my community and Airport Board expects all visitors to be respectful and comply with our program. With all the ongoing scrutiny and focus on "private jet" operations and their perceived environmental impacts on the climate and airport neighbors, including carbon emissions and noise, community stewardship goes a long way. This kind of operation certainly does not help and conflicts with current industry standards/techniques related to noise and emissions mitigation.

This operation and violation to our program will be logged in the noise abatement log and will include your company name and shared with the Airport Board and public at its next Airport Board meeting. The meeting is attended by our local news media and members of the public. My community has a right to know which operators seemingly disregard the impacts of their operations on the community. As I have indicated before, I appreciate the fact your owners push for these times outside our noise abatement hours to meet their schedules. I am happy to be the bad guy to help you and your dispatch teams discourage this behavior. To be blunt, I have an entire community to consider, and I am not tolerant of a few individuals thinking their schedule trumps the impacts on thousands of people.

Thank you.

Regards,

Chris

Chris Pomeroy, C.M.

Airport Director

Friedman Memorial Airport

1616 Airport Circle

Hailey, ID 83333

chris@iflysun.com

Office: 208.788.9003

Cell: 208.720.1830

<image001.jpg>

Chris Pomeroy, C.M.
Airport Director (KSUN)

Sent from my iPhone

On Feb 12, 2023, at 3:23 PM, Chris Schweinfurth <cschweinfurth@onesky.com> wrote:

Hi Tim

I find myself in that unfortunate location of stuck between a rock and a hard place on this one and I certainly do empathize with you.

The 0600 departure is a live leg and has been requested by one of our customers. The ifly sun website still indicates that the requested curfew for aircraft to not operate is from 2300-0600. It is a difficult conversation to have with a passenger to explain to them that the note does not really mean 2300-0600 and that they need to change their departure to later in the day. It is also confusing for the operation here to see a posted curfew and then be given a different set of parameters to operate within.

If you feel you must give residents our phone number it is listed on the Flexjet LLC company website.

I will forward this all along to my management team and advise them on Monday and see how they would like to proceed.

Thank you Tim
Very respectfully,
Chris

From: Timothy Burke <Tim@iflysun.com>
Sent: Sunday, February 12, 2023 3:04 PM
To: Chris Schweinfurth <cschweinfurth@onesky.com>
Cc: Chris Pomeroy <Chris@iflysun.com>
Subject: Curfew departure tomorrow AM

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Hi Chris,

Just to proactively put it on your radar, I got a couple calls today from flexjet inquiring about what our early morning field conditions may be. They advised us that they have 6 AM departure tomorrow. They were told about our curfew a few times, mentioned that they'd look into it, then called me back to tell me they plan to disregard it.

As you know, per FAA regulations, we don't have any legal authority to stop this. Flexjet, legally, can operate whenever they wish at SUN. It's simply an honor system that we ask our users to respect in attempt to preserve the integrity and operation of this airport (which is in a delicate situation with our community, as is.)

It's quite disappointing to know that, even after being educated on the curfew and asked to respect it, flexjet is consciously deciding, in advance, to disrupt the entire community tomorrow morning.

I already anticipate a few complaints specific to this operation filed, both to us, and our elected officials. Is there a phone number that I can give to those residents to contact flex jet directly?

Thank you,

(Sent from my phone)

Tim Burke

Deputy Director, Airport Operations & Maintenance

Sun Valley / Friedman Memorial Airport (SUN)

[1616 Airport Circle](#)

[Hailey, ID 83333](#)

tim@iflysun.com

[\(208\)721-3074](#) – Cell

[\(208\)788-4956 x105](#) -Office

[\(208\)720-5186](#) – On Duty Airport Operations

[\(339\)206-6993](#) (Personal cell- Emergency)

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Response from Flexjet

Chris Pomeroy

From: Jason Christensen <Jason.Christensen@flexjet.com>
Sent: Friday, September 8, 2023 2:13 PM
To: Chris Pomeroy
Subject: Flexjet Noise Curfew Compliance Request

Good afternoon Chris, I hope this message finds you well. I would first like to express our appreciation for your continued cooperation and support in matters related to noise abatement at Friedman Memorial Airport (KSUN). We value our relationship with the airport and understand the importance of minimizing disruptions to the local community.

After careful review with the leaders of our Sales and Owner Services teams, we are unable to comply with the request to restrict our owners from booking flights within the voluntary noise curfew at the airport. We understand the significance of the noise curfew and its impact on the community, and we always strive to operate responsibly within its bounds.

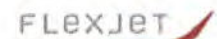
Our decision not to restrict bookings during these hours is based on several factors, primarily related to the unique needs and preferences of our owners. We are dedicated to providing them with the utmost flexibility and convenience in their travel arrangements, and limiting their access to flights during these hours would be contrary to the service we aim to deliver.

Please know that this decision was not made lightly, and we genuinely regret any inconvenience or concern this may cause. We do however remain committed to complying with the intent of the curfew and will strongly urge our owners to book outside of those hours.

We understand that you have the best interests of the airport and the surrounding area in mind. We are open to continued dialogue and exploring alternative ways to contribute positively to the noise reduction efforts without compromising the needs of our owners.

Once again, please accept our apologies for any inconvenience, and thank you for your understanding.

Jason Christensen
Vice President, Operations Control
FLEXJET
C 216.650.3493
Jason.Christensen@flexjet.com
www.flexjet.com



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CONFIDENTIALITY NOTICE: This e-mail may contain confidential information. If you are not the intended recipient, please contact the sender and delete this message.

From: Kaplan Kirsch & Rockwell LLP <info@kaplankirsch.com>
Sent: Thursday, October 19, 2023 2:00 PM
To: Chris Pomeroy <Chris@iflysun.com>
Subject: EPA Issues Leaded Aviation Fuel Endangerment Finding

No images? [Click here](#)



EPA Issues Leaded Aviation Fuel Endangerment Finding

On October 18, 2023, the U.S. Environmental Protection Agency (EPA) issued an “[endangerment finding](#)” under the Clean Air Act, concluding that the “lead emissions from aircraft engines that operate on leaded fuel cause or contribute to air pollution that may reasonably be anticipated to endanger public health and welfare.” The endangerment finding triggers a statutory mandate for the EPA and FAA to develop federal regulations regarding the use of leaded aviation fuel. The FAA has [publicly committed](#) to the elimination of leaded aviation fuel by 2030, but neither the EPA nor the FAA have announced any more specific timeline for issuing new regulations regarding leaded aviation fuel. The endangerment finding does *not* authorize any action by state or local agencies to regulate leaded aviation fuel.

Leaded aviation fuel, commonly referred to as “Avgas” or “100LL,” is used by most piston-powered aircraft, mostly smaller propeller-powered aircraft and some helicopters. Jet and turbo-prop aircraft use Jet A or other fuels that do not contain lead. The endangerment finding does not affect Jet A and other unleaded aviation fuels.

The endangerment finding summarizes the health and welfare impacts of lead pollution and explains why the EPA is taking this action now. Although the endangerment finding does not prohibit or regulate the use of leaded aviation fuel, its detailed discussion of the health impacts of leaded aviation fuel, including its finding that there is no safe level of lead exposure, is expected to create pressure on airport sponsors and local governments, as well as the FAA and the EPA, to take swift action to address the health risks.

As airport sponsors respond to concerns from their communities and political leadership about lead exposure, it is important to keep the following points in mind:

- The endangerment finding does not require or authorize action by airport sponsors.
- The FAA has made clear that it will closely scrutinize attempts by airport sponsors to regulate the use of leaded aviation fuel to assure compliance with airport sponsors' grant assurance and other federal obligations.
- Industry groups, including the Aircraft Owners and Pilots Association (AOPA) and the National Business Aviation Association (NBAA), have aggressively opposed local efforts to limit the use or sale of leaded aviation fuel, including initiating FAA compliance proceedings challenging local restrictions.
- Unleaded aviation fuels, although in development and certified for use in most piston-powered aircraft, are not yet widely available.
- In addition to grant assurance concerns, local restrictions on the use or sale of leaded aviation fuel may face legal challenges under other laws, including the Clean Air Act.
- Leaded avgas has been widely used since the dawn of aviation and overall volumes of emissions have been declining in recent years. The EPA has not identified any new risks.

Because of substantial legal uncertainty over the authority of airport sponsors and local governments to regulate the use of leaded aviation fuel, we urge caution in responding to local concerns. We have been tracking this issue for some time and are available to discuss how to balance those risks against the expected community pressure to take immediate action. Looking ahead, we will be following the EPA and FAA's regulatory process closely and will keep clients informed of any interim guidance and/or opportunities to comment on proposed regulations.

For additional questions about leaded aviation fuel, please contact [Eric Pilsk](mailto:epilsk@kaplankirsch.com) (epilsk@kaplankirsch.com) or [Steven Osit](mailto:sosit@kaplankirsch.com) (sosit@kaplankirsch.com) or any of our other attorneys with whom you regularly work.

LEARN MORE ABOUT OUR AIRPORT LAW PRACTICE

Kaplan Kirsch & Rockwell publishes Alerts to announce late-breaking developments in legislation, regulation, and policy for our clients and colleagues and is not intended as legal advice. Please contact legal counsel for legal advice on the matters that appear in our Alerts.



**IDAHO TRANSPORTATION DEPARTMENT**

Division of Aeronautics
3483 Rickenbacker Street Boise ID 83705

(208) 334-8775
itd.idaho.gov/aero

10/31/2023

Martha Burke, Mayor
City of Hailey
206 1st Ave South Suite
200 Hailey, ID 83333

GRANT AGREEMENT - IDAHO AIRPORT AID PROGRAM
STATE FISCAL YEAR-24 for the Hailey-Friedman Memorial Airport
FS PROGRAM NUMBER: L24SSUN

PROJECT DESCRIPTION: Acquire ARFF Vehicle
This grant is in the amount of \$1,000,000.00.

Dear Mayor,

The Idaho Division of Aeronautics is pleased to offer your airport this matching grant to assist in financing improvements to your airport during State FY-24. Enclosed is an electronic copy of the Grant Offer for the Idaho Airport Aid Program. Please read this letter and Grant Offer carefully.

To properly enter into this agreement, you must do the following:

- Provide authority to execute the grant to the individual signing the grant
- Have the City Council ratify both the Grant Agreement and the City Resolution
- Authorized representative must execute the grant no later than 12/29/2023
- A final, .pdf copy of the grant will be e-mailed once all parties have signed
- Please have the City Clerk attest to and sign

To ensure proper stewardship of State funds, you are expected to submit payment requests for reimbursement of allowable incurred expenses in accordance with project progress. Should you fail to make draws on a regular basis, your grant may be placed in "inactive" status, which will affect your ability to receive future grant offers.

Each payment request for reimbursement will include the following items:

- Request for Reimbursement letter stating FS Program #, request #, invoice total, and reimbursement requested
- FAA Form 270/271 or DELPHI eINVOICING PAYMENT SUMMARY WORKSHEET (if applicable)
- Applicable Invoices/Outlay Reports

I look forward to working with the City on this project. If you have any questions regarding the acceptance of this grant, please call me at (208) 334-8640.

Sincerely,

Jennifer L. Schildgen

Jennifer L. Schildgen
Airport Planning Manager

GRANT AGREEMENT
IDAHO AIRPORT AID PROGRAM
STATE FISCAL YEAR-24

TO: Hailey, Idaho
(Hereinafter referred to as the "SPONSOR")

FROM: The State of Idaho, acting through the IDAHO TRANSPORTATION DEPARTMENT, DIVISION OF
AERONAUTICS
(Hereinafter referred to as the "STATE")

WHEREAS, the SPONSOR has submitted to the STATE an application for assistance from the Idaho Airport Aid Program for development of the Hailey-Friedman Memorial Airport, together with the planning proposal or plans and specifications for the project. The STATE approved the application and it is hereby incorporated herein and made a part thereof:

WHEREAS, the Idaho Transportation Board has approved a project for development of the airport consisting of the following described airport development:

Project Description: Acquire ARFF Vehicle

FS Program Number: L24SSUN

Project Number: SP-02

NOW THEREFORE, for carrying out the provisions of the Uniform State Aeronautics Department Act; Title 21 of the Idaho Code, as amended, and in consideration of the SPONSOR acceptance of this offer, as hereinafter provided, the STATE hereby agrees to pay, as its share of the costs incurred in accomplishing the project, not more than a lump sum amount of \$1,000,000.

This Grant incorporates the following terms and conditions:

1. The STATE affirms that:
 - A. The maximum obligation of the STATE payable under this Grant shall be \$1,000,000.00.
 - B. This grant expires on June 30, 2027 and the STATE shall have no further obligation after that date.
2. The SPONSOR shall:
 1. Certify the availability of at least \$.00 to match STATE participation in said project.
 2. The Airport Sponsor agrees to comply with the regulations relative to non-discrimination in State assisted programs of the Idaho Transportation Department.
 3. Diligently and expeditiously complete this project by June 30, 2027 and likewise pursue appropriate measures as may be agreed upon by the SPONSOR and the STATE to remedy project delays, including but not limited to litigation or condemnation.

4. Carry out and complete the project in accordance with the plans, specifications, and property map, incorporated herein, as they may be revised or modified, with approval of the STATE.
5. Competitively bid all contracts for construction involved in this project in accordance with bidding procedures outlined in Idaho Statute Title 67, Chapter 28 of the Idaho Code and Title 2 CFR part 200 and may provide solicitation documentation to the STATE.
6. In connection with the acquisition of real property for the project, secure at least two written appraisals by licensed appraisers and not pay in excess of the highest appraisal without the written consent of the STATE or except as directed by a court of competent jurisdiction after a contested trial and a judgment not resulting from agreement between the parties.
7. No State funds will be paid to the SPONSOR in any case until it certifies in writing that it has funds available and will spend at least the amount designated for this project in the Grant Agreement, solely for the project in question.
8. The SPONSOR agrees to hold said airport open to the flying public for the useful life of the facilities developed under this project.
9. The SPONSOR shall grant no exclusive use or operating agreements, to any person, company, or corporation for the use of the airport by any person providing or intending to provide aeronautical services to the public. Failure to abide by such agreement shall automatically obligate the immediate and full return of all State of Idaho money expended on behalf of the project to the State of Idaho.
10. Agrees to fulfill the FAA assurances applicable to this project and follow the requirements in 49 USC 471 Airport Development. (Only applies to FAA funded projects)
11. Agrees to follow and include applicable FAA required contract terms to any associated contracts granted in association with this grant. (Only applies to FAA funded projects)
12. Submit with this accepted Grant Agreement the full name of the local Project Manager/Inspector along with full contact information including work phone number, cell phone number, fax number, email address, and postal mailing address. Also, include a job related contact that will know the whereabouts of and can contact the Project Manager/Inspector quickly for Grant related matters.
13. Use the provided "Project List and Submittals" form to monitor the project's progress. The SPONSOR will submit the form when submittals are made, and provide the completed form, along with the reports, as part of the closeout documents.
14. Such allocation agreement shall become effective upon the SPONSOR acceptance of this offer and shall remain in full force and effect throughout the useful life of the facilities developed under the project but in any event not to exceed twenty (20) years from the date of acceptance.
15. Said offer and acceptance shall comprise allocation agreement, constituting the obligation and rights of the State of Idaho and the SPONSOR with respect to the accomplishment of the project and the operation and the maintenance of the airport.

16. SPONSOR must develop the airport in accordance with current design standards as set forth by the FAA for airport receiving FAA funding or by the Division of Aeronautics for non-federally funded airports.
17. SPONSOR cannot allow any activity or action on the airport that would interfere with its use for airport purposes.
18. SPONSOR must allow all types, kinds, and classes of aeronautical activities use the airport. This includes such activities as parachute jumping and ultralight vehicles. One possible reason for not allowing an aeronautical activity on the airport is if it cannot be conducted safely. The final safety determination is the responsibility of the Idaho Division of Aeronautics. FAA funded airports shall abide by FAA guidance as depicted in the FAA grant assurance 22.
19. SPONSOR must allow people to service their own aircraft according to all applicable Federal Aviation Regulations (FARs). IDAPA 39.04.01
20. All revenue generated on the airport by the Sponsor will be used for airport purposes only.
21. SPONSOR will have proof of ownership or lease of all land upon which any project is proposed in order to protect the investment of public funds.
22. That any Exclusive Operating or Use Agreement in violation of Section I. above shall Automatically Obligate the Immediate and full Return of all State of Idaho money expended on behalf of the Project to the State of Idaho.
23. SPONSOR will have compatible land use and height zoning for the airport to prevent incompatible land uses and the creation or establishment of structures or objects of natural growth, which would constitute hazards or obstructions to aircraft operating to, from, on, or in the vicinity of the subject airport. Idaho Statute 67-6508q
24. SPONSOR will ensure hangars are used primarily for aeronautical purposes. Non-aeronautical items stored in the hangar will not interfere with aeronautical use of the hangar.
25. SPONSOR will maintain a fee and rental structure for services and facilities at the airport, which will make the airport as self-sustaining as possible taking into account such factors as the volume of traffic and economy of collection. The Division of Aeronautics can provide assistance with establishing the structure base.

The allowable costs of the project shall not include any costs determined by the STATE to be ineligible.

The STATE reserves the right to amend or withdraw this offer at any time prior to its acceptance by the SPONSOR.

No project cost reimbursements shall be issued and the STATE shall not be obligated to pay any part of the costs of the project unless the final agreement has been accepted by the SPONSOR as prescribed in writing by the STATE.

Except for those projects receiving both State and Federal Aid (submit copies of FAA Application and Agreement), the following inspection schedule, and reporting system is required:

3. Inspection Schedule and Reporting System:

Inspection Schedule and Reporting System will vary for each project. The SPONSOR must make reports and be subject to inspections on the following schedule:

- A. SPONSOR shall report project commencement date.
- B. SPONSOR shall receive approval prior to any change in the scope of the project.
- C. SPONSOR shall report project completion date and request final payment.
- D. STATE may participate in the final inspection and shall sign off the project as completed.
- E. STATE may arrange for audit of account in accordance with regularly scheduled audit program.

The execution of this instrument by the SPONSOR and ratification and adoption of the project application incorporated herein provides proof of the Sponsors commitment, as hereinafter provided. Said offer and acceptance shall comprise allocation agreement, constituting the obligation and rights of the State of Idaho and the SPONSOR with respect to the accomplishment of the project and the operation and the maintenance of the airport. Such allocation agreement shall become effective upon the SPONSOR acceptance of this offer and shall remain in full force and effect throughout the useful life of the facilities developed under the project but in any event not to exceed twenty (20) years from the date of acceptance.

STATE OF IDAHO, ITD
Division of Aeronautics



By: _____
Thomas Mahoney, Administrator

ACCEPTANCE

THE SPONSOR DOES HEREBY RATIFY AND ADOPT ALL STATEMENTS, representations, warranties, covenants, and agreements contained in the project application and incorporated materials referred to in the foregoing offer and does hereby accept said offer and by such acceptance agrees to all of the terms and conditions thereof.

Executed this ____ day of _____, 2023.

By: _____
Martha Burke, Mayor

ATTEST:

Mary Cone, City Clerk

I, Mary Cone, City Clerk do hereby certify that the foregoing is a full, true, and correct copy of Resolution No. _____ adopted at a regular meeting of the City Council held on the ____ day of _____, 2023, and that the same is now in full force and effect. IN WITNESS WHEREOF, I have hereunto set my hand and impressed the official seal of the City, this ____ day of _____, 2023.

Mary Cone, City Clerk

City Resolution

Exact from the minutes of a regular meeting
of the City Council of Hailey, Idaho
Held on _____, 2023.

Mayor _____, introduced the following Resolution, was read in full, considered, and adopted:

Resolution number _____ of Hailey, Idaho accepting the Grant Offer of the State of Idaho through the Idaho Transportation Department, Division of Aeronautics, in the maximum amount of \$1,000,000.00 to be used under the Idaho Airport Aid Program, FS Program number: L24SSUN, Project number: SP-02 in the development of the Hailey-Friedman Memorial Airport; and

Be it resolved by the Mayor and City Council of Hailey, Idaho (herein referred to as the City) as follows:

Sec. 1. That the City shall accept the Grant Offer of the State of Idaho in the amount of \$1,000,000.00, for the purpose of obtaining State Aid under FS Program Number: L24SSUN, Project Number: SP-02 in the development of the Hailey-Friedman Memorial Airport; and

Sec. 2. That the Mayor of the Hailey City Council is hereby authorized and directed to sign the statement of Acceptance of said Grant Offer (entitled Acceptance) on behalf of the City, the City Clerk is hereby authorized and directed to attest the signature of the Mayor and to impress the official seal of the City on the aforesaid statement of Acceptance; and

Sec. 3. A true copy of the Grant Agreement referred to herein be attached hereto and made a part thereof.

Passed by the City Council and approved by the Mayor this ____ day of _____, 2023.

Martha Burke, Mayor

ATTEST:

Mary Cone, City Clerk

CERTIFICATE

I, Mary Cone, City Clerk do hereby certify that the foregoing is a full, true, and correct copy of Resolution No. _____ adopted at a regular meeting of the City Council held on the ____ day of _____, 2023, and that the same is now in full force and effect. IN WITNESS WHEREOF, I have hereunto set my hand and impressed the official seal of the City, this ____ day of _____, 2023.

Mary Cone, City Clerk


IDAHO TRANSPORTATION DEPARTMENT

Division of Aeronautics
3483 Rickenbacker Street Boise ID 83705

(208) 334-8775
itd.idaho.gov/aero

10/31/2023

Muffy Davis, Chair
County of Blaine
206 1st Ave South Suite 200
Hailey, ID 83333

GRANT AGREEMENT - IDAHO AIRPORT AID PROGRAM
STATE FISCAL YEAR-24 for the Hailey-Friedman Memorial Airport
FS PROGRAM NUMBER: L24SSUN

PROJECT DESCRIPTION: Acquire ARFF Vehicle
This grant is in the amount of \$1,000,000.00.

Dear Chair,

The Idaho Division of Aeronautics is pleased to offer your airport this matching grant to assist in financing improvements to your airport during State FY-24. Enclosed is an electronic copy of the Grant Offer for the Idaho Airport Aid Program. Please read this letter and Grant Offer carefully.

To properly enter into this agreement, you must do the following:

- Provide authority to execute the grant to the individual signing the grant
- Have the County Commission ratify both the Grant Agreement and the County Resolution
- Authorized representative must execute the grant no later than 12/29/2023
- A final, .pdf copy of the grant will be e-mailed once all parties have signed
- Please have the County Clerk attest to and sign

To ensure proper stewardship of State funds, you are expected to submit payment requests for reimbursement of allowable incurred expenses in accordance with project progress. Should you fail to make draws on a regular basis, your grant may be placed in "inactive" status, which will affect your ability to receive future grant offers.

Each payment request for reimbursement will include the following items:

- Request for Reimbursement letter stating FS Program #, request #, invoice total, and reimbursement requested
- FAA Form 270/271 or DELPHI eINVOICING PAYMENT SUMMARY WORKSHEET (if applicable)
- Applicable Invoices/Outlay Reports

I look forward to working with the County on this project. If you have any questions regarding the acceptance of this grant, please call me at (208) 334-8640.

Sincerely,

Jennifer L. Schildgen

Jennifer L. Schildgen
Airport Planning Manager

GRANT AGREEMENT
IDAHO AIRPORT AID PROGRAM
STATE FISCAL YEAR-24

TO: Blaine, Idaho
(Hereinafter referred to as the "SPONSOR")

FROM: The State of Idaho, acting through the IDAHO TRANSPORTATION DEPARTMENT, DIVISION OF
AERONAUTICS
(Hereinafter referred to as the "STATE")

WHEREAS, the SPONSOR has submitted to the STATE an application for assistance from the Idaho Airport Aid Program for development of the Hailey-Friedman Memorial Airport, together with the planning proposal or plans and specifications for the project. The STATE approved the application and it is hereby incorporated herein and made a part thereof:

WHEREAS, the Idaho Transportation Board has approved a project for development of the airport consisting of the following described airport development:

Project Description: Acquire ARFF Vehicle

FS Program Number: L24SSUN

Project Number: SP-02

NOW THEREFORE, for carrying out the provisions of the Uniform State Aeronautics Department Act; Title 21 of the Idaho Code, as amended, and in consideration of the SPONSOR acceptance of this offer, as hereinafter provided, the STATE hereby agrees to pay, as its share of the costs incurred in accomplishing the project, not more than a lump sum amount of \$1,000,000.

This Grant incorporates the following terms and conditions:

1. The STATE affirms that:
 - A. The maximum obligation of the STATE payable under this Grant shall be \$1,000,000.00.
 - B. This grant expires on June 30, 2027 and the STATE shall have no further obligation after that date.
2. The SPONSOR shall:
 1. Certify the availability of at least \$.00 to match STATE participation in said project.
 2. The Airport Sponsor agrees to comply with the regulations relative to non-discrimination in State assisted programs of the Idaho Transportation Department.
 3. Diligently and expeditiously complete this project by June 30, 2027 and likewise pursue appropriate measures as may be agreed upon by the SPONSOR and the STATE to remedy project delays, including but not limited to litigation or condemnation.

4. Carry out and complete the project in accordance with the plans, specifications, and property map, incorporated herein, as they may be revised or modified, with approval of the STATE.
5. Competitively bid all contracts for construction involved in this project in accordance with bidding procedures outlined in Idaho Statute Title 67, Chapter 28 of the Idaho Code and Title 2 CFR part 200 and may provide solicitation documentation to the STATE.
6. In connection with the acquisition of real property for the project, secure at least two written appraisals by licensed appraisers and not pay in excess of the highest appraisal without the written consent of the STATE or except as directed by a court of competent jurisdiction after a contested trial and a judgment not resulting from agreement between the parties.
7. No State funds will be paid to the SPONSOR in any case until it certifies in writing that it has funds available and will spend at least the amount designated for this project in the Grant Agreement, solely for the project in question.
8. The SPONSOR agrees to hold said airport open to the flying public for the useful life of the facilities developed under this project.
9. The SPONSOR shall grant no exclusive use or operating agreements, to any person, company, or corporation for the use of the airport by any person providing or intending to provide aeronautical services to the public. Failure to abide by such agreement shall automatically obligate the immediate and full return of all State of Idaho money expended on behalf of the project to the State of Idaho.
10. Agrees to fulfill the FAA assurances applicable to this project and follow the requirements in 49 USC 471 Airport Development. (Only applies to FAA funded projects)
11. Agrees to follow and include applicable FAA required contract terms to any associated contracts granted in association with this grant. (Only applies to FAA funded projects)
12. Submit with this accepted Grant Agreement the full name of the local Project Manager/Inspector along with full contact information including work phone number, cell phone number, fax number, email address, and postal mailing address. Also, include a job related contact that will know the whereabouts of and can contact the Project Manager/Inspector quickly for Grant related matters.
13. Use the provided "Project List and Submittals" form to monitor the project's progress. The SPONSOR will submit the form when submittals are made, and provide the completed form, along with the reports, as part of the closeout documents.
14. Such allocation agreement shall become effective upon the SPONSOR acceptance of this offer and shall remain in full force and effect throughout the useful life of the facilities developed under the project but in any event not to exceed twenty (20) years from the date of acceptance.
15. Said offer and acceptance shall comprise allocation agreement, constituting the obligation and rights of the State of Idaho and the SPONSOR with respect to the accomplishment of the project and the operation and the maintenance of the airport.

16. SPONSOR must develop the airport in accordance with current design standards as set forth by the FAA for airport receiving FAA funding or by the Division of Aeronautics for non-federally funded airports.
17. SPONSOR cannot allow any activity or action on the airport that would interfere with its use for airport purposes.
18. SPONSOR must allow all types, kinds, and classes of aeronautical activities use the airport. This includes such activities as parachute jumping and ultralight vehicles. One possible reason for not allowing an aeronautical activity on the airport is if it cannot be conducted safely. The final safety determination is the responsibility of the Idaho Division of Aeronautics. FAA funded airports shall abide by FAA guidance as depicted in the FAA grant assurance 22.
19. SPONSOR must allow people to service their own aircraft according to all applicable Federal Aviation Regulations (FARs). IDAPA 39.04.01
20. All revenue generated on the airport by the Sponsor will be used for airport purposes only.
21. SPONSOR will have proof of ownership or lease of all land upon which any project is proposed in order to protect the investment of public funds.
22. That any Exclusive Operating or Use Agreement in violation of Section I. above shall Automatically Obligate the Immediate and full Return of all State of Idaho money expended on behalf of the Project to the State of Idaho.
23. SPONSOR will have compatible land use and height zoning for the airport to prevent incompatible land uses and the creation or establishment of structures or objects of natural growth, which would constitute hazards or obstructions to aircraft operating to, from, on, or in the vicinity of the subject airport. Idaho Statute 67-6508q
24. SPONSOR will ensure hangars are used primarily for aeronautical purposes. Non-aeronautical items stored in the hangar will not interfere with aeronautical use of the hangar.
25. SPONSOR will maintain a fee and rental structure for services and facilities at the airport, which will make the airport as self-sustaining as possible taking into account such factors as the volume of traffic and economy of collection. The Division of Aeronautics can provide assistance with establishing the structure base.

The allowable costs of the project shall not include any costs determined by the STATE to be ineligible.

The STATE reserves the right to amend or withdraw this offer at any time prior to its acceptance by the SPONSOR.

No project cost reimbursements shall be issued and the STATE shall not be obligated to pay any part of the costs of the project unless the final agreement has been accepted by the SPONSOR as prescribed in writing by the STATE.

Except for those projects receiving both State and Federal Aid (submit copies of FAA Application and Agreement), the following inspection schedule, and reporting system is required:

3. Inspection Schedule and Reporting System:

Inspection Schedule and Reporting System will vary for each project. The SPONSOR must make reports and be subject to inspections on the following schedule:

- A. SPONSOR shall report project commencement date.
- B. SPONSOR shall receive approval prior to any change in the scope of the project.
- C. SPONSOR shall report project completion date and request final payment.
- D. STATE may participate in the final inspection and shall sign off the project as completed.
- E. STATE may arrange for audit of account in accordance with regularly scheduled audit program.

The execution of this instrument by the SPONSOR and ratification and adoption of the project application incorporated herein provides proof of the Sponsors commitment, as hereinafter provided. Said offer and acceptance shall comprise allocation agreement, constituting the obligation and rights of the State of Idaho and the SPONSOR with respect to the accomplishment of the project and the operation and the maintenance of the airport. Such allocation agreement shall become effective upon the SPONSOR acceptance of this offer and shall remain in full force and effect throughout the useful life of the facilities developed under the project but in any event not to exceed twenty (20) years from the date of acceptance.

STATE OF IDAHO, ITD
Division of Aeronautics



By: _____
Thomas Mahoney, Administrator

ACCEPTANCE

THE SPONSOR DOES HEREBY RATIFY AND ADOPT ALL STATEMENTS, representations, warranties, covenants, and agreements contained in the project application and incorporated materials referred to in the foregoing offer and does hereby accept said offer and by such acceptance agrees to all of the terms and conditions thereof.

Executed this ____ day of _____, 2023.

By: _____
Muffy Davis, Chair

ATTEST:

Stephen McDougall Graham, County Clerk

I, Stephen McDougall Graham, County Clerk do hereby certify that the foregoing is a full, true, and correct copy of Resolution No. _____ adopted at a regular meeting of the County Commission held on the ____ day of _____, 2023, and that the same is now in full force and effect. IN WITNESS WHEREOF, I have hereunto set my hand and impressed the official seal of the County, this ____ day of _____, 2023.

Stephen McDougall Graham, County Clerk

County Resolution

Exact from the minutes of a regular meeting
of the County Commission of Blaine County, Idaho
Held on _____, 2023.

Commissioner _____, introduced the following Resolution, was read in full, considered, and adopted:

Resolution number _____ of Blaine County, Idaho accepting the Grant Offer of the State of Idaho through the Idaho Transportation Department, Division of Aeronautics, in the maximum amount of \$1,000,000.00 to be used under the Idaho Airport Aid Program, FS Program number: L24SSUN, Project number: SP-02 in the development of the Hailey-Friedman Memorial Airport; and

Be it resolved by the Chair and County Commission of Blaine County, Idaho (herein referred to as the County) as follows:

Sec. 1. That the County shall accept the Grant Offer of the State of Idaho in the amount of \$1,000,000.00, for the purpose of obtaining State Aid under FS Program Number: L24SSUN, Project Number: SP-02 in the development of the Hailey-Friedman Memorial Airport; and

Sec. 2. That the Chair of the Blaine County Commission is hereby authorized and directed to sign the statement of Acceptance of said Grant Offer (entitled Acceptance) on behalf of the County, the County Clerk is hereby authorized and directed to attest the signature of the Chair and to impress the official seal of the County on the aforesaid statement of Acceptance; and

Sec. 3. A true copy of the Grant Agreement referred to herein be attached hereto and made a part thereof.

Passed by the County Commission and approved by the Chair this _____ day of _____, 2023.

Muffy Davis, Chair

ATTEST:

Stephen McDougall Graham, County Clerk

CERTIFICATE

I, Stephen McDougall Graham, County Clerk do hereby certify that the foregoing is a full, true, and correct copy of Resolution No. _____ adopted at a regular meeting of the County Commission held on the _____ day of _____, 2023, and that the same is now in full force and effect. IN WITNESS WHEREOF, I have hereunto set my hand and impressed the official seal of the County, this _____ day of _____, 2023.

Stephen McDougall Graham, County Clerk

**AIRLINE OPERATING
AGREEMENT AND TERMINAL BUILDING LEASE**

for

Friedman Memorial Airport

By and between

Friedman Memorial Airport Authority
Hailey, Idaho

AND

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AIRLINE OPERATING AGREEMENT AND TERMINAL BUILDING LEASE

THIS AIRLINE OPERATING AGREEMENT AND TERMINAL BUILDING LEASE (this “Agreement”), made this 1st day of October, 2023, by and between the Friedman Memorial Airport Authority, an administrative entity formed by Blaine County, Idaho and the City of Hailey, Idaho pursuant to Section 67-2328 of Idaho Code with offices at 1616 Airport Circle, Hailey, Idaho, hereinafter referred to as “AUTHORITY”, and _____, a corporation incorporated under the laws of the State of _____, with its principal office at _____, and authorized to business in the State of Idaho, as hereinafter defined and referred to as “AIRLINE”.

WITNESSETH

WHEREAS, AUTHORITY operates Friedman Memorial Airport, located in the City of Hailey, Idaho, hereinafter referred to as “Airport”; and

WHEREAS, AUTHORITY has the right to lease and license the use of the property and facilities on the Airport and has full power and authority to enter into this Agreement in respect thereof; and

WHEREAS, AIRLINE is engaged in the business of air transportation of persons, property, cargo, small packages, and mail, and is certificated by the Federal Aviation Administration to provide such services through the Airport; and

WHEREAS, AIRLINE desires to lease certain premises, use certain facilities, and acquire certain rights and privileges from AUTHORITY in connection with its use of the Airport, and AUTHORITY is willing to lease and grant the same to AIRLINE upon the terms and conditions hereinafter stated; and

WHEREAS, AUTHORITY and AIRLINE each certify that it has the power and authority to enter into this Agreement;

WHEREAS, AIRLINE and AUTHORITY agree to enter into this Agreement, specifying the rights and obligations of the parties with respect to the operation of the Airport by AUTHORITY and the lease, use and occupancy or use of certain premises of the Airport, including the new and expanded passenger terminal facilities, by AIRLINE;

NOW THEREFORE, for and in consideration of the mutual covenants and agreements herein contained, AUTHORITY and AIRLINE do hereby mutually undertake, promise and agree, each for itself and its successors and assigns as follows:

Article 1. DEFINITIONS

1.01 Affiliated Airline shall mean any Air Transportation Company that: (1) is a parent or subsidiary of AIRLINE, a subsidiary of the parent of AIRLINE or otherwise under common control with AIRLINE; (2) shares an International Air Transport Association (IATA) code with AIRLINE at the Airport; or (3) otherwise operates under essentially the same trade name as AIRLINE or its parent or subsidiary at the Airport or uses essentially the same livery as AIRLINE or its parent or subsidiary at the Airport; provided, however, that no “major” airline, as such term is defined by the FAA, shall be classified as an Affiliated Airline of another “major” airline unless either clause (1) or (3) above defines the relationship between such airlines at the Airport. A Signatory Airline must designate in writing to the AUTHORITY any Air Transportation Company that will be an Affiliated Airline of that Signatory Airline at the Airport. A Signatory Airline must also designate in writing to the AUTHORITY to terminate such Affiliated Airline status of an Air Transportation Company. Affiliated Airlines shall have the rights afforded Airline without payment of any additional charges or premiums, provided AIRLINE (a) remains a Signatory Airline to this Agreement; (b) agrees to be billed for Affiliated Airline’s activity at the Airport when such Affiliated Airline is acting on behalf of AIRLINE; and (c) agrees and shall be obligated to serve as a financial guarantor for all rentals, fees, and charges incurred by any Affiliated Airline of AIRLINE while operating on behalf of AIRLINE at the Airport. AIRLINE shall be responsible for any and all unpaid rentals, fees, and charges of any such Affiliated Airline when such Affiliated Airline operates at the Airport as an Affiliated Airline of AIRLINE; provided however, Airline shall only be responsible for such payments as relate to any terminated Affiliated Airline’s operations before such termination as an Affiliated Airline of AIRLINE took effect. Termination as an Affiliated Airline of AIRLINE will not occur until Airline notifies the AUTHORITY in writing and such termination will be effective as of the date of such notification. An Air Transportation Company shall only be deemed an Affiliated Airline of AIRLINE during those times in which the Air Transportation Company is operating on behalf of AIRLINE at the Airport, related to activity of AIRLINE.

1.02 Agreement shall mean this Airline Operating Agreement and Terminal Building Lease between AUTHORITY and AIRLINE, as the same may be amended, modified or altered from time-to-time pursuant to the terms hereof.

1.03 Air Transportation Business shall mean that business operated by AIRLINE or another Scheduled Air Carrier, as the case may be, at the Airport for the commercial transportation by air of persons, property, mail, parcels and/or cargo and all reasonably associated activities.

1.04 Air Transportation Company shall mean a legal entity engaged in the business of scheduled or non-scheduled commercial transportation by air of persons, property, mail, parcels and/or cargo. The term “Air Transportation Companies” shall be construed accordingly.

1.05 Airfield shall mean those portions of the Airport provided for the landing, taking off and taxiing of aircraft, including without limitation, approach and turning zones, aviation or other easements, runways, taxiways, runway and taxiway lights, and other appurtenances in connection therewith.

1.06 AIRLINE shall mean the Air Transportation Company executing this Agreement.

1.07 Airline Airport Affairs Committee (AAAC) shall mean collectively the authorized representatives of each Signatory Airline that shall meet from time-to-time with representatives of AUTHORITY to receive information and provide input from/to the Signatory Airlines with regard to selected operation and development matters of the Airport and, when requested by the chairman of the AAAC, to review and comment on annual rates and charges.

1.08 Airline Premises shall mean those areas in the Terminal leased to AIRLINE as Exclusive Use Premises, Common Use Premises, Designated Gates, or Shared Exclusive Use Premises, as defined herein, and shown in Exhibit B, attached hereto.

1.09 Airport shall mean the Friedman Memorial Airport in Hailey, Idaho owned and operated by the AUTHORITY, including all real property easements or any other interest therein as well as all improvements and appurtenances thereto, structures, buildings, fixtures, and all tangible personal property or interest in any of the foregoing, now or hereafter owned leased or operated by AUTHORITY.

1.10 Airport Director shall mean the AUTHORITY’s Airport Director or such other person designated by AUTHORITY to exercise functions with respect to the rights and obligations of AUTHORITY under this Agreement.

1.11 Amortization shall mean the amount to recover a Capital Expenditure that is not debt financed and shall be calculated based on the expected useful life of the Capital Expenditure with a three percent rate of return, as of the date of Substantial Completion of such Capital Expenditure. Amortization will commence on the first day of the Fiscal Year immediately following date of Substantial Completion of any such Capital Expenditure.

1.12 Annual Rates and Charges Schedule shall mean the notification sent by the AUTHORITY to AIRLINE prior to start of Airport's Fiscal Year that includes a list of all rates and fees for the upcoming Fiscal Year in conformance with Exhibit E of this Agreement.

1.13 AUTHORITY shall mean the Friedman Memorial Airport Authority who is responsible for the management and operation of the Airport pursuant to a Joint Powers Agreement between Blaine County and the City of Hailey, Idaho as provided under Idaho Code 67-2328.

1.14 Authority Discretionary Revenue Credit shall mean any non-airline revenue applied as a discretionary credit against the Airfield and/or Terminal Cost Center requirement to reduce the requirement and resulting fee. The application of any such discretionary credit is described in Exhibit E.

1.15 Authority Parties shall mean the Authority, Blaine County, the City of Hailey and their respective Board of Directors, Commissioners, Council persons, Officers, representatives, agents, employees, and contractors. The term "Authority Party" shall be construed accordingly.

1.16 Capital Expenditure shall mean an expenditure in an amount greater than five-thousand dollars (\$5,000.00), with a useful life of one year or more, made by the Authority for the purpose(s) of improving, maintaining or developing the Airport.

1.17 CFR shall mean The Code of Federal Regulations.

1.18 Common Use Premises shall mean those areas of the Terminal Building, such as the Holdroom and baggage claim areas, which may be assigned to two or more Air Transportation Companies, as shown on Exhibit B and listed on Exhibit C, attached hereto, the cost of which is prorated among the users based on the Common Use Formula.

1.19 Common Use Formula shall mean that formula which prorates 10 percent (10%) of the cost of a service or space equally among all Scheduled Air Carriers using Common Use Premises

and ninety percent (90%) based on the ratio of each Scheduled Air Carrier's Enplaned Passengers using the service or space at the Airport during the month, to the total of all Enplaned Passengers using the service or space at the Airport during the month. Notwithstanding the foregoing, AUTHORITY shall adjust the computation to reflect enplanements of an additional Scheduled Air Carrier at the Airport or after the deletion of a Scheduled Air Carrier at the Airport. AIRLINE and its Affiliated Airlines shall be considered the same Scheduled Air Carrier for purposes of this Common Use Formula.

1.20 Cost Centers shall mean those areas or functional activities of the Airport used for the purposes of accounting for Revenues, Operating and Maintenance (O&M) Expenses, Amortization, and Capital Expenditures, and used for calculating and adjusting certain rentals, fees, and charges described herein, as they now exist or may hereafter be modified, changed, or developed, as more particularly described below:

1.20.1 Direct Cost Centers

1.20.1.1 Airfield Cost Center includes those portions of the Airport provided for the landing, taking off, and taxiing of aircraft, including the Airport air traffic control tower.

1.20.1.2 Ground Transportation Cost Center includes Terminal Building access roadways, all roads and other areas and facilities associated with long-term, short-term, rental car, and employee parking.

1.20.1.3 General Aviation Cost Center includes areas provided specifically for the storage and operation of general aviation (GA) aircraft.

1.20.1.4 Other Cost Center includes miscellaneous revenues and expenses, including those associated with cargo, Transportation Security Administration, and interest earnings.

1.20.1.5 Terminal Cost Center includes the Terminal Building, associated curbside entrances, and landscaping surrounding the Terminal Building.

1.20.2 Indirect Cost Centers:

1.20.2.1 Administration Cost Center includes the administrative functions of the Authority.

1.20.2.2 Aircraft Rescue and Fire Fighting (ARFF) Cost Center includes all rescue and firefighting functions at the Airport.

1.20.2.3 Maintenance Cost Center includes maintenance and operations functions at the Airport.

1.20.2.4 Operations and Safety Cost Center includes all functions associated with the Authority's compliance with federal, state, and local safety laws, regulations, and ordinances.

1.20.2.5 Security Cost Center includes all police and law enforcement functions at the Airport.

1.21 Deplaned Passenger shall mean any passenger disembarking an aircraft at the Terminal.

1.22 Designated Aircraft Parking Positions shall mean that portion of the non-exclusive Terminal Aircraft Apron at the Airport that has been designated by the Airport Director for primary use by AIRLINE.

1.23 Designated Gates shall mean Gates within the common-use Holdroom of the Terminal Building that have been designated by the Airport Director for primary use by each Signatory Airline as identified in Exhibit B.

1.24 Enplaned Passenger shall mean any passenger boarding an aircraft at the Terminal except for non-revenue passengers, including any such passenger that previously disembarked from another aircraft of the same or a different Air Transportation Company or from the same aircraft, previously operating under a different flight number.

1.25 Environmental Laws shall mean all applicable local, state, and federal laws, statutes, ordinances, rules, regulations, and orders concerning or relating to public health and safety, worker/occupational health and safety, and pollution or protection of the environment, including, but not limited to: the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA), as amended, 42 U.S.C. §§9601, et. seq.; the Hazardous Materials Transportation Act, as amended, 49 U.S. U.S.C. §§1801, et seq.; the Federal Water Pollution Control Act (CWA), as amended, 33 U.S.C §§1251 et seq.; The Resource Conservation and

Recovery Act (RCRA), as amended, 42 U.S.C. §§6901, et seq.; and the Toxic Substances Control Act (TSCA), as amended, 15 U.S.C. §§2601, et seq.

1.26 Exclusive Use Premises shall mean those portions of the Terminal assigned and leased to AIRLINE, as shown in Exhibits B and C, attached hereto, to which AIRLINE shall have exclusive use.

1.27 FAA shall mean the Federal Aviation Administration, or its authorized successor(s).

1.28 Fiscal Year shall mean the annual accounting period of AUTHORITY for its general accounting purposes which, at the time of entering into this Agreement, is the period of twelve consecutive months, ending with the last day of September of any year.

1.29 Gate(s) shall mean those specific areas within the common-use Holdroom in the Terminal Building where passengers enplane and deplane aircraft. The term “common use Gate(s)” shall be construed accordingly.

1.30 Ground Handling Services shall mean services provided to an aircraft that prepares the aircraft for flight, such as the guiding and parking of aircraft, catering, loading and unloading of baggage, fuel arrangements, passengers, etc. and also activities such as ticketing and check-in.

1.31 Hazardous Material shall mean: (i) any oil petroleum products, flammable substances, explosives, radioactive materials, hazardous wastes or substances, toxic wastes or substances or any other wastes, materials or pollutants which pose a hazard to the Airport premises or to the safety and/or health of persons on or about the Airport and /or cause Airline Premises to be in violation of any Environmental Laws; (ii) asbestos in any form, urea formaldehyde foam insulation, transformers or other equipment which contain dielectric fluid containing regulated levels of polychlorinated biphenyls, perfluoroalkyl substances, or radon gas; (iii) any chemical, material or substance defined as or included in the definition of “hazardous substances”, “hazardous waste”, “hazardous material”, “extremely hazardous waste”, “restricted hazardous waste”, “toxic substance” or similar words under any Environmental Laws; and/or (iv) any other chemical, material or substance, exposure to which is prohibited, limited or regulated by Environmental Laws, and which may or could pose a hazard to the health and safety of occupants of the Airport, and/or to any person entering upon the Airport or adjacent property.

1.32 Landing Fee shall mean a fee per thousand pounds of the Maximum Gross Landed Weight of each type of AIRLINE's aircraft, which applicable fee shall be multiplied by the total of all Maximum Gross Landed Weight for all Revenue Landings of each type of aircraft landed at the Airport by AIRLINE. The calculation of the annual Landing Fee is set forth in Exhibit E.

1.33 Maximum Gross Landed Weight shall mean the maximum gross certificated landing weight in one thousand-pound units for which each aircraft operated at the Airport by AIRLINE as certificated by the FAA or its successor.

1.34 Non-Signatory Airline shall mean any Air Transportation Company providing service at the Airport that has not signed this Agreement or an agreement substantially similar to this Agreement and is operating under the terms of a separate agreement that has terms that are not more favorable than those offered to Signatory Airline or otherwise set forth in this Agreement. Non-Signatory Airlines shall pay Non-Signatory rates, fees and charges presented in Exhibit E, which will include a 25 percent premium over the rates, fees and charges charged to Signatory Airlines.

1.35 Operation and Maintenance Expenses shall mean expenses, paid or accrued, for the operation, maintenance, and ordinary current repairs of said Airport and shall include, without limiting the generality of the foregoing, insurance premiums, administrative expenses of the AUTHORITY relating solely to the Airport, including engineering, architectural, legal, airport consultants, accounting fees and expenses and such other reasonable current expenses as shall be in accordance with sound accounting practice. O&M Expenses shall not include any allowance for depreciation, amortization, or renewals or replacements or obsolescence of capital assets of the Airport, or any operation and maintenance expenses of Special Purpose Facilities buildings where the lessees thereof are obligated to pay such operation and maintenance expenses.

1.36 Passenger Facility Charge (PFC) shall mean the fees authorized by 49 USC 40117 and regulated by 14 CFR Part 158 as such statute and regulations currently exist or as they may be amended during the Term of this Agreement.

1.37 Public Space shall mean all utility rooms, duct ways, janitorial rooms and closets, stairways, hallways, entrance-ways, public or common use lobbies and areas, public toilet areas and other areas used for the operation, maintenance or security of the Terminal, even if used solely by AUTHORITY.

1.38 Rates shall mean the Landing Fee Rate and the Terminal Rental Rate.

1.39 Revenue Landing shall mean any aircraft landing by AIRLINE at the Airport for which AIRLINE receives revenue, including training flights and diversions by AIRLINE, but excluding any flight, that after having taken off from the Airport and without making a landing at any other airport, returns to land at the Airport because of meteorological conditions, mechanical or operating causes, or any other reason of emergency or precaution.

1.40 Revenues shall mean income accrued by AUTHORITY in accordance with generally accepted accounting practices, including investment earnings, from or in connection with the ownership or operation of the Airport or any part thereof, or the leasing or use thereof, but do not include PFCs; CFCs; insurance proceeds; restricted land sale proceeds; or any local, state, or federal grants or assistance, or any interest earned thereon.

1.41 Rules and Regulations shall mean reasonable and nondiscriminatory rules and regulations as may be established by the AUTHORITY, and as may be amended from time-to-time, provided that they shall not materially increase AIRLINE's obligations or decrease AIRLINE's rights hereunder.

1.42 Scheduled Air Carrier shall mean any Air Transportation Company performing or desiring to perform, pursuant to published schedules, seasonal or non-seasonal commercial air transportation services over specified routes to and from the Airport and holding the necessary authority from the appropriate federal or state agencies to provide such transportation.

1.43 Signatory Airline shall mean an Air Transportation Company that has executed an agreement with the AUTHORITY substantially similar to this Agreement, and that leases ticket counter and office space in the Terminal Building deemed sufficient, applying standards that are uniform, reasonable and not unjustly discriminatory, by the Airport Director in his or her reasonable discretion to support its operation.

1.44 Shared Exclusive Use Formula shall mean a formula which a) prorates the cost of the ticket counter portion of the Shared Exclusive Use Premises among those Air Transportation Companies using the space such that each Air Transportation Company using such space pays an equal percentage of the cost of the space and; b) prorates the cost of the office and outbound baggage area portion of Shared Exclusive Use Premises based on the number of monthly enplanements for those Air Transportation Companies using the Shared Exclusive Use Premises.

1.45 Shared Exclusive Use Premises shall mean those areas of the Terminal Building, such as airline offices and baggage make up areas, which may be assigned to two or more Air Transportation Companies for their shared exclusive use, as shown on Exhibits B and C, attached hereto, the cost of which is prorated among the users based on the Shared Exclusive Use Formula.

1.46 Substantial Completion shall mean the date on which AUTHORITY's architects and/or engineers certify any premises, or project, at the Airport to be substantially complete as to permit use and occupancy by AIRLINE.

1.47 Term shall mean the period of time during which AIRLINE's activities at the Airport shall be governed by this Agreement. Said Term shall begin on the Effective Date, and, except as otherwise set forth herein, terminate on the date set forth in Article 2.

1.48 Terminal Building or Terminal shall mean the passenger terminal building at the Airport.

1.49 Terminal Aircraft Apron shall mean those areas of the Airport that are designated for the parking of commercial passenger aircraft and support vehicles, and the loading and unloading of passenger aircraft.

1.50 Terminal Rental Rate shall mean fees and charges imposed by AUTHORITY on a per square foot basis for the use of the Airline Premises. The calculation of the annual Terminal Rental Rate is set forth in Exhibit E.

1.51 TSA shall mean the Office of Homeland Security and Transportation Security Administration, or their authorized successor(s).

Words and phrases used in this Agreement but not defined herein shall have their usual and customary meaning.

Article 2. **TERM**

2.01 Term.

The Term of this Agreement shall be for three (3) years beginning on October 1, 2023 (hereinafter the “Effective Date”) and ending September 30, 2026 (hereafter the “Term”) and will be automatically extended for two separate one-year periods (the first extension period beginning October 1, 2026 and ending September 30, 2027 and the second extension period beginning October 1, 2027 and ending September 30, 2028) unless either party provides the other party with 180 days’ prior written notice of its intent to terminate the Agreement at the end of the Term or at the end of either Term extension. The rentals, fees, and charges established in this Agreement shall apply to said Term and any extension thereof regardless of the executed date of this Agreement.

2.02 Holding Over.

Holding over by AIRLINE after the expiration of the Agreement without the consent of AUTHORITY shall not operate to extend or renew this Agreement. Any such holding over shall be construed as a tenancy from month-to-month and AIRLINE will pay Non-Signatory Airline rentals, rates and charges until a new agreement is executed; provided, however, that if AIRLINE and AUTHORITY are negotiating a substitute agreement for this Agreement in good faith or AIRLINE and AUTHORITY mutually agree to remain in holdover without the need for a new agreement, AIRLINE shall continue to pay the then-applicable rental rates, fees and charges for Signatory Airlines.

2.03 Early Termination by Authority.

In the event that AUTHORITY determines, at its sole and reasonable discretion, that the Airport will no longer be operated as a public airport, AUTHORITY shall promptly notify AIRLINE in writing, of such determination and this Agreement shall terminate on the date which is one (1) year from the date of delivery by AUTHORITY of such notice. In no event shall AIRLINE be entitled to the payment of damages of any type or kind as a result of such early termination of this Agreement by AUTHORITY as a result of the Airport ceasing to be operated as a public airport in accordance with this provision.

Article 3. **RIGHTS AND PRIVILEGES OF AIRLINE**

3.01 AIRLINE Rights and Privileges.

In addition to all rights granted elsewhere in this Agreement, AIRLINE shall have the right to use, in common with others so authorized by AUTHORITY, areas, other than areas leased exclusively or on a shared basis to others, facilities, equipment, and improvements at the Airport for the operation of AIRLINE's Air Transportation Business and all activities reasonably necessary to such operations, including but not limited to:

A. The landing, taking off, flying over, taxiing, towing, and conditioning of AIRLINE's aircraft and, in areas designated by AUTHORITY, the extended parking, servicing, deicing, loading or unloading, storage, or maintenance of AIRLINE's aircraft and support equipment subject to this Section 3.01, the availability of space, and such reasonable charges and regulations as AUTHORITY may establish; provided, however, AIRLINE shall not permit the use of the Airfield by any aircraft operated or controlled by AIRLINE which exceeds the design strength or capability of the Airfield as described in the then-current FAA-approved Airport Layout Plan (ALP) or other engineering evaluations performed subsequent to the then-current ALP, including the then-current Airport Certification Manual and FAA Form 5010-1, Airport Master Record.

B. The sale of air transportation tickets and services, the processing of passengers and their baggage for air travel, the sale, handling, and providing of mail, freight, and express services, and reasonable and customary airline activities.

C. The training of personnel in the employ of or to be employed by AIRLINE and the testing of aircraft and other equipment being utilized at the Airport in the operation of AIRLINE's Air Transportation Business; provided, however, said training and testing shall be directly related, but incidental to the use of the Airport in the operation by AIRLINE of its Air Transportation Business and shall not unreasonably hamper or interfere with the use of the Airport and its facilities by others entitled to the use of same. AUTHORITY reserves the right to restrict or prohibit such training and testing operations which it deems to unreasonably interfere with the use of the Airport, including excessive noise as reasonably determined by AUTHORITY.

D. The purchase at the Airport of fuels, lubricants, and any other supplies and services, from any person or company, subject to AUTHORITY's right to require that each provider of services

and/or supplies to AIRLINE secures a permit from AUTHORITY to conduct such activity at the Airport, pays required fees (provided that no fees shall be charged or assessed for Ground Handling Services), and abides by all reasonable rules and regulations established by AUTHORITY. No discriminatory limitations or restrictions shall be imposed by AUTHORITY that interfere with such purchases; provided, however, nothing herein shall be construed to permit AIRLINE to store aviation fuels at the Airport. The granting of the right to store aviation fuels shall be subject to the execution of a separate agreement between AIRLINE and AUTHORITY.

E. The servicing by AIRLINE or its suppliers of aircraft and other equipment being utilized at the Airport by AIRLINE on the Terminal Aircraft Apron or such other locations as may be designated by the Airport Director.

F. The loading and unloading of persons, property, cargo, parcels and mail by motor vehicles or other means of conveyance reasonably approved by AUTHORITY on the Terminal Aircraft Apron or such other locations as may be designated by the Airport Director; provided AIRLINE shall not use the Terminal Aircraft Apron immediately adjacent to the passenger Terminal to load or unload all-cargo aircraft unless otherwise authorized in writing by AUTHORITY.

G. The provision, either alone or in conjunction with other Air Transportation Companies or through a nominee, of skycap service for the convenience of the public, at no cost to AUTHORITY.

H. The installation and maintenance, at AIRLINE's sole cost and expense, of identifying signs in AIRLINE's Exclusive Use Premises and Shared Exclusive Use Premises. Installation shall be subject to the prior written approval of the Airport Director, which approval shall not be unreasonably withheld, conditioned, or delayed. The general type and design of such signs shall be in compliance with AUTHORITY's rules and regulations regarding tenant signage. All identifying signage previously approved by the Airport Director and installed as of the Effective Date is deemed to be approved. Signage will not be permitted in areas other than AIRLINE's Exclusive Use Premises and Shared Exclusive Use Premises.

I. The installation, maintenance, and operation, at no cost to AUTHORITY, of such radio communication, company telephone system, computer, meteorological and aerial navigation equipment, and facilities on AIRLINE's Exclusive Use Premises and Shared Exclusive Use Premises as may be necessary or convenient for the operation of its Air Transportation Business; provided, however, that except for equipment and facilities already in place, such installations shall be subject to the prior

written approval of the Airport Director, which shall not be unreasonably withheld, conditioned, or delayed. Prior to any written approval, AIRLINE shall provide the Airport Director with all reasonably necessary supporting documentation related to such installations. Installation, maintenance, and operation, of such radio communication, company telephone system, computer, meteorological and aerial navigation equipment, and facilities will not be permitted in areas other than AIRLINE's Exclusive Use Premises and Shared Exclusive Use Premises.

J. Such rights of way as may reasonably be required by AIRLINE for communications, computer equipment, teletype, telephone, interphone, conveyor systems and power, and other transmission lines in AIRLINE's Exclusive Use Premises and Shared Exclusive Use Premises, subject to the availability of space and/or ground areas as determined by the Airport Director. AIRLINE shall provide AUTHORITY with an engineer's or architect's drawing depicting the routing of such cabling for approval by AUTHORITY prior to engaging in any such work. AUTHORITY reserves the right to require the execution of a separate agreement between AUTHORITY and AIRLINE for the lease and use of such space and/or ground area outside Terminal areas or to provide such service directly to AIRLINE.

K. The installation of personal property, including furniture, furnishings, computers, supplies, machinery, and equipment in AIRLINE's Exclusive Use Premises and Shared Exclusive Use Premises as AIRLINE may deem necessary, useful or prudent for the operation of its Air Transportation Business. Title to such personal property shall remain with AIRLINE, subject to the provisions of this Agreement. Installation of personal property, including furniture, furnishings, computers, supplies, machinery, and equipment will not be permitted in areas other than AIRLINE's Exclusive Use Premises and Shared Exclusive Use Premises, provided that AIRLINE shall be permitted to install such furniture, furnishings, machinery, equipment, computers, and supplies in the Common Use Areas as are reasonably necessary to support its operations in such areas.

L. The construction of modifications, finishes, and improvements in AIRLINE's Exclusive Use Premises and Shared Exclusive Use Premises as AIRLINE may deem necessary or prudent for the operation of its Air Transportation Business.

M. AIRLINE shall have the right to ingress to and egress from the Airport and Airline Premises for AIRLINE's officers, employees, agents, and invitees, including passengers, suppliers of materials, furnishers of services, aircraft, equipment, vehicles, machinery and other property. Such right shall be subject to 49 CFR Part 1542, applicable laws, and the AUTHORITY's right in accordance with its applicable law to establish reasonable and nondiscriminatory Rules and Regulations governing (i)

the general public, including AIRLINE's passengers, and, (ii) access to non-public areas at the Airport by AIRLINE's employees, suppliers of materials, and furnishers of services; provided, however, any such Rules and Regulations of AUTHORITY shall not unreasonably interfere with the operation of AIRLINE's Air Transportation Business and shall be applied in a non-discriminatory manner. AUTHORITY may at any time temporarily or permanently close, re-route, or consent to or request the closing or re-routing of any roadway or access to the Airport, so long as a means of ingress and egress reasonably equivalent is concurrently made available to AIRLINE. AIRLINE hereby releases and discharges AUTHORITY from any and all claims, demands, or causes of action which AIRLINE may now or at any time hereafter have arising or alleged to arise out of such a closing or re-routing so long as a means of ingress and egress reasonably equivalent is concurrently made available to AIRLINE.

N. Nothing in this paragraph shall prohibit AIRLINE from (i) providing food and beverages, at AIRLINE's sole cost and expense during irregular operations.

O. Such other uses as are typical for an Air Transportation Company at an Airport.

P. The rights and privileges granted to AIRLINE pursuant to this Article 3 may be exercised on behalf of AIRLINE by other Signatory Airlines or contractors authorized by AUTHORITY to provide such services at the Airport, subject to the prior written approval of AUTHORITY and further subject to all laws, rules, regulations, rates, and charges as may be applicable to the activities undertaken, a copy of which is posted on the AUTHORITY'S website.

AIRLINE may exercise on behalf of any other Air Transportation Company having an operating agreement or permit with AUTHORITY any of the rights granted AIRLINE herein, so long as AIRLINE is concurrently exercising those same rights in the operation of AIRLINE's own Air Transportation Business at the Airport, subject to other provisions of this Agreement with respect to AUTHORITY Rules and Regulations for the Airport and provided AIRLINE notifies AUTHORITY of such arrangement.

3.02 Exclusions and Reservations.

Nothing in this Article 3 shall be construed as authorizing AIRLINE to conduct any business separate and apart from the conduct of its Air Transportation Business.

AIRLINE shall not knowingly interfere or authorize interference with the use, operation, or maintenance of the Airport, including but not limited to, the effectiveness or accessibility of the

drainage, sewerage, water, communications, fire protection, utility, electrical, or other systems installed or located from time-to-time at the Airport; and AIRLINE shall not engage in any activity prohibited by AUTHORITY's noise abatement procedures as implemented, amended, or supplemented from time-to-time.

As soon as reasonably possible after release from proper authorities, AIRLINE shall remove any of its disabled aircraft from the Airfield or the Terminal Aircraft Apron, shall place any such disabled aircraft only in such storage areas as may be reasonably designated by the Airport Director, or at AIRLINE's discretion, to an off-Airport location, and shall store such disabled aircraft at the Airport only upon such terms and conditions as may be reasonably established by the Airport Director. In the event AIRLINE shall fail to remove any of its disabled aircraft as expeditiously as reasonably possible, AUTHORITY may, but shall not be obligated to, cause the removal of such disabled aircraft upon notice to AIRLINE. AIRLINE shall pay to AUTHORITY, within forty-five (45) days after the receipt of invoice, the costs incurred for such removal plus fifteen percent (15%).

AIRLINE shall not do or authorize to be done anything, either by act or failure to act, that shall cause the cancellation or violation of the provisions, or any part thereof, of any policy of insurance carried by the AUTHORITY for the Airport, or that shall cause a hazardous condition so as to increase the risks normally attendant upon operations permitted by this Agreement. If AIRLINE shall do or authorize to be done any act not permitted under this Agreement, or fail to do any act required under this Agreement, regardless of whether such act shall constitute a breach of this Agreement, which act or failure, in and of itself, causes an increase in AUTHORITY's insurance premiums, AIRLINE shall immediately remedy such actions and/or pay the increase in premiums, upon written notice from AUTHORITY to do so.

AIRLINE shall not maintain or operate in the Terminal or elsewhere at the Airport a cafeteria, restaurant, bar, or cocktail lounge for the purpose of selling food and beverages to the public or to AIRLINE's employees and passengers, except as may be permitted under Section 3.01N, above.

AIRLINE shall not install vending machines of any type in its Airline Premises without obtaining written approval of the Airport Director, however, all vending machines previously approved by the Airport Director and installed as of the Effective Date are hereby deemed to be approved.

AUTHORITY may, at its sole option, install or cause to be installed advertising and revenue generating devices, including vending machines, in Common Use Premises provided, however, that such installations shall not unreasonably interfere with AIRLINE's operations authorized hereunder or

substantially diminish the square footage contained in Airline Premises.

Any and all rights and privileges not specifically granted to AIRLINE for its use of and operations at the Airport pursuant to this Agreement are hereby reserved for and to AUTHORITY.

3.03 Passenger Loading Ramp

A. AIRLINE shall be responsible for providing boarding assistance to individuals with disabilities as required by 14 CFR Part 382 and 49 CFR Part 27; provided however, AIRLINE shall have the right, on a non-exclusive, non-preferential basis with other authorized users thereof, to provide such assistance by utilizing the AUTHORITY-owned passenger loading ramp in conjunction with its Air Transportation Business at the Airport. AIRLINE, not the AUTHORITY, shall be responsible for providing the personnel necessary to operate the apparatus. AIRLINE's personnel shall operate the apparatus in conformance with all written operating instructions and recommendations promulgated by the manufacturer of the apparatus.

B. AUTHORITY shall be responsible for the storage, maintenance, and repair of the apparatus; provided however: (a) AUTHORITY may include the costs associated with such storage, maintenance and repair in the Airfield Cost Center; and (b) AIRLINE shall be obligated to reimburse AUTHORITY for the reasonable cost of all repairs necessitated by AIRLINE's negligent operation of the apparatus, or operation of the apparatus by AIRLINE contrary to manufacturer's written instructions and recommendations provided to AIRLINE.

C. AIRLINE shall hold AUTHORITY and its employees and officers harmless from, and indemnify against, any claims for personal injury, property damage, or consequential losses, subject to policy terms, conditions, limitations and exclusions, that might be brought by AIRLINE, and of AIRLINE's officers, directors, agents, representatives, or employees, or by any third party whomsoever, stemming from the AIRLINE's use or operation of the apparatus; provided, however, that AIRLINE shall not be obligated to hold AUTHORITY, its employees, and officers harmless from, or to indemnify against, any claim, to the extent it results from the AUTHORITY's, its employees', agents', representatives', or officers' or another Air Transportation Company's actions, negligence, including the negligent maintenance or repair of the apparatus.

Article 4. PREMISES

4.01 Terminal Building Space.

For the Term of this Agreement, AIRLINE shall lease or use the areas in the Terminal Building as shown in Exhibits B and C.

In the event that changes to Exhibits B or C are made to reflect changes in the leased premises of others, or to reflect other space changes in Public Space and Common-Use Areas, then in such event said revised exhibits may be substituted herein without the necessity for amendment of this Agreement. In the event of any changes to Exhibits B or C, AUTHORITY will provide thirty (30) days' advanced written notice to AIRLINE before the changes take effect. If the changes modify the current Fiscal Year Rates, AIRLINE will be permitted to comment on the changes prior to them being adopted. Revised Exhibits B and/or C will need to be dated and signed by an authorized representative of the AUTHORITY and the AIRLINE. Notwithstanding anything contained herein to the contrary, nothing contained herein shall give the AUTHORITY the right to amend or otherwise revise the Airline Premises or the AIRLINE's rights to use the Airline Premises or other premises at the Airport without AIRLINE's prior written consent.

4.02 Gates and Aircraft Parking Positions.

Designated Gates. Gates within the Common Use Areas shall be designated by the Airport Director for use by the Signatory Airlines from time to time in accordance with reasonable and non-discriminatory AUTHORITY policy. Designated Gates for each Signatory Airline are identified in Exhibit B. The Airport Director shall use his/her good faith and best efforts to honor Signatory Airline Designated Gate locations; however, the Airport Director reserves the right to reassign Designated Parking Positions as necessary, due to irregular operations, capacity issues, or other disruptions to scheduled use of said Designated Gates.

AIRLINE will have the sole right to the use of Designated Gates for scheduled and unscheduled flights. Use of a Designated Gate shall include use of any existing podium and/or associated Gate facilities. AIRLINE may install additional Gate facilities at its own cost, subject to the approval of the Airport Director, which shall not be unreasonably withheld, conditioned or delayed. Seating in the Gate area shall be available to all users of the Terminal Building regardless of AIRLINE association.

Unassigned Gates. Use of undesignated Gates shall be coordinated in advance with the Airport Director. Approval for such use shall not be unreasonably withheld, conditioned or delayed. Use of undesignated Gates shall be subject to the fees and charges specified in Article 5.

Temporary Reassignment of Gates. The Airport Director may re-designate Gate use on a temporary non-discriminatory basis to accommodate emergency or extraordinary situations. Such temporary reassignment shall be coordinated with AIRLINE as far in advance as practicable, and shall be accomplished in a manner that has the least possible impact on AIRLINE's operation.

Permanent Re-designation of Gates. The Airport Director reserves the reasonable right to permanently change Designated Gates. Prior to making a decision regarding an involuntary Gate re-designation, the Airport Director shall consult with the affected AIRLINE or AIRLINES as applicable. The decision of the Airport Director will be final and binding on all parties. In the event of an involuntary Gate re-designation, the AUTHORITY or instigating Air Transportation Company, shall be responsible for all reasonable costs associated with the relocation of the affected AIRLINE or Signatory Airlines to include but not be limited to reasonable costs for relocating and reinstallation of podium, backwall, signage, telecommunication and technology, and associated operations area and the unamortized cost of any improvements installed by AIRLINE at the original Gate.

Termination of gate designations. Subject to interruption in service resulting from events stipulated in Section 16.23, in the event that AIRLINE discontinues use of a Gate or Gates for scheduled airline service for more than 30 consecutive days, the AUTHORITY, after considering the seasonality of some air service at the Airport, reserves the right to terminate such designation(s) and re-designate the Designated Gate(s) at its discretion in a nondiscriminatory manner.

Aircraft Parking. AIRLINE shall be entitled to park aircraft at its Designated Gates without prior coordination with the Airport Director. AIRLINE shall be entitled to park aircraft at undesignated Gates, if any, on a first come/first served basis, subject to the advance coordination requirements outlined in this Section 4.02. Aircraft parking at all other locations on the Airport shall be approved by the Airport Director on a nondiscriminatory case-by-case basis.

4.03 Employee Parking Facilities.

AIRLINE shall, subject to reasonable and non-discriminatory charges as defined in Section 5.04(H), have the right to use the automobile parking facilities for its employees. Such facilities are located in an area designated by the Airport Director; however, such area(s) shall not be used for the

long-term storage of vehicles or trailers. Long-term shall mean periods greater than two (2) weeks.

4.04 Construction and Airport Expansion and Inconvenience.

AUTHORITY shall have the right, at such times as may be reasonable under the circumstances, to close, relocate, reconstruct, change, alter, or modify Airline's Premises and/or the means of access to Airline's Premises pursuant to this Agreement or otherwise, either temporarily or permanently for purposes of maintaining or constructing improvements, modifications, or expansions to the Terminal Building, including construction of Capital Improvements; provided, however, that AUTHORITY shall provide: (1) reasonable notice of the construction activities to AIRLINE and (2) adequate means of ingress and egress for Airline's Premises or, in lieu thereof, alternate premises of comparable size and finish to the extent possible with adequate means of ingress and egress, and reimbursements as provided in Section 4.02.

4.05 Warranties/Guarantees.

AUTHORITY makes no warranty, guarantee, or averment of any nature whatsoever of the physical condition of the Airline Premises, and it is agreed that the AUTHORITY shall not be responsible for any loss, damage or cost which may be incurred by AIRLINE by reason of any such physical condition except to the extent AUTHORITY breaches the terms of this Agreement.

4.06 Surrender of Airline's Premises.

Surrender of Airline's Premises. AIRLINE covenants and agrees that on expiration of the Term of this Agreement, or earlier termination as hereinafter provided, it will peaceably surrender possession of Airline's Premises leased hereunder in substantially the condition in which they existed at the commencement of this Agreement, normal wear and tear, damage by casualty and condemnation, and AUTHORITY's maintenance, repair, and replacement obligations excepted.

Removal of Trade Fixtures, Equipment and Personal Property. AIRLINE shall have the right, on expiration or early termination of this Agreement and within thirty (30) consecutive calendar days thereafter, to remove or dispose of all trade fixtures and equipment and other personal property placed or installed by it at its expense, in, on, or about the Airport. AIRLINE shall not be entitled to remove permanent or non-trade fixtures without the advance written consent of AUTHORITY which consent shall not be unreasonably withheld, conditioned or delayed.

Removal Damages. In the event AIRLINE removes its trade fixtures and equipment and other personal property described in this Section 4.06, and/or is allowed to remove its non-trade fixtures and removes such fixtures, AIRLINE shall repair any damage caused by such removal, reasonable wear and tear excepted. Removal and repair shall be at AIRLINE's expense.

Ownership of Trade Fixtures, Equipment and Personal Property Not Removed. In the event AIRLINE fails to remove its property within thirty (30) consecutive calendar days of the effective date of termination of this Agreement, or such other period of time agreed to in writing by the parties, AUTHORITY shall have the option of (1) removing and disposing of AIRLINE property at AIRLINE's expense; or (2) taking title to AIRLINE property.

Article 5. RENTALS, FEES, AND CHARGES

5.01 General.

AIRLINE shall pay AUTHORITY rentals for use of Airline Premises, and fees and charges for the other rights, licenses, and privileges granted hereunder during the Term of this Agreement as and to the extent set forth herein. The rentals, fees, and charges payable by all Signatory Airlines for the Airfield and, with respect to the Terminal, the rentals, fees, and charges payable by Signatory Airlines leasing space in the Terminal, shall be as set forth in Exhibit E.

5.02 Landing Fees.

AIRLINE shall pay monthly to AUTHORITY fees for Revenue Landings for the preceding month. AIRLINE's Landing Fees shall be determined as the product of the Landing Fee rate for the period, as presented in Exhibit E, attached hereto, and AIRLINE's total Maximum Certificated Gross Landing Weight for the month. AIRLINE's Maximum Certificated Gross Landing Weight for the month shall be determined as the sum of the products obtained by multiplying the Maximum Certificated Gross Landing Weight of each type of AIRLINE's aircraft by the number of Revenue Landings of each said aircraft during such month.

5.03 Terminal Rentals.

For the Term of this Agreement, AIRLINE's Terminal rentals shall be determined as the sum of AIRLINE's rentals for Common Use Premises, Exclusive Use Premises, and Shared Exclusive Use Premises. AIRLINE's rental payment for Exclusive Use Premises shall be determined as the sum of the products obtained by multiplying the rental rate for the period, as presented in Exhibit E, by the amount of the corresponding type of space leased by AIRLINE as Exclusive Use Premises as set forth in Exhibits B and C.

AIRLINE's rental payment for Common Use Area Premises shall be paid on a prorated basis among the Air Transportation Companies using the Common Use Formula. AUTHORITY shall invoice each Air Transportation Company based on the Monthly Activity Reports as provided in Section 5.05.

Total Terminal rentals for Shared Exclusive Use Premises shall be calculated annually as the product of the Terminal rental rates for the period calculated in accordance with Exhibit E, and the

amount of each category of Shared Exclusive Use Premises, as depicted in Exhibit C. AIRLINE's share of the total Terminal rentals due each month for Shared Exclusive Use Premises shall be determined in accordance with the Shared Exclusive Use Formula.

For inclusion in the Common Use Formula and Shared Exclusive Use Formula, AIRLINE shall include in its monthly report of Enplaned Passengers and Deplaned Passengers the total number of Enplaned Passengers and Deplaned Passengers handled or otherwise accommodated by AIRLINE for its Affiliated Airlines and other Air Transportation Companies handled by AIRLINE and not having an agreement with AUTHORITY that provides for the direct payment to AUTHORITY of appropriate charges for the use of Common Use and Shared Exclusive Use Premises.

5.04 Other Fees and Charges.

AUTHORITY expressly reserves the right to assess and collect the following:

- A. Reasonable and non-discriminatory fees for services subject to the requirements of Section 3.01 provided by AIRLINE to Air Transportation Companies that are not Signatory Airlines or to AIRLINE by Air Transportation Companies that are not Signatory Airlines subject to requirements of Section 3.01 of this Agreement, if such services or concessions are otherwise provided by a concessionaire or licensee of AUTHORITY.
- B. To the extent not otherwise included herein pro rata shares of any charges for the provision of any services or facilities which AUTHORITY is required or mandated to provide by any governmental entity (other than AUTHORITY acting within its proprietary capacity) having jurisdiction over the Airport.
- C. A fuel flowage fee for fuel delivered to AIRLINE's aircraft. Prior to charging the AIRLINE a fuel flowage fee, the Airport Director shall consult with AIRLINE.
- D. Additional charges for extraordinary usage of electricity or other utilities, facilities, or services provided at the Airport that are greater than the basic utilities, facilities, or services provided that are included in the normal rental rates and landing fees.
- E. AUTHORITY shall have the right to assess and collect Passenger Facility Charges

in accordance with applicable laws and regulations. Proceeds of Passenger Facility Charges shall be used for projects which have been approved through the procedures established by the FAA.

- F. AUTHORITY reserves the right to charge AIRLINE or its employees a reasonable and non-discriminatory fee for the employee parking area(s) provided at the Airport and for issuance of Airport identification badges required by 49 CFR Part 1542 of Federal Aviation Regulations.

AIRLINE shall pay all applicable sales, use, intangible and ad valorem taxes of any kind, assessed against Airline Premises, the real property and any improvements thereon or leasehold estate created herein, or which result from AIRLINE's occupancy or use of Airline Premises whether levied against AIRLINE or AUTHORITY. AIRLINE shall also pay any other taxes or assessments against Airline Premises or leasehold estate created herein. AUTHORITY agrees to immediately forward to AIRLINE any notices of such taxes and assessments due upon receipt of same.

5.05 Information to be Supplied by AIRLINE.

Not later than ten (10) days after the end of each month, AIRLINE shall file with AUTHORITY separate written reports on forms provided by AUTHORITY and included as samples in Exhibit G, attached hereto, for activity conducted by AIRLINE during said month, and for activity handled by AIRLINE for each Air Transportation Company not having an agreement with AUTHORITY providing for its own submission of activity data to AUTHORITY. Such activity reporting shall include, but not be limited to (1) AIRLINE's total number of aircraft arrivals for the month by type of aircraft, the Maximum Certificated Gross Landing Weight of each aircraft and the total landed weight for the month; (2) total number of Enplaned Passengers and Deplaned Passengers, including connecting passengers; (3) the amount of enplaned and deplaned cargo (mail, freight, and express – in pounds) for such month; and (4) the amount of de-ice fluid (in gallons) for such month.

AUTHORITY shall have the right to rely on said activity reports in determining rentals and charges due hereunder. AIRLINE shall have full responsibility for the accuracy of said reports. Payment deficiencies due to incomplete or inaccurate activity reports shall be subject to charges as set forth in Section 5.06.

AIRLINE shall at all times maintain and keep records reflecting the activity statistics of AIRLINE's activities at the Airport to be reported pursuant to this Article 5. Such records shall be

retained by AIRLINE for a period of three (3) years subsequent to the activities reported therein, or such other retention period as set forth in 14 CFR Part 249, and upon prior written notice to AIRLINE shall be made available at Hailey, Idaho for audit and/or examination by AUTHORITY or its duly authorized representative during all normal business hours. AIRLINE shall produce such books and records at Hailey, Idaho within thirty (30) calendar days of AUTHORITY's written notice to do so or pay all reasonable expenses, including but not limited to transportation, food, and lodging, necessary for an auditor selected by AUTHORITY to audit said books and records.

The cost of audit, with the exception of the aforementioned expenses, shall be borne by AUTHORITY; provided, however, the total reasonable out-of-pocket cost of said audit shall be borne by AIRLINE if either or both of the following conditions exist:

- (1) The audit reveals an underpayment of more than ten percent (10%) in aggregate of rentals, fees, and charges due on an annual basis hereunder, as determined by said audit;
- (2) AIRLINE has failed to maintain true and complete records in accordance with this Section 5.05.

Whenever AIRLINE adds or removes service or adjust the times of flight arrivals or departures, AIRLINE shall promptly provide AUTHORITY with a new Gate operations schedule no later than the twenty-fifth (25) day of the month on a monthly basis.

5.06 Payments.

Payments of one-twelfth (1/12) of the total annual rentals for AIRLINE's Exclusive Use Premises shall be due in advance, without demand or invoice, on the first day of each month. Said rentals and charges shall be deemed delinquent if payment is not received by the tenth (10) day of the month.

Payment of AIRLINE's Landing Fees shall be due twenty-five (25) days from AIRLINE's receipt of AUTHORITY's invoice.

Payment of AIRLINE's Common Use Premises shall be due twenty-five (25) days from the AIRLINE's receipt of AUTHORITY's invoice.

Payment for Shared Exclusive Use Premises shall be due twenty-five (25) days from

AIRLINE's receipt of AUTHORITY's invoice.

Payment for all other fees and charges due hereunder, shall be due twenty-five (25) days from AIRLINE's receipt of AUTHORITY's invoice.

AUTHORITY shall provide notice of any and all payment delinquencies, including payments of any deficiencies which may be due as a result of AUTHORITY's estimates of activity pursuant to this Section 5.06, or due to an audit performed pursuant to this Section 5.06; provided, however, AUTHORITY shall have the right to charge interest at a rate of one and one-half percent (1.5%) monthly against any and all delinquent payment(s) from the due date until the date payments are received by AUTHORITY. This provision shall not preclude AUTHORITY from canceling this Agreement for default in the payment of rentals, fees, or charges, if the default is not cured by AIRLINE within 30 days of the payment due date, or from exercising any other rights contained herein or provided by law, subject to notice and opportunity to cure as provided hereunder.

In the event AIRLINE's obligations with respect to Airline Premises or rights, licenses, or privileges granted hereunder shall commence or terminate on any date other than the first or last day of the month, AIRLINE's rentals, fees, and charges shall be prorated on the basis of the number of days such premises, facilities, rights, licenses, services, or privileges were enjoyed during that month.

All payments due and payable hereunder shall be paid in lawful money of the United States of America, without set off, by check made payable to AUTHORITY and delivered to:

Via U.S. Mail or Express Mail

Airport Director
Friedman Memorial Airport
1616 Airport Circle
Hailey, Idaho 83333

5.07 Security for Performance.

Unless AIRLINE or an Affiliated Airline has provided regularly scheduled flights to and from the Airport during the eighteen (18) months prior to the effective date of this Agreement without the occurrence of any act or omission that would have been an event enumerated in Section 12.01 of this Agreement, if this Agreement had been in effect during that period, and any such act or omission remains uncured, AIRLINE shall provide AUTHORITY on the Effective Date of this Agreement with a contract bond, irrevocable letter of credit or other similar security acceptable to AUTHORITY

("Contract Security") in an amount equal to the estimate of three (3) months' rentals, fees, and charges payable by AIRLINE (excluding PFCs) pursuant to this Article 5, to guarantee the faithful performance by AIRLINE of its obligations under this Agreement and the payment of all rentals, fees, and charges due hereunder. Scheduled Air Carriers that provide seasonal service must have provided regular service pursuant to its seasonal flight schedule over the previous twenty-four (24) months. AIRLINE shall be obligated to maintain such Contract Security in effect until the expiration of twelve (12) consecutive months during which period AIRLINE commits no event enumerated in Section 12.01 of this Agreement. Such Contract Security shall be in a form and with a company reasonably acceptable to AUTHORITY and licensed to do business in the State of Idaho. In the event that any such Contract Security shall be for a period less than the full period required by this Section 5.07 or if Contract Security shall be canceled, AIRLINE shall provide a renewal or replacement Contract Security for the remaining required period at least sixty (60) days prior to the date of such expiration or cancellation.

In the event AUTHORITY is required to draw down or collect against AIRLINE's Contract Security for any reason, AIRLINE shall, within ten (10) business days after AUTHORITY's written demand, take such action as may be necessary to replenish the existing Contract Security to its original amount (three months' estimated rentals, fees, and charges) or to provide additional or supplemental Contract Security from another source so that the aggregate of all Contract Security is equal to three months' estimated rentals, fees, and charges payable by AIRLINE pursuant to this Article 5.

In addition to the foregoing, upon the occurrence of any AIRLINE act or omission that is an event enumerated in Section 12.01, or upon AIRLINE's election to assume this Agreement under Federal Bankruptcy Rules and Regulations and Federal Judgeship Act of 1984 or any successor statute, as such may be amended, supplemented, or replaced, AUTHORITY, by written notice to AIRLINE given at any time within ninety (90) days of the date such event becomes known to AUTHORITY, may impose or reimpose the requirements of this Section 5.07 on AIRLINE. In such event, AIRLINE shall provide AUTHORITY with the required Contract Security within ten (10) days from its receipt of such written notice and shall thereafter maintain such Contract Security in effect until the expiration of a period of twelve (12) consecutive months during which AIRLINE commits no additional event enumerated in Section 12.01 or the termination of bankruptcy proceedings, whichever is later.

If AIRLINE shall fail to obtain and/or keep in force such Contract Security required hereunder beyond any notice and cure period, such failure shall be grounds for immediate cancellation of this Agreement pursuant to Section 12.01. AUTHORITY'S rights under this Section 5.07 shall be in addition to all other rights and remedies provided to AUTHORITY under this Agreement.

AIRLINE and AUTHORITY agree that this Agreement constitutes an 'executory contract' for the purposes of Section 365 of the United States Bankruptcy Code (Title 11 USC) subject to assumption or rejection, and subject to the terms and conditions of assumption or rejection, as provided in said Section 365. Furthermore, AIRLINE and AUTHORITY agree that any Contract Security provided by AIRLINE are not 'property of the estate' for purposes of Section 541 of the United States Bankruptcy Code (Title 11 USC), it being understood that any Contract Security is property of the third party providing it (subject to AUTHORITY's ability to draw against the Contract Security) and that all PFCs collected by AIRLINE with respect to Enplaned Passengers at the Airport, are property of AUTHORITY.

5.08 No Further Charges.

Except as provided in this Agreement, or as may be permitted by any governmental entity (other than AUTHORITY, acting within its proprietary capacity) having jurisdiction over the Airport, no further rentals, fees, or charges shall be charged against or collected from AIRLINE, its passengers, its shippers and receivers of freight, its suppliers of material, its contractors or furnisher of services, by AUTHORITY, acting in its capacity as Airport proprietor, for the premises, facilities, rights, licenses, and privileges granted to AIRLINE herein.

Article 6. **CHANGES IN RATES FOR RENTALS, FEES, AND CHARGES**

6.01 Annual Rate Changes.

No later than sixty (60) days prior to the end of each Fiscal Year, AUTHORITY shall, in writing, notify AIRLINE of the proposed Annual Rates and Charges Schedule for the ensuing Fiscal Year. Said rates shall be determined and presented to AIRLINE in conformance with the methods and format set forth in Exhibit E, attached hereto.

The Signatory Airlines through the AAAC shall have the right to review and comment upon the proposed operating and capital budget and proposed Annual Rates and Charges Schedule. No later than thirty (30) days after the receipt of the proposed schedule of rates for rentals, fees, and charges, and at the request of one or more of the Signatory Airlines, AUTHORITY agrees to meet with the AAAC at a mutually convenient time for the purpose of discussing such rentals, fees, and charges. In advance of said meeting, AUTHORITY shall make available to the AAAC any reasonably requested additional information relating to the determination of the proposed rates. AUTHORITY agrees to fully consider the comments and recommendations of the Signatory Airlines prior to finalizing its schedule of rates for rentals, fees, and charges for the ensuing Fiscal Year.

Following said meeting and upon approval by the AUTHORITY Board of Directors, but prior to the end of the then current Fiscal Year, AUTHORITY shall notify AIRLINE in writing of the Rates for rentals, fees, and charges to be established for the ensuing Fiscal Year, which notifications shall include AIRLINE's monthly fixed costs.

If calculation of the new rates for rentals, fees, and charges is not completed by AUTHORITY or not given on or prior to the end of the then current Fiscal Year, the rates for rentals, fees, and charges then in effect shall continue to be paid by AIRLINE until such calculations are concluded and such notice is given. Upon the completion of such calculations and the giving of such notice, AUTHORITY shall determine the difference(s), if any, between the actual rentals, fees, and charges paid by AIRLINE to date for the then current Fiscal Year and the rates for rentals, fees, and charges that would have been paid by AIRLINE if said rates had been in effect beginning on the first day of the Fiscal Year. Said differences shall be applied to the particular rentals, fees, or charges for which a difference(s) in rates resulted in an overpayment or underpayment, and shall be remitted by AIRLINE or credited or refunded by AUTHORITY in the month immediately following the calculation of the new Fiscal Year rates and the giving of written notice to AIRLINE by AUTHORITY. AUTHORITY shall use its best efforts to finalize its budget on a timely basis.

6.02 Other Rate Changes.

Rates for rentals, fees, and charges may be changed if unaudited monthly AUTHORITY financial data indicates that total rentals, fees, and charges payable pursuant to the then current rate schedules are reasonably estimated and anticipated by AUTHORITY to increase or decrease by more than ten percent (10%) from the total rentals, fees, and charges that would be payable based upon the use of the monthly financial data then available for said Fiscal Year.

6.03 Incorporation of Exhibit E.

Adjustments to rates for rentals, fees, and charges but not the methodology of calculating them shall apply without the necessity of formal amendment of this Agreement. Upon each adjustment pursuant to this Article 6, a revised Exhibit E, showing the calculation of adjusted rates for rentals, fees, and charges, shall be prepared by AUTHORITY and transmitted to AIRLINE. Said exhibit shall then be deemed part of this Agreement without formal amendment thereto.

6.04 Settlement.

Within one hundred eighty (180) days following the close of each Fiscal Year, or as soon as audited financial data for said Fiscal Year is available, rates for Landing Fees and Terminal Rentals for the preceding Fiscal Year shall be recalculated using audited financial data and the methods set forth in this Agreement. Upon the determination of any difference(s) between the actual Landing Fees and Terminal Rentals paid by Signatory Airlines (including Affiliated Airlines) during the preceding Fiscal Year and the Landing Fees and Terminal Rentals that would have been paid by Signatory Airlines (including Affiliated Airlines) using said recalculated rates, AUTHORITY shall, in the event of overpayment, promptly refund to AIRLINE the amount of such overpayment reduced by any accounts receivable greater than 60 days due AUTHORITY within 30 days, and in the event of underpayment, invoice AIRLINE for the amount of such underpayment. Said invoiced amount shall be due within thirty (30) days of invoice mailing date.

6.05 AUTHORITY Covenants.

AUTHORITY covenants that for purposes of assigning and allocating costs, it shall utilize generally accepted accounting practices utilized for airports operating as an enterprise fund, and include only those charges properly attributable to the Airport.

AUTHORITY shall operate the Airport in a manner so as to produce revenue from concessionaires, tenants, and other users of the Airport of a nature and amount which would be produced by a reasonably prudent operator of an Airport of substantially similar size, use, and activity, with due regard for the interests of the public, tenants and other users, subject to existing leases.

AUTHORITY, to the extent authorized by the laws governing AUTHORITY along with all applicable tax laws, will use its best efforts to use tax-exempt sources for financing the Airport and modifications and alterations thereto.

All rates and charges shall be at reasonable and non-discriminatory rates based on AUTHORITY's cost, as defined in this Agreement, of the facility or service provided to and used by AIRLINE.

Indirect and general administrative costs shall be allocated in a reasonable, transparent cost allocation formula calculated consistently for all Cost Centers.

Article 7. OPERATION AND MAINTENANCE OF AIRPORT

7.01 General.

AUTHORITY agrees that it will, with reasonable diligence, prudently develop, improve, and at all times maintain and operate with adequate, efficient and qualified personnel and keep the Airport in good repair including, without limitation, the Terminal Building, Terminal Aircraft Apron, and Airfield and all appurtenances, facilities, and services now or hereafter connected therewith as the same relate to AIRLINE's air transportation system; will keep the Airport and its aerial approaches free from obstruction and interference for the safe and proper use thereof by AIRLINE; and will develop, maintain, and operate the Airport in all respects in a manner at least equal to the standards or rating established by the FAA and any other governmental agency having jurisdiction thereof, except for conditions beyond the control of AUTHORITY. In addition to the obligations of AIRLINE and AUTHORITY set forth in this Article 7, responsibilities for maintenance, cleaning, and operation of the Airport shall be as set forth in Exhibit D, attached hereto and made a part hereof.

7.02 Terminal Building.

AUTHORITY shall operate and maintain and keep in good condition and repair the Terminal Building and all additions, improvements, facilities, and other equipment now or hereafter provided by AUTHORITY at or in connection with the Terminal Building except any improvements, facilities, and equipment constructed or installed by AIRLINE.

AUTHORITY shall at all times maintain the Public Space of the Terminal Building in a neat, orderly, sanitary, and presentable condition, and shall keep such area adequately supplied, equipped (including directional signs), furnished, and decorated.

AUTHORITY shall supply or cause to be supplied appropriate and adequate equipment and maintenance for air conditioning, electrical power, ventilation, heat, water, and sewerage facilities for Terminal Building public use areas, AIRLINE's Exclusive Use Premises, Common Use Premises, and Shared Exclusive Use Premises; adequate illumination in Common Use Premises; and janitorial service in Terminal Building Public Use areas and Common Use Premises.

AIRLINE shall at all times keep its Exclusive Use Premises and Shared Exclusive Use Premises neat, orderly, sanitary, and presentable. AIRLINE shall pay for all extraordinary electric power and shall

be responsible for re-lamping its Exclusive Use Premises and Shared Exclusive Use Premises. AIRLINE shall furnish its own janitorial service for such Exclusive Use Premises and Shared Exclusive Use Premises and shall cause to be removed at AIRLINE's own expense from such Exclusive Use Premises and Shared Exclusive Use Premises all waste, garbage, and rubbish, and agrees not to deposit the same on any part of the Airport, except where designated by AUTHORITY in connection with collection for removal. AIRLINE shall, at its own expense, transport all of its refuse from temporary storage to designated depositories at locations on the Airport as established by AUTHORITY. AIRLINE shall be responsible for paying its proportionate share of the costs (a) to keep such Shared Exclusive Use Premises neat, orderly, sanitary, and presentable, (b) of all extraordinary electric power it uses, (b) for re-lamping its Shared Exclusive Use Premises, (c) for the removal from the Shared Exclusive Use Premises of all waste, garbage, and rubbish at the Shared Exclusive Use Premises as a result of AIRLINE's operations. Nothing contained herein shall impose any obligation or liability on AIRLINE for acts or omissions of or costs and incurred by or as a result of the operations of another Air Transportation Company, including any such Air Transportation Company that shares AIRLINE's Shared Exclusive Use Premises with AIRLINE.

AIRLINE shall maintain the Terminal Aircraft Apron contiguous to its Designated Gates and such other apron areas used by AIRLINE from time-to-time in a neat, clean, and orderly condition, free from litter, debris, refuse, petroleum products, or grease that may result from activities of its passengers, employees, agents, suppliers or contractors, and remove all oil and grease spillage, as is reasonably possible, that is attributable to AIRLINE's aircraft or equipment from its Designated Aircraft Parking Positions.

AIRLINE shall perform, at its sole expense, ordinary preventive maintenance and ordinary upkeep and repair of all facilities, personal property, trade fixtures, and equipment located in its Exclusive Use Premises and its proportionate share of the cost of ordinary preventive maintenance and ordinary upkeep and repair of all facilities, personal property, trade fixtures, and equipment located in its Shared Exclusive Use Premises, in both cases excluding structural and roof repairs and capital repairs and including, but not limited to, fixtures, interior doors and windows, baggage conveyors and belts, floor coverings, and ticket counters.

7.03 AUTHORITY's Right to Inspect and Make Repairs.

AUTHORITY, by its authorized officers, employees, agents, contractors, subcontractors, and other representatives, shall have the right (upon prior notice and at such times as may be reasonable under the circumstances and with as little interruption of AIRLINE's operations as is reasonably

practicable) to enter upon the AIRLINE's Exclusive and Shared Exclusive Use Premises, accompanied by an authorized AIRLINE representative, if practicable, for the following purposes:

AUTHORITY shall have the right, but not the obligation, to inspect such space to determine whether AIRLINE has substantially complied and is in substantial compliance with the terms and conditions of this Agreement. Such inspections shall not constitute an inspection for safety, fire protection or security purposes.

Upon thirty (30) consecutive calendar written days' notice, to perform such maintenance, cleaning, or repair as AUTHORITY reasonably deems necessary, if AIRLINE fails to perform its obligations under this Article 7. AUTHORITY shall be entitled to recover the reasonable cost of such maintenance, cleaning, or repair from AIRLINE, plus a fifteen percent (15%) administrative charge from AIRLINE on the next due date for rent owed by AIRLINE hereunder.

7.04 Alterations and Improvements.

AIRLINE shall make no alterations, additions, improvements to, or installations on Airline Premises under this Agreement without the prior written approval of Airport Director; provided that such approval shall not be unreasonably withheld, conditioned or delayed. Plans and specifications for such work shall be filed with and subject to the approval of the Airport Director and all work shall be done in accordance with local ordinances and state law. Subject to Section 4.06, all alterations and improvements to Airline Premises inclusive of outbound baggage system and ticket counter shall become part of the realty and title shall vest with AUTHORITY upon completion of the installation or construction of such alterations and/or improvements. Removal of trade fixtures shall be allowed only pursuant to Section 4.06.

Payment for Alterations and Improvements. AIRLINE shall be solely responsible for payment for all Leasehold Improvements made by AIRLINE unless otherwise agreed by the parties.

7.05 Debts, Liens, Mortgages.

AIRLINE shall pay promptly when due, all bills, debts and obligations incurred by AIRLINE in connection with its operations or activities on the Airport, and shall not permit the same to become delinquent. AIRLINE shall not permit any mechanics' or materialmen's or any other lien to be attached to or be foreclosed upon the Airline Premises or improvements thereto. AIRLINE shall suffer no lien, mortgage, judgment or execution to be filed and remain undischarged against Airline's Premises or

improvements thereon.

Article 8. **DAMAGE OR DESTRUCTION OF AIRLINE'S PREMISES**

8.01 Minor Damage.

If any part of Airline Premises, or adjacent facilities directly and substantially affecting the use of Airline Premises, shall be partially damaged by fire or other casualty, but said circumstances do not render Airline Premises untenable as reasonably determined by AUTHORITY, the same shall be repaired to usable condition with due diligence by AUTHORITY as hereinafter provided. No abatement of rentals shall accrue to AIRLINE so long as Airline Premises remain tenable.

8.02 Substantial Damage.

If any part of Airline Premises, or adjacent facilities directly and substantially affecting the use of Airline Premises, shall be so extensively damaged by fire or other casualty as to render any portion of said Airline Premises untenable but capable of being repaired within a reasonable period of time, as reasonably determined by AUTHORITY, the same shall be repaired to usable condition with due diligence by AUTHORITY as hereinafter provided. If such repairs have not been completed by AUTHORITY within one hundred eighty (180) days after the date of such damage, AIRLINE shall have the option to terminate this Agreement as related to those facilities so damaged. In such case, the rentals payable hereunder with respect to AIRLINE's affected Airline Premises shall be paid up to the time of such damage and shall thereafter be abated equitably in proportion as the part of the area rendered untenable bears to total Airline Premises until such time as such affected Airline Premises shall be restored adequately for AIRLINE's use. AUTHORITY shall use its best efforts to provide AIRLINE with alternate facilities acceptable to AIRLINE to continue its operation while repairs are being completed, at a rental rate not to exceed that provided for in this Agreement for comparable space; provided that Airline's rental fees shall in no event increase as a result of increased square footage unless Airline requests additional space.

8.03 Destruction.

If any part of Airline Premises, or adjacent facilities directly and substantially affecting the use of Airline Premises, shall be damaged by fire or other casualty, and is so extensively damaged as to render any portion of said Airline Premises not economically feasible to repair, as reasonably

determined by AUTHORITY, AUTHORITY shall notify AIRLINE within a period of sixty (60) days after the date of such damage of its decision whether to reconstruct or replace said space; provided, however, AUTHORITY shall be under no obligation to replace or reconstruct such premises. The rentals payable hereunder with respect to affected Airline Premises shall be paid up to the time of such damage and thereafter shall abate in the same manner as set forth in Article 8 until such time as replacement or reconstructed space becomes available for use by AIRLINE.

In the event AUTHORITY elects to reconstruct or replace affected Airline Premises, AUTHORITY and AIRLINE will coordinate and agree on a reasonable schedule for reconstruction or replacement. AUTHORITY shall use its best efforts to provide AIRLINE with alternate facilities reasonably acceptable to AIRLINE to continue its operation while reconstruction or replacement is being completed at a rental rate not to exceed that provided for in this Agreement for comparable space.

In the event AUTHORITY elects to not reconstruct or replace affected Airline Premises, the agreement for the affected premises shall be terminated, and AUTHORITY shall meet and consult with AIRLINE on ways and means to permanently provide AIRLINE with adequate replacement space for affected Airline Premises. In such event, AUTHORITY agrees to amend this Agreement to reflect related additions and deletions to Airline Premises. If AIRLINE and AUTHORITY are unable to reach an agreement on providing adequate replacement space to AIRLINE, and the remaining tenantable portion of Airline Premises is not sufficient to permit AIRLINE to maintain its current operations at the Airport, AIRLINE may terminate this entire Agreement upon at least sixty (60) days' advance written notice given after receipt by AIRLINE of notice of termination of the Agreement as to the damaged facilities.

8.04 Damage Caused By AIRLINE.

In the event that due to the negligence or willful act or omission of AIRLINE, its employees, its agents, or licensees, Airline Premises shall be damaged or destroyed by fire, other casualty or otherwise, there shall be no abatement of rent during the repair or replacement of said Airline Premises. To the extent that insurance does not apply, coverage is denied, or the costs of repairs shall exceed the amount of any insurance proceeds paid to AUTHORITY by reason of such damage or destruction, AIRLINE shall pay for the cost to repair or rebuild the Airline premises less the amount of the insurance proceeds paid to AUTHORITY.

8.05 AUTHORITY's Responsibilities.

AUTHORITY shall maintain adequate, reasonable and customary levels of insurance with no less restrictive coverage than that provided by standard extended coverage endorsements on the “all risk” form, for the full replacement costs thereof as determined from time-to-time by the AUTHORITY’s insurance consultant; provided, however, that AUTHORITY's obligations to repair, reconstruct, or replace affected premises under the provisions of this Article 8 shall in any event be limited to restoring affected Airline Premises to substantially the same condition that existed at the date of damage or destruction, including any subsequent improvements made by AUTHORITY, and shall further be limited to the extent of insurance proceeds and other funds available to AUTHORITY for such repair, reconstruction, or replacement; provided further that AUTHORITY shall in no way be responsible for the restoration or replacement of any equipment, furnishings, property, real improvements, signs, or other items installed and/or owned by AIRLINE in accordance with this Agreement, unless such damage is caused by negligence or willful act or omission of AUTHORITY, its officials, agents, contractors or employees acting within the course or scope of their employment.

Article 9. INSURANCE AND INDEMNIFICATION

9.01 Indemnification.

Except where, and to the extent, it is caused by the acts, negligence, or willful misconduct of Authority Parties, AIRLINE agrees to defend, indemnify, and hold Authority Parties (other than AUTHORITY's contractors) free and harmless at all times from and against any and all claims, liability, expenses, losses, costs, fines and damages (including actually incurred reasonable attorney's fees and court costs, as well as fees and costs of consultants and experts reasonably and actually incurred in connection with the indemnified incident) and causes of action of every kind and character, whether or not meritorious, against Authority Parties by reason of any damage to property, or bodily injury (including death) incurred or sustained by an Authority Party, any agent or employee of an Authority Party, and any third or other party whomsoever, or any governmental agency, arising out of or incident to or in connection with AIRLINE's or any Affiliated Airline's negligent performance of any obligation under this Agreement, AIRLINE's or any Affiliated Airline's, or any of their officers, employees, agents, licensees, or contractors use or occupancy of the Airline Premises, AIRLINE's or any Affiliated Airline's compliance with 49 CFR Part 1542 requirements, AIRLINE's or any Affiliated Airline's negligent acts, omissions or operations hereunder or the performance, non-performance or purported performance of AIRLINE or any breach of the terms of this Agreement by AIRLINE (in each case when Affiliated Airline is operating on behalf of AIRLINE). AIRLINE shall indemnify, save, hold harmless, reimburse and defend Authority Parties(excluding AUTHORITY's contractors), individually or collectively, from and against any and all actions, all reasonable expenses, and any fines which in any way arise from or are based upon the violation of any applicable federal, state, or municipal laws, statutes, ordinances, or regulations, by AIRLINE, its Affiliated Airlines (when operating on behalf of AIRLINE), or any of their officers, directors, agents, employees, licensees, successors and assigns, or those under its control, except to the extent caused by the actions, omissions, negligence, or willful misconduct of an Authority Party. Provided, however, that upon the filing by anyone of a claim with the Authority Parties (excluding AUTHORITY's contractors) for damages arising out of incidents for which AIRLINE herein agrees to indemnify and hold the Authority Parties (excluding AUTHORITY's contractors) harmless, the Authority Parties (excluding AUTHORITY's contractors) shall promptly notify AIRLINE of such claim and, in the event that AIRLINE does not settle or compromise such claim, then AIRLINE shall undertake the legal defense, with legal counsel reasonably approved by the Authority Parties (excluding AUTHORITY's contractors), of such claim both on behalf of AIRLINE and on behalf of the Authority Parties (excluding AUTHORITY's contractors). It is specifically agreed, however, that the AUTHORITY, at its option and at its own expense, may participate in the legal

defense of such claim. Any final judgment rendered against the Authority Parties (excluding AUTHORITY's contractors) for any cause for which Authority Parties (excluding AUTHORITY's contractors) provided the required notice and for which AIRLINE is liable hereunder shall be conclusive against AIRLINE as to liability and amount upon the expiration of the time for appeal there from. AIRLINE recognizes the broad nature of this indemnification and hold harmless clause, and voluntarily makes this covenant and expressly acknowledges the receipt of Ten Dollars (\$10.00) and such other good and valuable consideration provided by AUTHORITY in support of this indemnification in accordance with laws of the State of Idaho. To the extent permitted by law, AUTHORITY shall indemnify, save, hold harmless, and defend AIRLINE, its officials, agents, officers, directors, and employees, its successors and assigns, individually or collectively, from and against any claim action, loss, damage, injury, liability, and the cost and expense of whatsoever kind or nature (including, but not limited to reasonable attorneys' fees, disbursements, court costs, and expert fees) based upon injury to persons, including death, or damage to property arising out of or resulting from AUTHORITY's failure to perform its obligations under this Agreement or any Authority Party's actions, negligence, or willful misconduct, except to the extent that such injury, death or damage is caused by the negligence or willful misconduct of AIRLINE, its officers, employees, officials, directors, or agents. This clause shall survive the termination of this Agreement as to claims arising during the Term thereof. Compliance with the insurance requirements of this Article 9 shall not relieve AIRLINE of its liability or obligation to indemnify AUTHORITY as set forth in this Article 9.

Notwithstanding the foregoing or any other provision in this Agreement, the liability of the AUTHORITY, as set forth in this Article 9 or otherwise set forth in this Agreement, is intended to be consistent with limitations of Idaho law. No obligation imposed by this Agreement shall be deemed to alter or to extend the liability of the AUTHORITY beyond such limits, nor shall any such obligation be deemed or construed as a waiver of any defense of sovereign immunity to which the AUTHORITY may be entitled. For the avoidance of doubt and notwithstanding anything contained herein to the contrary, the provisions of this Section 9.01 do not affect any obligation or liability of an Affiliated Airline to Airline pursuant to any agreement between such Affiliated Airline and Airline.

9.02 Insurance.

During the Term of this Agreement, AIRLINE shall provide, maintain and pay for, the types of insurance described herein. All insurance shall be issued by responsible insurance companies eligible to pay claims in the State of Idaho.

The insurance coverage and limits required shall be evidenced by providing AUTHORITY

with properly executed certificates of insurance. These certificates shall be signed by the authorized representative of the insurance company shown on the certificate.

If at any time AUTHORITY requests a written statement as to any impairments to the aggregate limit, AIRLINE shall promptly authorize and have delivered such statement to AUTHORITY. AIRLINE authorizes AUTHORITY and its insurance consultant to confirm with AIRLINE's insurance agents, and brokers all information furnished AUTHORITY, as to its compliance with its insurance requirements.

All required liability insurance coverages of AIRLINE shall be primary and non-contributory to any insurance or self-insurance program of AUTHORITY.

The acceptance of delivery to AUTHORITY of any certificate of insurance evidencing the insurance coverages and limits required in this Agreement does not constitute approval or acceptance by AUTHORITY that the insurance requirements in this Agreement have been met.

No operations shall commence at the Airport unless and until the required insurance is in effect and the required certificates (s) of insurance has been approved by AUTHORITY.

The insurance coverages and limits required of AIRLINE and its Affiliated Airlines under this Agreement are designed to meet the minimum requirements of AUTHORITY. They are not designed as a recommended insurance program for AIRLINE. AIRLINE is responsible for insuring its real and personal property located at the Airport. AIRLINE, alone, shall be responsible for the sufficiency of its own insurance program and its Affiliated Airlines' programs. Should AIRLINE have any question concerning its exposures to loss under this Agreement, or the possible insurance coverages needed therefore, it should seek professional advice.

AIRLINE and AUTHORITY understand and agree that the minimum limits of the insurance herein required may from time-to-time become inadequate, and AIRLINE agrees that it will increase such minimum limits as reasonably required by AUTHORITY upon receipt of written notice. AIRLINE shall furnish AUTHORITY, within sixty (60) days of the effective date thereof, a certificate of insurance evidencing such insurance is in force for itself and its Affiliated Airlines.

AIRLINE's insurance companies or its authorized representative shall give AUTHORITY thirty (30) days prior written notice by regular mail of any cancellation, intent not to renew in any policy's coverage, except in the application of the Aggregate Limits Provisions. In the event of a

reduction to the Aggregate Limit, it is agreed that immediate steps will be taken to have it reinstated. Said notices shall be sent to the addresses indicated in Article 16.20 of this Agreement.

Certificates of Insurance must be provided to AUTHORITY as soon as practical but no later than 30 days after coverage is effective but in every instance proof of insurance must be provided prior to commencement of operations by AIRLINE and its Affiliated Airlines and prior to expiration of current coverages. Authority Parties (excluding AUTHORITY's contractors) shall be named as additional insureds on the required Liability policies (except Workers Compensation and Employer's Liability) and such policies shall be on a primary and non-contributory basis.

Should at any time AIRLINE not, in the opinion of AUTHORITY's insurance consultant, provide or maintain the insurance coverages required in this Agreement, AUTHORITY may terminate or suspend this Agreement if such issue is not remedied within 5 business days after written notice to AIRLINE.

The amounts and types of insurance shall conform to the following minimum requirements.

(1) Workers Compensation and Employer's Liability Insurance shall be maintained in force by AIRLINE during the Term of this Agreement for all employees engaged in the operations under this Agreement. AIRLINE shall elect to obtain workers' compensation coverage pursuant to Idaho Worker's Compensation Law, Idaho Code 72-101 et.sq. Further, AIRLINE shall maintain said coverage throughout the term of this contract and shall comply with all provisions of the Idaho Worker's Compensation Law to ensure that the AIRLINE maintains said coverage. Any termination of workers' compensation insurance coverage by AIRLINE or any cancellation or non-renewal of workers' compensation insurance coverage for the AIRLINE shall be a material breach of this contract. The policy must be endorsed to include a waiver of subrogation in favor of the AUTHORITY. The minimum limits of Workers' Compensation/Employer's Liability insurance (inclusive of any amount provided by an umbrella or excess policy) are:

Worker's Compensation	Idaho Statutory Requirement
Employer's Liability	\$1,000,000 Limit Each Accident \$1,000,000 Limit Disease Aggregate \$1,000,000 Limit Disease Each Employee

(2) Aviation Liability Insurance shall be maintained by AIRLINE for the Term. Coverage shall include, but not be limited to, Premises and Operations, Personal Injury, Contractual for this Agreement, Independent Contractors, Broad Form Property Damage, Products and Completed Operations Coverage and shall not exclude the (XCU) Explosion, Collapse and Underground Property Damage Liability Coverage. Coverage shall be applicable to the operation of all mobile and ground equipment at the Airport. The Completed Operations Coverage shall be maintained for a period of not less than two (2) years following final operations of AIRLINE under this Agreement. Except in the case of Business Automobile Liability, the limits of coverage shall not be less than:

Airlines Operating Aircraft with fifty (50) or more seats:

Bodily & Personal Injury	\$250,000,000 Combined Single Limit & Property Damage Liability Each Occurrence & Aggregate \$25,000,000 Aggregate sublimit for personal injury to non-passengers
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Airlines Operating Aircraft with less than fifty (50) seats:

Bodily & Personal Injury	\$25,000,000 Combined Single Limit & Property Damage Liability Each Occurrence & Aggregate
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(3) Aircraft Liability Insurance shall be maintained by AIRLINE during the Term of this Agreement for all owned, non-owned, leased or hired aircraft, including passenger coverage. The limits of coverage shall not be less than:

Bodily & Personal Injury	\$100,000,000 Combined Single Limit & Property Damage Liability Each Occurrence & Aggregate \$25,000,000 Aggregate sublimit for personal injury to non-passengers
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(4) Business Automobile Liability Insurance shall be maintained by AIRLINE during the Term of this Agreement as to the ownership, maintenance, and use of all owned,

non-owned, leased or hired licensed vehicles. The limits of coverage shall not be less than:

Bodily & Personal Injury	\$5,000,000	Combined	Single	Limit	&
	Property	Damage	Liability	Each	
	Occurrence	&	Aggregate		

(5) Umbrella Liability Insurance or Excess Liability Insurance may be used to reach the limits of liability required for the Airport Liability Policy, Aircraft Liability and the Business Automobile Liability Policy. The limits of coverage shall not be less than:

Umbrella or Excess Liability Policy	\$100,000,000	Combined	Single	Limit	
	Each Occurrence	&	Aggregate-Specific	for	this Agreement

\$200,000,000	Combined	Single	Limit	
Each Occurrence	&	Aggregate-Not	Specific	for this Agreement

Primary Liability Limits for the underlying Airport General Liability Coverage:

Bodily & Personal Injury	\$10,000,000	Combined	Single	Limit	&
	Property	Damage	Liability	Each	
	Occurrence	&	Aggregate		

(6) Terrorism/War coverage with a \$25,000,000 limit.

Article 10. **TRANSFER OF AIRLINE’S PREMISES BY ASSIGNMENT OR
SUBLETTING**

10.01 General.

AIRLINE, except to assign or sublet to or allow use by Affiliated Airline (or except as otherwise provided in Section 10.02), shall not assign, transfer, convey, sell, mortgage, pledge or encumber (hereinafter collectively referred to as “assignment”) or sublet the Airline Premises without the advance written approval of AUTHORITY, which approval shall not be unreasonably withheld, conditioned, or delayed. If AIRLINE fails to obtain advance written approval of any such assignment or sublease, AUTHORITY, in addition to the rights and remedies set forth in Article 12, shall have the right to refuse to recognize such agreement, and the assignee or sublessee shall acquire no interest in this Agreement or any rights to use Airline’s Premises.

10.02 AUTHORITY Approval of Assignments.

Notwithstanding the foregoing, this Section 10.02 shall not be interpreted to preclude the assignment, in whole or in part, of this Agreement and AIRLINE’s rights and obligations hereunder to a parent, airline under same parental control, subsidiary, merged company or any purchaser of all or substantially all of AIRLINE’s assets if such parent, subsidiary, merged company or any purchaser of all or substantially all of AIRLINE’s assets continues, after such assignment, to conduct an air transportation business at the Airport and assumes all rights and obligations consistent with the provisions of this Agreement. Written notice of such assumption shall be provided by the parent, subsidiary, merged company or any purchaser of all or substantially all of AIRLINE’s assets thirty (30) consecutive calendar days after the effective date of such assignment.

10.03 AUTHORITY Approval of Subleases.

It shall not be unreasonable for AUTHORITY to disapprove or condition a sublease of the Airline Premises under any or all of the following circumstances, among others:

If the sublessee is an Air Transportation Company other than an Affiliated Airline who is not, and is not willing to become, a Signatory Airline.

If a Signatory Airline is, in the determination of AUTHORITY, in need of Airline’s Premises

proposed to be subleased (where AUTHORITY's consent is otherwise required); provided, however, that such Signatory Airline is willing to take such Airline's Premises on substantially the same terms and conditions as proposed in the sublease and is willing to (i) provide AIRLINE with a reasonable security deposit not to exceed one month's rentals, fees, and charges and (ii) otherwise enter into a sublease agreement with Airline in form and substance reasonably acceptable to Airline.

10.04 Reasons for Disapproval Not Comprehensive.

The circumstances under which AUTHORITY may determine to disapprove or condition assignments and subleases set forth in this Article 10 are not intended to be a comprehensive list of all those which AUTHORITY may impose.

10.05 Method of Obtaining Approval.

AIRLINE, when requesting an approval of an assignment or sublease required under Section 10.01, shall include with its request a copy of the proposed agreement, if prepared, or a detailed summary of the material terms and conditions to be contained in such agreement. Any proposed agreement or detailed summary thereof shall provide the following information: (1) the Airline Premises to be assigned or sublet; (2) the terms; (3) if a sublease, the rentals and fees to be charged; and (4) all material terms and conditions of the assignment or sublease AUTHORITY may reasonably require. If approved, AIRLINE shall submit a fully executed copy of such agreement to AUTHORITY within thirty (30) consecutive calendar days prior to the commencement of the assignment or sublease.

10.06 Administrative Charge.

In the event AIRLINE is authorized by AUTHORITY to sublease any portion of the Airline Premises, AIRLINE may charge such sublessee, in addition to a reasonable charge for any services and AIRLINE-owned property provided by AIRLINE or actual costs other than rental costs incurred by AIRLINE, reasonable rentals not to exceed one hundred fifteen percent (115%) of AIRLINE's rental for such portion of the Airline Premises.

10.07 AIRLINE to Remain Liable.

Without affecting any agreement between the AIRLINE and any sublessee or assignee of the Airline Premises, as between AIRLINE and the AUTHORITY, AIRLINE shall remain fully and primarily liable during the Term of this Agreement for the payment of all of the rental due and payable

to AUTHORITY for the Airline's Premises that are subject to a sublease under this Article 10, and fully responsible for the performance of all the other obligations hereunder, unless otherwise agreed to by AUTHORITY.

10.08 AUTHORITY Determination of Type of Agreement.

AUTHORITY shall have the right to examine the terms of any agreement or arrangement submitted to it for approval pursuant to this Article 10 and determine whether such agreement or arrangement is most appropriately characterized as an assignment or sublease, regardless of AIRLINE's characterization of such agreement or arrangement.

Article 11. **RELINQUISHMENT OF AIRLINE'S PREMISES**

11.01 Notice of Intent to Relinquish Airline's Premises.

In the event AIRLINE desires to relinquish any of the Airline Premises, AIRLINE shall provide written notice to AUTHORITY thirty (30) consecutive calendar days in advance of such relinquishment and shall identify in such notice all areas it wishes to relinquish. AUTHORITY shall make its best efforts to lease such areas to another airline, to the extent the proposed relinquished Airline's Premises are suitable for another airline, and subject to the limitations of Article 10.

11.02 Non-Waiver of Responsibility.

AIRLINE shall continue to be solely responsible pursuant to this Agreement for the payment of all rentals, fees, and charges related to the Airline Premises until another airline commences payment for the relinquished part of the Airline Premises as provided in Section 11.03.

11.03 Reduction of Rent, Fees, and charges.

AIRLINE's rentals, fees, and charges related to that portion of the Airline Premises taken by another airline, pursuant to such airline's agreement with AUTHORITY, shall be reduced in the amount of the rentals, fees, and charges payable by such other airline. This reduction shall begin only when the new airline that contracts with AUTHORITY for its use of the relinquished part of Airline's Premises begins payment for such relinquished part of Airline's Premises.

Article 12. CANCELLATION BY AUTHORITY

12.01 Events of Default

The events described below shall be deemed events of default by AIRLINE hereunder:

A. Upon the occurrence of any one of the following events of default and after giving nondiscriminatory consideration to seasonal air service at the Airport, AUTHORITY shall give thirty (30) days written notice as provided in Section 12.03:

(1) The conduct of any business or performance of any acts at the Airport not specifically authorized herein or by other agreements between AUTHORITY and AIRLINE, and said business or acts do not cease within thirty (30) days of receipt of AUTHORITY's written notice to cease said business or acts.

(2) The failure to cure a default in the performance of any of the material terms, covenants, and conditions required herein within thirty (30) days of receipt of written notice by AUTHORITY to do so; or if by reason of the nature of such default, the same cannot be remedied within thirty (30) days following receipt by AIRLINE of written demand from AUTHORITY to do so, AIRLINE fails to commence the remedying of such default within said thirty (30) days following such written notice, or having so commenced, shall fail thereafter to continue with diligence the curing thereof.

(3) The failure by AIRLINE to remit PFCs in accordance with Article 16.02.

B. Upon the occurrence of any one of the following events of default, AUTHORITY may immediately issue written notice of default:

(1) The failure by AIRLINE to pay any part of the rentals, fees, and charges due hereunder and the continued failure to pay said amounts in full within thirty (30) days of AUTHORITY's written notice of payments past due, unless AIRLINE cures this default. Provided, however, if a dispute arises between AUTHORITY and AIRLINE with respect to any obligation or alleged obligation of AIRLINE to make payments to AUTHORITY, payments under protest by AIRLINE of the amount due shall not waive any of AIRLINE's rights to contest the validity or amount of such payment. In the event any

court or other body having jurisdiction determines all or any part of the protested payment shall not be due, then AUTHORITY shall promptly reimburse AIRLINE any amount determined as not due plus interest on such amount at the lesser of one and one-half percent (1-1/2%) per month or the maximum permitted by law.

(2) The failure by AIRLINE to provide, within five (5) days of written notice, and to keep in force at all times Contract Security in accordance with Section 5.07.

(3) The failure by AIRLINE to provide, within five (5) days of written notice, and to keep in force at all times, insurance coverage in accordance with Article 9.

(4) The appointment of a trustee, custodian, or receiver of all or a substantial portion of AIRLINE's assets.

(5) The divestiture of AIRLINE's estate herein by operation of law, by dissolution, or by liquidation, (not including a merger or sale of assets).

(6) The insolvency of AIRLINE; or if AIRLINE shall take the benefit of any present or future insolvency statute, shall make a general assignment for the benefit of creditors, or shall seek a reorganization or the readjustment of its indebtedness under any law or statute of the United States or of any state thereof including the filing by AIRLINE of a voluntary petition of bankruptcy or the institution of proceedings against AIRLINE for the adjudication of AIRLINE as a bankrupt pursuant thereto.

(7) The abandonment by AIRLINE of the Airline Premises, or its conduct of business at the Airport; and, in this connection, suspension of operations for a period of sixty (60) days will be considered abandonment. Such cancellation shall not apply to Scheduled Air Carriers providing seasonal service at the Airport unless such abandonment occurs during months that the Scheduled Air Carrier provides scheduled air service.

12.02 Continuing Responsibilities of AIRLINE.

Notwithstanding the occurrence of any event of default, AIRLINE shall remain liable to AUTHORITY for all rentals, fees, and charges payable hereunder and for all preceding uncured breaches of any covenant of this Agreement. Furthermore, unless AUTHORITY elects to cancel this Agreement,

AIRLINE shall remain liable for and promptly pay all rentals, fees, and charges accruing hereunder until termination of this Agreement as set forth in Article 5 as a result of an event of default by AIRLINE or until this Agreement is canceled by AIRLINE pursuant to Article 13.

12.03 AUTHORITY's Remedies.

Upon the occurrence of any event enumerated in Sections 12.01A, or 12.01B, including applicable notice and cure periods, the following remedies shall be available to AUTHORITY:

AUTHORITY may exercise any remedy provided by law or in equity, including but not limited to the remedies hereinafter specified.

AUTHORITY may cancel this Agreement, effective upon the date specified in the notice of cancellation. For events enumerated in Sections 12.01A and 12.01B, such date shall be not less than thirty (30) days from said notice. Upon such date, AIRLINE shall be deemed to have no further rights hereunder and AUTHORITY shall have the right to take immediate possession of AIRLINE's Airline Premises.

AUTHORITY may reenter the Airline Premises and may remove all AIRLINE persons and property from same upon the date of reentry specified in AUTHORITY's written notice of reentry to AIRLINE. For events enumerated in Sections 12.01A and 12.01B, reentry shall be not less than thirty (30) days from the date of notice of reentry. Upon any removal of AIRLINE property by AUTHORITY hereunder, AIRLINE property may be stored at a public warehouse or elsewhere at AIRLINE's sole cost and expense.

AUTHORITY may relet Airline Premises and any improvements thereon or any part thereof at such rentals, fees, and charges and upon such other terms and conditions as AUTHORITY, in its reasonable discretion, may deem advisable, with the right to make alterations, repairs of improvements on said Airline Premises. In reletting the Airline Premises, AUTHORITY shall be obligated to make a good faith effort to obtain terms comparable to those contained herein and otherwise seek to mitigate any damages it may suffer as a result of AIRLINE's event of default.

In the event that AUTHORITY relets Airline Premises, rentals, fees, and charges received by AUTHORITY from such reletting shall be applied: (i) to the payment of any indebtedness other than rentals, fees, and charges due hereunder from AIRLINE to AUTHORITY; (ii) to the payment of any cost of such reletting; and (iii) to the payment of rentals, fees, and charges due and unpaid hereunder.

The residue, if any, shall be held by AUTHORITY and applied in payment of future rentals, fees, and charges as the same may become due and payable hereunder. If that portion of such rentals, fees, and charges received from such reletting and applied to the payment of rentals, fees, and charges hereunder is less than the rentals, fees, and charges as would have been payable during applicable periods by AIRLINE hereunder, then AIRLINE shall pay such deficiency to AUTHORITY. AIRLINE shall also pay to AUTHORITY, as soon as ascertained, any reasonable costs and expenses incurred by AUTHORITY in such reletting not covered by the rentals, fees, and charges received from such reletting.

No reentry of the Airline Premises by AUTHORITY shall be construed as an election on AUTHORITY'S part to cancel this Agreement unless a written notice of cancellation is given to AIRLINE.

AIRLINE shall pay to AUTHORITY all other reasonable and actual costs, incurred by AUTHORITY in the exercise of any remedy in this Article 12, including, but not limited to, reasonable attorney fees, disbursements, court costs, and expert fees.

12.04 Remedies Under Federal Bankruptcy Laws.

Notwithstanding the foregoing, upon the filing by or against AIRLINE of any proceeding under Federal bankruptcy laws, if AIRLINE has defaulted in the performance of any provision of this Agreement within the six (6) months preceding such filing, AUTHORITY shall have the right to cancel this Agreement, in addition to other remedies provided under provisions of the Federal Bankruptcy Rules and Regulations and Federal Judgeship Act of 1984, as such may be subsequently amended, supplemented, or replaced. Such cancellation shall be by written notice to AIRLINE within sixty (60) days from the date of AIRLINE's initial filing in bankruptcy court.

Article 13. CANCELLATION BY AIRLINE

13.01 Events of Default.

The events described below shall be deemed events of default by AUTHORITY hereunder:

AUTHORITY fails to keep, perform, or observe any material term, covenant, or condition herein contained, to be kept, performed, or observed by AUTHORITY and such failure continues for thirty (30) days after receipt of written notice from AIRLINE; or, if by its nature such default cannot be cured within such thirty (30) day period, AUTHORITY shall not commence to cure or remove such default within said thirty (30) days and to cure or remove the same as promptly as reasonably practicable; provided, however, AUTHORITY's performance under this Section 13.01.

Airport is closed to flights in general or to the flights of AIRLINE, for reasons other than those circumstances within AIRLINE's control, and Airport fails to be reopened to such flights within sixty (60) consecutive days from such closure.

The United States Government or any authorized agency of the same (by executive order or otherwise) assumes the operation, control, or use of the Airport in such a manner as to substantially restrict AIRLINE from conducting its operations, if such restriction be continued for a period of sixty (60) consecutive days or more.

13.02 AIRLINE's Remedy.

So long as AIRLINE is not in default as set forth in Section 12.01 of this Agreement, including but not limited to payments due to AUTHORITY hereunder, AIRLINE may cancel this Agreement upon the occurrence of an event of default, as set forth in Section 13.01. In such event, AIRLINE shall serve thirty (30) day advance written notice of cancellation to AUTHORITY. All rentals, fees, and charges payable by AIRLINE shall cease as of the date of such cancellation and AIRLINE shall surrender the Airline Premises in accordance with Section 4.06 hereof.

Article 14. GOVERNMENT INCLUSION

14.01 Government Agreements.

This Agreement shall be subordinate to the provisions of any existing or future agreements between AUTHORITY and the United States Government or the State of Idaho, relative to the operation or maintenance of the Airport, the execution of which has been or will be required as a condition precedent to the granting of Federal or other governmental funds for the development of the Airport, to the extent that the provisions of any such existing or future agreements are generally required by the United States or other governmental authority of other civil airports receiving such funds. AUTHORITY agrees to provide AIRLINE written advance notice of any provisions that would adversely modify the material terms of this Agreement.

Nothing contained in this Agreement is intended, nor shall be construed, as a waiver by either party of any right to assert any claim or defense, or raise any issue in any context or forum including, but not limited to, a court or administrative forum, regarding the preemption by federal law, including but not limited to the Airline Deregulation Act (49 U.S.C. §41713), any state or local law or ordinance, or the Airport Rules and Regulations described in Article 16.07.

14.02 Federal Government's Emergency Clause.

All provisions of this Agreement shall be subordinate to the rights of the United States of America to operate the Airport or any part thereof during time of war or national emergency. Such rights shall supersede any provisions of this Agreement inconsistent with the operations of the Airport by the United States of America.

14.03 Nondiscrimination.

AIRLINE for itself, its personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby agree as a covenant running with the land that (i) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of Airline Premises, (ii) in the construction of any improvements on, over, or under Airline Premises and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination, and (iii) AIRLINE shall use the Airline Premises

in compliance with all other applicable requirements imposed by or pursuant to 14 CFR Part 152 and Title VI of the Civil Rights Act of 1964 and 49 CFR Part 21, Subtitle A, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Title and Regulations may be amended.

In conducting or engaging in any aeronautical activity for furnishing services to the public at the Airport, AIRLINE shall furnish said services on a reasonable and not unjustly discriminatory basis to all users thereof, and shall charge reasonable, and not unjustly discriminatory prices for each unit or service as required pursuant to 14 CFR Part 152. AIRLINE may make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.

AIRLINE acknowledges that the provisions of 49 CFR Part 23, Disadvantaged Business Enterprises (DBE), as said regulations may be amended, and such other similar regulations may be enacted, may be applicable to the activities of AIRLINE under the terms of this Agreement, unless exempted by said regulations, and AIRLINE hereby agrees to comply with the regulatory agencies, in reference thereto. These requirements may include, but not be limited to, compliance with DBE participation goals, the keeping of certain records of good faith compliance efforts, which would be subject to review by the various agencies, the submission of various reports and, if so directed, the contracting of specified percentages of goods and services contracts to DBEs. In the event of breach of any of the above nondiscrimination covenants pursuant to 49 CFR Part 21 of the Regulations of the Office of the Secretary of Transportation, as amended, if applicable, AUTHORITY will have the right to terminate the Agreement and to re-enter as if said Agreement had never been made or issued. Said termination provision will not be effective until the procedures of 49 CFR Part 21 are followed and completed, including exercise or expiration of appeal rights.

14.04 Security.

AIRLINE shall not bring or operate any vehicle or motorized equipment into or within any air operations area, unless having first complied with all insurance provisions and requirements specified in this Agreement, as well as the Airport Driver Training Program and the Airport's Security Program. When operating within any air operations area, AIRLINE shall cause its vehicles and equipment to move directly to and from the entrance gate or Airline Premises and the aircraft, and shall not enter or move about in any other non-movement area. AIRLINE, its officers, employees, agents, and those under its control, shall comply with security measures required of AIRLINE by the FAA, TSA, U. S. Department of Transportation, AUTHORITY, or contained in any Airport master security plan approved by the FAA or TSA to include an Airport Tenant Security Program as outlined in 49 CFR Part

1542 respective to AIRLINE's non-public Exclusive Premises and Shared Exclusive Use Premises, a copy of which is available for AIRLINE review in AUTHORITY'S offices. If AIRLINE, its officers, employees, agents, or those under its control shall fail or refuse to comply with said measures and such non-compliance results in a monetary penalty being assessed against AUTHORITY, then AIRLINE shall be responsible and shall reimburse AUTHORITY in the full amount of any such monetary penalty or other damages, including attorney fees and other costs to defend AUTHORITY against such claims.

Article 15. ENVIRONMENTAL

15.01 General Conditions.

Notwithstanding any other provisions in this Agreement, and in addition to any and all other requirements of this Agreement or any other covenants, representations or warranties of AIRLINE, AIRLINE hereby agrees to the following, in connection with AIRLINE's operations at the Airport:

(1) AIRLINE shall comply with all applicable Environmental Laws.

(2) To the extent required by applicable Environmental Law, AIRLINE agrees to notify AUTHORITY and promptly begin to mitigate any damages occurring as a result of non-compliance with any applicable Environmental Law by AIRLINE, its employees, licensees, or contractors. To the extent required by applicable Environmental Law, AIRLINE agrees to promptly and at its own expense initiate investigation, and remediation (but AIRLINE shall not commence active remediation, except to the extent time is of the essence or emergency conditions otherwise exist requiring immediate remediation measures, without advanced review and written approval by applicable regulatory agency and AUTHORITY of any remediation plan) of any such potential or actual non-compliance with any applicable Environmental Law which AIRLINE shall continue until remediation has been completed to the extent required under, and in accordance with, applicable Environmental Law and no further action is necessary.

(3) Only where, and to the extent, it is caused by the negligence or willful misconduct of the officers, employees, agents, licensees, contractors or officials of the AIRLINE, AIRLINE agrees to hold harmless and indemnify Authority Parties for: (1) any violation by AIRLINE, its officers, employees, agents, licensees or contractors of applicable Environmental Law; and (2) any non-compliance by AIRLINE with any permits issued to AIRLINE pursuant to applicable Environmental Law. Such hold harmless and indemnity will include: (1) enforcement actions against Authority Parties to assess, abate, remediate, undertake corrective measures, or monitor environmental conditions arising solely by reason of AIRLINE's violation or non-compliance (including actually incurred reasonable attorney's fees and costs as well as reasonable fees and costs of consultants, experts, contractors, and laboratories reasonably incurred in connection with the indemnified incident to the extent required to reach compliance

with applicable Environmental Laws); and (2) any reasonable monetary penalties, costs, expenses, or damages, including natural resource damages, imposed against Authority Parties to the extent caused by reason of AIRLINE's violation or non-compliance. Claims for environmental matters shall be covered exclusively under this Article 15 and shall not be subject to any other indemnities provided in this Agreement, including without limitation the general indemnity herein.

(4) AIRLINE agrees to reasonably cooperate with any investigation, audit, or inquiry by AUTHORITY regarding any federal or state environmental regulatory enforcement action or investigation, which is against AUTHORITY but directly arises from AIRLINE's activities hereunder.

(5) AIRLINE will, within a reasonable time, notify AUTHORITY of any spill, leak, or permit exceedance by AIRLINE that is required to be reported to government authorities pursuant to applicable Environmental Law. AIRLINE will, within a reasonable time following receipt, provide AUTHORITY with a copy of any notice of violation, notice of non-compliance, or other enforcement-related document concerning AIRLINE's operation at the Airport.

(6) AIRLINE shall obtain AUTHORITY's written approval, which approval shall not be unreasonably withheld, conditioned, or delayed, prior to installing any above-ground or underground storage tanks on Airport premises (including deicing fluid storage tanks).

15.02 Hazardous Materials.

(1) AIRLINE agrees to make available for review by AUTHORITY, within a reasonable period after AUTHORITY's request, copies of any hazardous waste-related permits, reports, transportation records, storage and disposal plans, safety data sheets and/or waste manifests prepared or issued in connection with AIRLINE's use of Airport.

(2I) Prior to vacating the Airline Premises, AIRLINE will dispose of or otherwise remove all of AIRLINE's solid and hazardous wastes and containers on the Airline Premises in compliance with applicable Environmental Laws. Copies of any waste manifests related to such disposal will be provided to AUTHORITY within a reasonable period after AUTHORITY's request.

15.03 Prior Contamination.

Nothing in this Article 15 will be construed to make AIRLINE liable in any way for any contamination or release of Hazardous Materials, as defined in Section 1.31, affecting Airport that occurred prior to AIRLINE's entry upon or operations at Airport or that occurred as a result of the actions or inaction of anyone other than AIRLINE. AIRLINE shall use commercially reasonable efforts not to exacerbate, relocate, distribute, spread or otherwise move said contamination or release of Hazardous Materials.

15.04 Off-Site Contamination.

Nothing in this Article 15 will be construed to make AIRLINE liable in any way for any contamination or release of Hazardous Materials, as defined in Section 1.31, affecting Airport that occurs by reason of the migration or flow to Airport or to Airline Premises from contamination that is not attributable to AIRLINE's activities at Airport or Airline Premises.

15.05 Stormwater.

Notwithstanding any other provisions or terms of this Agreement, AIRLINE acknowledges that certain properties within the Airport, or on AUTHORITY owned land, are subject to stormwater rules and regulations. AIRLINE agrees to observe and abide by such stormwater rules and regulations as may be applicable to AIRLINE and, if applicable hereby agrees to the following in connection with AIRLINE's operations on Airport:

(1) AIRLINE acknowledges that any stormwater discharge permit issued to the AUTHORITY may name AIRLINE as a co-permittee. AUTHORITY and AIRLINE 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 cost of compliance. AIRLINE acknowledges further that it may be necessary to undertake such actions to minimize the exposure of stormwater to "significant materials" generated, stored, handled or otherwise used by AIRLINE, as such term may be defined by applicable stormwater rules and regulations, by implementing and maintaining "best management practices" (as that term may be defined in applicable stormwater rules and regulations).

(2) AIRLINE will comply with any stormwater discharge permit requirements

applicable to AIRLINE. To the extent a submittal of a Notice of Intent will be made by AIRLINE to the Idaho Department of Environmental Quality, a copy will be submitted to AUTHORITY. AIRLINE will comply with all applicable stormwater requirements including but not limited to: certification of non-stormwater discharges; AUTHORITY's Stormwater Pollution Prevention Plan or similar plans; implementation of best management practices; and maintenance and submittal of records required by AUTHORITY's Stormwater Pollution Prevention Plan. In complying with such requirements, AIRLINE will observe applicable deadlines set by the regulatory agency that has jurisdiction over the permit. AIRLINE agrees to undertake, at its sole expense, those applicable stormwater permit requirements for which it has received written notice from the regulatory agency and that apply to its operations at the Airport.

Article 16. GENERAL PROVISIONS

16.01 Nonwaiver.

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

16.02 Passenger Facility Charge.

AUTHORITY reserves the right to assess and collect PFCs subject to the terms and conditions set forth in the Aviation Safety and Capacity Expansion Act of 1990, Section 9110 (the "PFC Act") and implementing regulations as may be supplemented or amended from time-to-time. AIRLINE shall collect and pay all PFCs for which it is responsible under the provisions of 14 CFR Part 158. Failure by AIRLINE to remit PFCs within the time frame required by 14 CFR Part 158 shall be grounds for cancellation of this Agreement.

16.03 Rights Non-Exclusive.

Notwithstanding anything herein contained that may be or appear to the contrary, the rights, privileges, and licenses granted under this Agreement, are "non-exclusive" and AUTHORITY reserves the right to grant similar privileges to others, provided that in doing so, AUTHORITY does not interfere nor alter, or purport to alter, AIRLINE's rights and privileges hereunder.

16.04 Quiet Enjoyment.

AUTHORITY agrees that, so long as AIRLINE's payment of rentals, fees, and charges is timely and AIRLINE keeps all covenants and agreements contained herein, AIRLINE shall peaceably have and enjoy its Airline Premises and all rights, privileges, and licenses of the Airport, its appurtenances and facilities granted herein, subject to the terms and conditions herein contained. Consistent with the nature of AIRLINE's business, AIRLINE agrees that occupancy of its Airline Premises will be lawful and that it will not knowingly use or authorize the use of Airline Premises in any way that would violate the terms of this Agreement, create a nuisance, or unreasonably disturb other tenants or the general

public. AIRLINE shall be responsible for the activity of its officers, employees, agents, and others under its control with respect to this provision.

16.05 Performance.

The parties expressly agree that time is of the essence in this Agreement. Failure by a party to complete performance within the time specified, or within a reasonable time if no time is specified herein, shall relieve the other party, without liability, of any obligation to accept such performance.

16.06 Aviation Rights.

AUTHORITY reserves unto itself, its successors, and assigns for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the Airport, including Airline Premises, for navigation or flight in the said airspace for landing on, taking off from, or operating at the Airport.

16.07 Rules and Regulations and Operational Directives.

AIRLINE, its officers, employees, agents, and others under its control shall observe and obey all applicable laws, regulations, and orders of the federal, state, AUTHORITY governments and AUTHORITY (acting in its governmental capacity) which may be applicable to AIRLINE'S operations at the Airport.

AUTHORITY, acting in its governmental capacity, may from time-to-time adopt, amend, or revise the Airport's Rules and Regulations governing the conduct of operations at the Airport, for reasons of safety, health, preservation of the property, or for the maintenance of the good and orderly appearance of the Airport. AIRLINE, its officers, employees, agents, and others under its control shall faithfully comply with and observe such reasonable and non-discriminatory Rules and Regulations and any amendments thereto, except as they may conflict with the terms and provisions of this Agreement, or the regulations of another governmental entity having appropriate jurisdiction. AUTHORITY shall notify AIRLINE, in writing, at least ninety (90) days in advance of any amendments or supplements to such Rules and Regulations that would materially alter the terms of this Agreement.

AIRLINE shall obtain, maintain current, and comply with, any and all applicable permits, licenses, and other governmental authorizations, however designated, as may be required at any time throughout the entire Term of this Agreement by any federal, state, or local governmental entity or any

court of law having jurisdiction over AIRLINE or AIRLINE's operations and activities at the Airport.

16.08 Inspection.

Subject to the following sentence, AIRLINE shall allow AUTHORITY's authorized representatives access to Airline Premises for the purpose of examining and inspecting said premises; for purposes necessary, incidental to, or connected with the performance of its obligations under this Agreement; or, in the exercise of its governmental functions. Except in the case of an emergency, AUTHORITY shall conduct such inspections during reasonable business hours, after reasonable prior notice to AIRLINE and in the presence of AIRLINE's representative.

16.09 No Individual Liability.

No member, officer, agent, director, or employee of AUTHORITY or AIRLINE shall be charged personally or held contractually liable by or to the other party under the terms or provisions of this Agreement or because of any breach thereof or because of its or their execution or attempted execution.

16.10 Relationship of Parties.

Nothing contained herein shall be deemed or construed by the parties hereto, or by any third party, as creating the relationship of principal and agent, partners, joint venturers, or any other similar such relationship between the parties hereto. It is understood and agreed that neither the method of computation of rentals, fees, and charges, nor any other provisions contained herein, nor any acts of the parties hereto, creates a relationship other than the relationship of landlord and tenant.

16.11 Capacity to Execute.

AUTHORITY and AIRLINE each warrant as to itself that the person executing this Agreement on its behalf has authority to execute this Agreement on its behalf.

16.12 Savings.

The parties hereto acknowledge that they have thoroughly read this Agreement, including any exhibits or attachments hereto and have sought and received whatever competent advice and counsel was necessary for them to form a full and complete understanding of all rights and obligations herein. The parties further acknowledge that this Agreement is the result of extensive negotiations between the parties

and shall not be construed against AUTHORITY by reason of the preparation of this Agreement by AUTHORITY.

16.13 Successors and Assigns Bound.

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

16.14 Incorporation of Exhibits.

All exhibits and attachments referred to in this Agreement are intended to be and are hereby specifically made a part of this Agreement.

16.15 Titles.

Section titles are inserted only as a matter of convenience and for reference, and in no way define, limit, or describe the scope or extent of any provision of this Agreement.

16.16 Severability.

In the event that any covenant, condition, or provision of this Agreement is held to be invalid by any court of competent jurisdiction, the invalidity of such covenant, condition, or provision shall not materially prejudice either AUTHORITY or AIRLINE in their respective rights and obligations contained in the valid covenants, conditions, or provisions of this Agreement.

16.17 Amendments.

No amendment, modification or alteration of the terms of this Agreement shall be binding unless the same be in writing, dated subsequent to the date hereof, and duly executed by the parties hereto with the same formality as required for this Agreement.

16.18 Other Agreements.

Other than as expressly set forth herein, nothing contained in this Agreement shall be deemed or construed to nullify, restrict, or modify in any manner the provisions of any other lease or contract between AUTHORITY and AIRLINE authorizing the use of the Airport, its facilities, and appurtenances.

16.19 Approvals.

Unless otherwise stated, whenever this Agreement calls for approval by AUTHORITY, such approval shall be evidenced by the written approval of the Airport Director.

Any approval required by either party to this Agreement shall not be unreasonably withheld, conditioned, or delayed.

16.20 Notice.

All notices, requests, consents, and approvals served or given under this Agreement shall be served or given in writing with proof of delivery or by electronic email transmission with confirmation of receipt. If intended for AUTHORITY, notices shall be delivered to:

Airport Director
Friedman Memorial Airport
1616 Airport Circle
Hailey, Idaho 83333

Or to such other address as may be designated by AUTHORITY by written notice to AIRLINE.

Notices to AIRLINE shall be delivered to:

Or to such other address as may be designated by AIRLINE by written notice to AUTHORITY.

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

16.21 Agent for Service.

It is expressly understood and agreed that if AIRLINE is not a resident of the State of Idaho, or is an association or partnership without a member or partner resident of said state, AIRLINE shall appoint an agent for the purpose of service of process in any court action between it and AUTHORITY arising out

of or based upon this Agreement. As of the date of this Agreement, the name and address of AIRLINE's agent for the purpose of service in the State of Idaho is _____. If not provided prior to the date hereof, AIRLINE shall immediately, within ten (10) days of execution of this Agreement, notify AUTHORITY, in writing, of the name and address of said agent, if applicable. Such service shall be made as provided by the laws of the State of Idaho for service upon a non-resident engaging in business in the State. It is further expressly agreed, covenanted, and stipulated that, as an additional method of service of process, AIRLINE may be personally served out of the State of Idaho by the registered mailing of such service at the address set forth in Section 16.20.

16.22 Governing Law and Legal Forum.

This Agreement is to be read and construed in accordance with the laws of the State of Idaho. Venue for any litigation concerning this Agreement by either party shall be in a State or Federal Court situated in the State of Idaho. The provisions of this Section 16.22 shall survive the termination of this Agreement.

16.23 Force Majeure.

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

16.24 Most Favored Nation.

AUTHORITY agrees not to enter into any Agreement with any other 14 CFR Part 121 and 14 CFR 135 Air Transportation Companies, or any other airline, conducting operations at the Airport after the date of this Agreement which contains more favorable terms and conditions, landing fees, space rentals or other charges than those provided in this Agreement.. For further clarification, charging other airlines based on different charging metrics than Signatory Airlines, may result in more favorable terms and AUTHORITY agrees to not enter into any agreement nor will it develop rate sheets that have provisions or terms like these.

16.25 Entire Agreement.

It is understood and agreed that this instrument contains the entire agreement, including the exhibits, between the parties hereto with respect to the subject matter hereof. It is further understood and agreed by AIRLINE that AUTHORITY and AUTHORITY's agents have made no representations or promises with respect to this Agreement or the making or entry into this Agreement, except as in this Agreement expressly set forth, and that no claim or liability or cause for termination shall be asserted by AIRLINE against AUTHORITY for, and AUTHORITY shall not be liable by reason of, the breach of any representations or promises not expressly stated in this Agreement. It is further understood and agreed by AUTHORITY that AIRLINE and AIRLINE's agents have made no representations or promises with respect to this Agreement or the making or entry into this Agreement, except as in this Agreement expressly set forth, and that no claim or liability or cause for termination shall be asserted by AUTHORITY against AIRLINE for, and AIRLINE shall not be liable by reason of, the breach of any representations or promises not expressly stated in this Agreement.

IN WITNESS WHEREOF, the Parties hereto have caused these presents to be executed on the day and year first above written.

FRIEDMAN MEMORIAL AIRPORT AUTHORITY

By: _____
_____, Chairman

AIRLINE
Name: _____

By: _____

Title: _____

STATE OF IDAHO)
) ss.
County of Blaine)

On this ____ day of _____, 2023, before me, a Notary Public for the State of Idaho, personally appeared _____, known or identified to me to be the Chairman of the Friedman Memorial Airport Authority, and the person who executed the instrument on behalf of said Authority, and acknowledged to me that such Authority executed the same.

Notary Public for Idaho
Residing at: _____
My commission expires: _____

STATE OF _____)
) ss.
County of _____)

On this ____ day of _____, 2023, before me a Notary Public in and for said State, personally appeared _____, known or identified to me to be the _____ of _____, and the person who executed the instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.

Notary Public for _____
Residing at: _____
My commission expires: _____

EXHIBIT A: AIRPORT BOUNDARIES

EXHIBIT A: AIRPORT BOUNDARIES



EXHIBIT B: AIRLINE PREMISES

EXHIBIT B: AIRLINE PREMISES

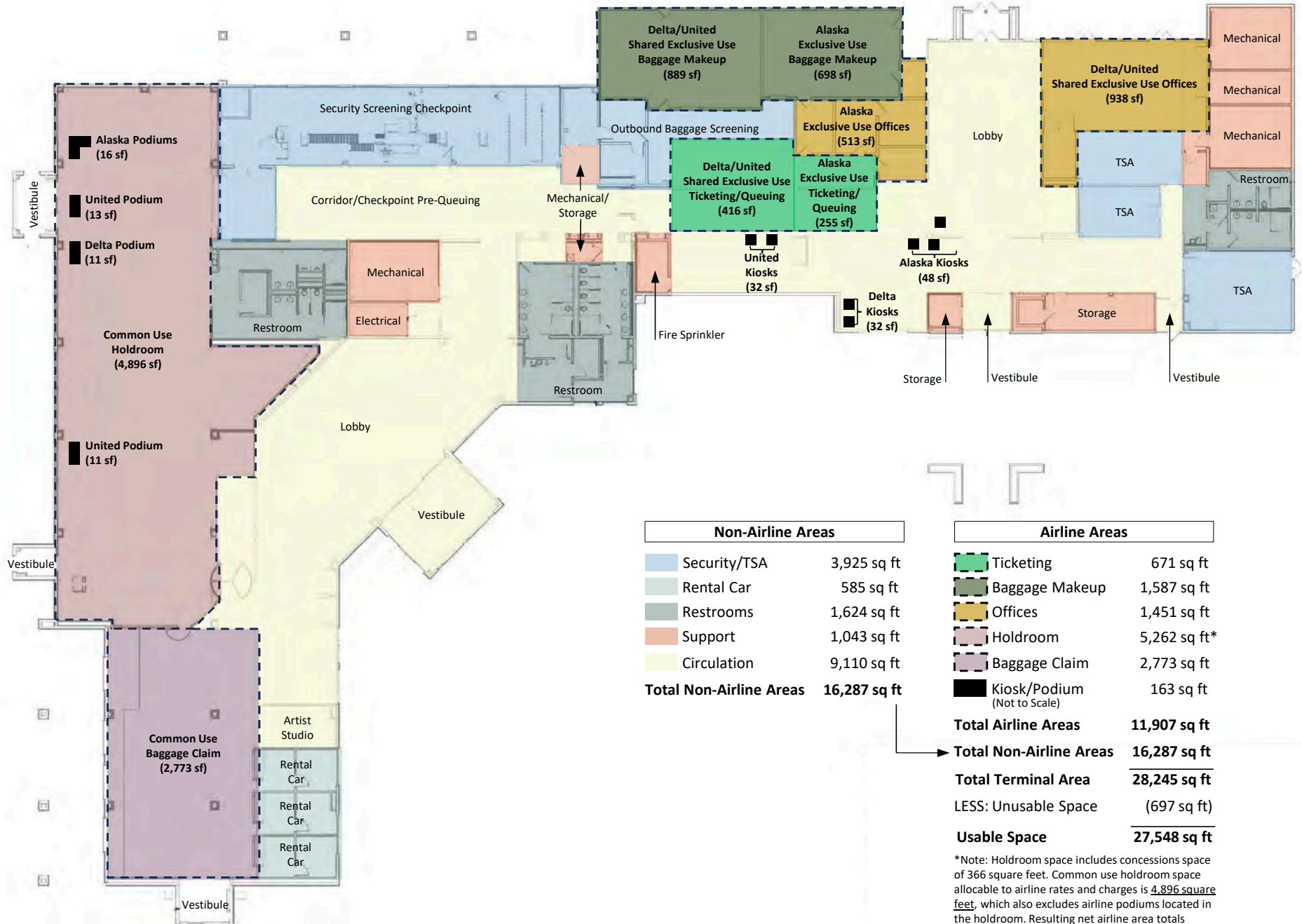


EXHIBIT C: SUMMARY OF TERMINAL AREAS

EXHIBIT C: SUMMARY OF TERMINAL AREAS (SQUARE FEET)

SPACE CATEGORY	FY 2024	FY 2025	FY 2026
Space by Category			
Airline Offices	1,451	1,451	1,451
Baggage Makeup	1,587	1,587	1,587
Ticketing (Counters, Queuing, Kiosks, Podiums)	834	834	834
	3,872	3,872	3,872
Space by Airline			
Alaska (Exclusive Use)			
Airline Offices	513	513	513
Baggage Makeup	698	698	698
Ticket Counters/Queuing	255	255	255
Kiosks (3)	48	48	48
Holdroom Podiums (2)	16	16	16
	1,530	1,530	1,530
Delta			
Shared Exclusive Use Ticket Counters/Queuing	208	208	208
Exclusive Use Kiosks (2)	32	32	32
Exclusive Use Holdroom Podiums (1)	11	11	11
Total Ticketing-Related Space	251	251	251
United			
Shared Exclusive Use Ticket Counters/Queuing	208	208	208
Exclusive Use Kiosks (2)	32	32	32
Exclusive Use Holdroom Podiums (2)	24	24	24
Total Ticketing-Related Space	264	264	264
Delta/United Shared Exclusive Use			
Airline Offices	938	938	938
Baggage Makeup	889	889	889
	1,827	1,827	1,827
Total Airline Exclusive/Shared Exclusive Space	3,872	3,872	3,872
Common Use Space			
Secured holdroom (not including podiums)	4,896	4,896	4,896
Baggage claim	2,773	2,773	2,773
	7,669	7,669	7,669
TOTAL AIRLINE LEASABLE SPACE	11,541	11,541	11,541

**EXHIBIT D: RESPONSIBILITIES OF AUTHORITY AND AIRLINE FOR OPERATION AND
MAINTENANCE OF THE TERMINAL**

EXHIBIT D

RESPONSIBILITIES OF AIRPORT & AIRLINES FOR OPERATION & MAINTENANCE OF TERMINAL

	Airline Premises			
	Exclusive Use	Common Use	Shared Exclusive Use	Aircraft Aprons
Air Conditioning	N	N	N	n/a
Heating	N	N	N	n/a
Lighting				
a. Bulb & Tube Replacement ¹	A	N	A	N
b. Maintenance ¹	N	N	N	N
Electrical Maintenance ²	N	N	N	N
Water				
a. Distribution	N	N	N	n/a
b. Fixtures	A	N	A	n/a
Sewage				
a. Distribution	N	N	N	n/a
b. Fixtures	A	N	A	n/a
Maintenance				
a. Other than Structure	A	N	A	N
b. Structure ³	N	N	N	N
c. Exterior ⁴	N	N	N	n/a
Custodial Service	A	N	A	n/a
Window Cleaning				
a. Exterior	n/a	N	n/a	n/a
b. Interior	A	N	A	n/a
Ramp - Concrete Repair	n/a	n/a	n/a	N
Snow Removal				
a. Larger ramp area ⁵	n/a	n/a	n/a	N
b. Gate areas & walkway to aircraft	n/a	n/a	n/a	A

A = AIRLINE / N = AIRPORT

¹AIRLINE shall be responsible for any light fixtures installed by AIRLINE.

²AIRLINE shall be responsible for any electrical fixtures or services installed by AIRLINE.

³AIRLINE shall be responsible for any structure constructed by AIRLINE.

⁴AIRLINE shall be responsible for any exterior maintenance required from actions of AIRLINE, its employees, or subcontractors.

⁵AIRLINE shall be responsible for coordinating removal of aircraft to allow for snow removal on airline ramp by AIRPORT; and, AIRLINE shall be responsible for snow removal around the Gate Areas/walkways/work areas, and shall be responsible for determining safety of passages for use by passengers/employees.

Note: All areas not part of AIRLINE'S Airline Premises shall be AIRPORT'S responsibility; provided, however, AIRPORT shall not be responsible for any systems or services installed by AIRLINE, or systems and services installed by AIRPORT, but modified or used by AIRLINE, unless otherwise agreed to by the parties hereto.

EXHIBIT E: CHANGES IN RATES FOR RENTALS, FEES, AND CHARGES

EXHIBIT E-1**Terminal Building Rental Rate Calculation**

	Projected FY 2024
A Operating & Maintenance Expenses	\$ 1,202,312
B Amortization	\$ -
C Capital Expenditures	\$ -
D TOTAL REQUIREMENT	\$ 1,202,312
E Less: Authority Discretionary Revenue Credit ^{1/}	\$ -
F NET REQUIREMENT	\$ 1,202,312
G Usable Space (s.f.)	27,548
H TERMINAL RENTAL RATE	\$ 43.64
I Airline Exclusive Use Space (s.f.) ^{2/}	1,629
J Airline Exclusive Use Rent (H x I)	\$ 71,078

NOTES:

1 Any application of a revenue credit to the Terminal requirement will be determined on an annual basis at the discretion of the Authority.

2 Exclusive Use space includes ticketing and office space for Alaska Airlines, as well as ticketing kiosks and holdroom podiums for all airlines.

EXHIBIT E-2**Terminal Building Rental Rate Calculation - Common Use Formula**

	Projected FY 2024
A Operating & Maintenance Expenses	\$ 1,202,312
B Amortization	\$ -
C Capital Expenditures	\$ -
D TOTAL REQUIREMENT	<u>\$ 1,202,312</u>
E Less: Authority Discretionary Revenue Credit ^{1/}	\$ -
F NET REQUIREMENT	<u>\$ 1,202,312</u>
G Usable Space (s.f.)	27,548
H TERMINAL RENTAL RATE	\$ 43.64
I Baggage Claim Space (s.f.)	2,773
J Holdroom/Gate Space (s.f.)	4,896
K Total Common Use Space (s.f.)	<u>7,669</u>
L Total Common Use Space Rent (H x K)	\$ 334,687
M 10% Distribution	\$ 33,469
N 90% Distribution	\$ 301,218

NOTE:

- 1 Any application of a revenue credit to the Terminal requirement will be determined on an annual basis at the discretion of the Authority.

EXHIBIT E-3**Terminal Building Rental Rate Calculation - Shared Exclusive Use Formula**

	Projected FY 2024
A Operating & Maintenance Expenses	\$ 1,202,312
B Amortization	\$ -
C Capital Expenditures	\$ -
D TOTAL REQUIREMENT	\$ 1,202,312
E Less: Authority Discretionary Revenue Credit ^{1/}	\$ -
F NET REQUIREMENT	\$ 1,202,312
G Usable Space (s.f.)	27,548
H TERMINAL RENTAL RATE	\$ 43.64
I Shared Exclusive Use Ticket Counter Space (s.f.)	416
J Shared Exclusive Use Office/Bag Space (s.f.)	1,827
K Total Shared Exclusive Use Space	2,243
L Total Shared Exclusive Use Space Rent (H x K)	\$ 97,885
M Shared Exclusive Ticket Counter Rent (50-50)	\$ 18,154

NOTE:

- 1 Any application of a revenue credit to the Terminal requirement will be determined on an annual basis at the discretion of the Authority.

EXHIBIT E-4**Landing Fee Rate**

	Projected FY 2024
A Operating & Maintenance Expenses	\$ 1,524,772
B Amortization	\$ -
C Capital Expenditures	\$ -
D TOTAL REQUIREMENT	<u>\$ 1,524,772</u>
E Less: Authority Discretionary Revenue Credit ^{1/}	<u>\$ (899,100)</u>
F NET REQUIREMENT	<u>\$ 625,671</u>
G Total Airport Landed Weight (000-lbs)	357,526
H Signatory Landing Fee Rate (per 1,000 lbs)	\$ 1.75
I Total Airline Landed Weight (000-lbs)	<u>144,357</u>
J AIRLINE REQUIREMENT (H x I)	<u>\$ 252,625</u>

NOTE:

- 1 For purposes of the landing fee calculation, the discretionary credit shall be the sum of fuel flowage fee revenue and transient landing fee revenue as budgeted for the ensuing Fiscal Year. Through the initial three-year term of this Agreement (October 1, 2023 through September 30, 2026), the assessed signatory landing fee shall not be less than \$1.75 per 1,000 pounds of landed weight and shall not be higher than \$2.00 per 1,000 pounds of landed weight. If the term of the Agreement is extended, as provided under Section 2.01, the assessed signatory landing fee shall not be less than \$1.75 per 1,000 pounds of landed weight and shall not be higher than \$2.10 per 1,000 pounds of landed weight and \$2.20 per 1,000 pounds of landed weight for the first and second years of the extension, respectively.

EXHIBIT F: AFFILIATED AIRLINE IDENTIFICATION AND REQUIREMENTS

EXHIBIT F

AFFILIATE IDENTIFICATION AND REQUIREMENTS

AIRLINE”: _____

“AFFILIATE”: _____ d/b/a _____

AFFILIATE ADDRESS: _____

AFFILIATE POINT OF CONTACT: _____

Telephone: _____

Fax: _____

Email: _____

Date Start of Service: _____

Date of Termination: _____

AIRLINE and AFFILIATE acknowledge and agree that AFFILIATE will comply with all terms, conditions, covenants, and obligations as set forth in the Airport AIRLINE-AIRPORT USE AND LEASE AGREEMENT, dated October 1, 2023.

AIRLINE

By: _____

AFFILIATE

By: _____

EXHIBIT G: STATISTICAL REPORT



STATISTICAL REPORT

TO: Friedman Memorial Airport Authority – Friedman Memorial Airport

FROM: _____

SUBJECT: Statistical Report for the Month of _____

ACTUAL LANDINGS _____

TYPE OF AIRCRAFT – LANDING WEIGHTS

_____	/	_____	lbs. X	_____	landings =	_____
_____	/	_____	lbs. X	_____	landings =	_____
_____	/	_____	lbs. X	_____	landings =	_____
_____	/	_____	lbs. X	_____	landings =	_____
_____	/	_____	lbs. X	_____	landings =	_____
_____	/	_____	lbs. X	_____	landings =	_____

DIVERSIONS

_____	/	_____	lbs. X	_____	landings =	_____
_____	/	_____	lbs. X	_____	landings =	_____
_____	/	_____	lbs. X	_____	landings =	_____
_____	/	_____	lbs. X	_____	landings =	_____

ENPLANEMENTS

DEPLANEMENTS

PASSENGERS = _____

DIVERTED _____

PASSENGERS = _____

MAIL = _____ lbs.

FREIGHT = _____ lbs.

EXPRESS = _____ lbs.

DE-ICE FLUID _____ gallons