



U.S. Department  
of Transportation

**Federal Aviation  
Administration**

Office of Airport Planning  
and Programming

800 Independence Ave., SW.  
Washington, DC 20591

December 29, 2023

Mr. Craig Campbell  
Airport Director  
Ted Stevens Anchorage International Airport  
P.O. Box 196960  
Anchorage, AK 99519

**Subject: Ted Stevens Anchorage International Airport (ANC)  
FY 2023 Competition Plan Update**

Dear Mr. Campbell:

Thank you for submitting the above-reverenced Competition Plan Update (Plan Update) for Ted Stevens Anchorage International Airport (ANC). This update was required because the ANC is a Covered Airport,<sup>1</sup> and it recently negotiated a new ten-year Operating Agreement and Passenger Terminal Lease (Agreement) effective July 1, 2023. This is the fifth update from the Department of Transportation and Public Facilities (DOT&PF).<sup>2</sup>

In the submission dated August 28, 2023, the DOT&PF indicated that the new Agreement incorporated the recommendations made by the FAA in the last Update Approval Letter regarding the previous Agreement's Majority in Interest (MII) provisions as well as implementing other competitive actions. These additional changes include:

- Clarifying in Sections 6.01, 6.03, and 6.04 that MII signatory voting rights do not apply to the Airport's ability to impose and use PFCs.
- Including PFCs in the list of financing sources that are exempt from MII voting rights in Section 6.02A.
- Adding in Exhibit T to clearly outline the DOT&PF's Gate and Parking Management Protocols.

The FAA commends the DOT&PF for incorporating these changes, and the FAA finds ANC's Competition Plan Update to generally be in accordance with the applicable statutory requirements.

The DOT&PF stated it would publicly display the Plan Update on the Alaska International Airport System website in accordance with 49 USC § 47107(a)(15). However, the FAA cannot currently locate ANC's previous Plan Updates at the link provided. The FAA reminds the DOT&PF of the

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<sup>1</sup> Section 155 of the Wendell H. Ford Aviation Investment and Reform Act for the 21<sup>st</sup> Century (AIR-21), Pub. L. No. 106-181 (April 5, 2000), codified at 49 U.S.C. §§ 40117(k) and 47106(f).

<sup>2</sup> An initial Competition Plan was approved for the DOT&PF on April 11, 2023; the first Plan update was approved on February 12, 2005; the second Plan Update was approved on May 22, 2007; the third was approved in 2009; and the fourth was approved on June 10, 2014.

requirement that these reports be readily available to the public and asks the DOT&PF to notify FAA when the Plan Update is posted and provide the direct link within 30 days of the date of this letter.

In view of the above, the FAA finds ANC's Plan Update generally to be in accordance with the applicable statutory requirements. Please be aware this letter does not constitute the FAA's approval of the Agreement or any specific provisions thereof, which remain subject to all applicable Federal law and regulations. The FAA does, however, ask ANC to consider the following recommendations in the future as the FAA has found them to be helpful in remaining competitively accessible.

First, we recommend that you establish formal dispute resolution procedures. We understand that currently, disputes are negotiated between the airline and airport director. Our experience shows that proactive establishment of dispute resolution procedures provides a defined means for air carriers to seek redress.

Second, we also recommend that you develop a formal policy for announcing terminal space and adjacent aircraft parking positions availability. We also suggest that you consider posting current availability in a readily accessible place and format on ANC's website, on a regular basis, for the benefit of new entrants and existing tenants wishing to expand service.

The DOT&PF has filed (and the FAA has approved) an initial Competition Plan and five Plan Updates. Per FAA policy, no further Plan Updates are required for ANC unless certain circumstances arise.<sup>3</sup> The most common of these circumstances would be if ANC executes a new or significantly amended lease and use agreement, including an amendment due to the use of PFC financing for gates.

Please also note that, under Section 134 of the FAA Modernization and Reform Act of 2012, Pub. L. No. 112-95 (Feb.14, 2012), Congress eliminated the need for airports to include data on airfare levels and patterns of air service in Competition Plans. Thus, the FAA no longer requires this information in further updates to the ANC Competition Plan.

The Secretary of Transportation is required by law to review implementation of Competition Plans from time to time to verify each Covered Airport implements its Plan successfully. In connection with this review, the FAA may determine that it would be useful to visit your airport or hold a teleconference with airport officials. A member of my staff will contact you if the FAA decides to visit ANC in connection with its Competition Plan.

If you have any questions regarding this letter or the FAA's review of your Competition Plan, please contact David F. Cushing, Manager, Airports Financial Assistance Division at (202) 267-8827 or [Dave.Cushing@faa.gov](mailto:Dave.Cushing@faa.gov).

Sincerely,

Danielle J. Rinsler, AICP  
Director, Office of Airport  
Planning and Programming

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<sup>3</sup> See FAA Order 5100.38D, Change 1, Airport Improvement Program Handbook, Appendix W.

cc: Kristi Warden, Director, FAA Airports Division, Alaska Region  
Katrina Moss, Manager, FAA Airports Planning and Engineering Branch,  
Alaska Region



## Alaska International Airport System

P.O. Box 196960, Anchorage, AK 99519-6960

Phone: 907.266.2540

[www.aias.alaska.gov](http://www.aias.alaska.gov)

August 28, 2023

RE: Ted Stevens Anchorage International Airport  
Competition Plan Update

Orville Wright Bldg. (FOB10A)  
FAA National Headquarters  
Attn: Vanessa Balgobin, APP-510  
800 Independence Ave., SW  
Washington, DC 20591


Ms. Balgobin,

The Alaska International Airport System (AIAS), comprised of Ted Stevens Anchorage International Airport (ANC) and Fairbanks International Airport (FAI), successfully negotiated a new ten-year, fully residual Operating Agreement and Passenger Terminal Lease (OAPTL, "Agreement"), effective July 1, 2023, with its Signatory Airlines. In accordance with Federal Aviation Administration (FAA) Airport Improvement Program (AIP) Handbook, Appendix W, the AIAS submits the 2023 OAPTL to FAA along with a summary of the material changes from the 2014 Agreement.

ANC submits the following Airline Competition Plan Update. The Competition Plan Update indicates that the Ted Stevens Anchorage International Airport continues to provide consumers reasonable, competitive alternatives relative to the nature and size of interstate and intrastate destination markets. Carriers have reasonable access to Airport facilities, and the Airport welcomes both new entrants and new market service.

We look forward to your acceptance of the Ted Stevens Anchorage International Airport's Competition Plan Update.

Sincerely,



Craig Campbell  
Airport Director

### Attachments

AIAS 2023 Operating Agreement and Passenger Terminal Lease

2023 OAPTL Exhibits A through T

2013 Operating Agreement and Passenger Terminal Lease showing tracked changes

Summary of Material Changes

**STATE OF ALASKA, DEPARTMENT OF TRANSPORTATION & PUBLIC  
FACILITIES,  
ALASKA INTERNATIONAL AIRPORTS SYSTEM**

**OPERATING AGREEMENT  
AND  
PASSENGER TERMINAL LEASE**

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*Exhibits*

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**STATE OF ALASKA, DEPARTMENT OF TRANSPORTATION & PUBLIC  
FACILITIES,  
ALASKA INTERNATIONAL AIRPORTS SYSTEM  
OPERATING AGREEMENT  
AND  
PASSENGER TERMINAL LEASE**

ADA-@

This Operating Agreement and Passenger Terminal Lease (Agreement) is entered into by and between the State of Alaska, (State), acting by and through its Department of Transportation and Public Facilities (DOT&PF) and @ (AIRLINE), (together, the "Parties").

WHEREAS, the Ted Stevens Anchorage International Airport (ANC) and the Fairbanks International Airport (FAI), are owned by the State and operated by and through DOT&PF as the principal components of the Alaska International Airports System (Airport System).

WHEREAS, AIRLINE is engaged in the business of Commercial Air Transportation and desires to use facilities of the Airport System in connection with that business, and has paid all application fees associated with this Agreement and has executed and returned this agreement form to DOT&PF;

WHEREAS, DOT&PF and various airlines, @ [including] / [but not including] AIRLINE, have been party to airline operating agreements that are by their terms set to expire as of 12:00 midnight, June 30, 2023; and

WHEREAS, DOT&PF and AIRLINE (Parties) desire to enter into this Agreement to grant AIRLINE certain rights and privileges of operating at the Airports, including where appropriate, the leasing of space in a passenger terminal, and DOT&PF is willing to grant such rights and privileges under the terms and conditions contained in this Agreement;

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements contained in this Agreement, and other valuable consideration, the Parties covenant and agree as follows:

**ARTICLE 1  
Definitions**

Section 1.01. Definitions

The words and phrases recited below have the following meanings when used in this Agreement:

1. "Adjacent Aircraft Parking Position" means an Aircraft Parking Position located adjacent to a DOT&PF-operated passenger terminal building, allowing for Vehicle

Parking Positions, associated driving lane and Tug Access Routes as shown on Exhibits "I" and "J", and not separated from the building by a taxiway or aircraft maneuvering area.

2. "Affiliated Airline" means an airline that has a valid Operating Permit at the Airport and is a wholly owned subsidiary or majority-owned airline of AIRLINE or regional airline operating under the name of the AIRLINE or under the name of the AIRLINE's wholly owned subsidiary, and
  - i. flying under the AIRLINE livery; or
  - ii. flying under its own livery, and
    - a) is not selling any seats or space in its own name and all seats or space are being sold in the name of the AIRLINE that the airline is under contract to, and
    - b) has been designated as an "Affiliated Airline" of AIRLINE in writing by AIRLINE.
3. "Affiliated Airline Activity" means the flights and/or activity identified on AIRLINE's CAR performed by an Affiliated Airline.
4. "Agreement" means this State of Alaska, Department of Transportation and Public Facilities, Alaska International Airports System Operating Agreement and Passenger Terminal Lease as amended or supplemented from time to time in accordance with its terms, and includes all exhibits referenced or attached. "Agreement" includes, as applicable to Signatory Airlines other than AIRLINE, all other completed State of Alaska, Department of Transportation and Public Facilities, Alaska International Airports System Operating Agreement and Passenger Terminal Leases in this form, other than identification of specific leased premises, between the State, acting through its DOT&PF, and a Signatory Airline.
5. "Aircraft Parking Position" means a location shown on attached Exhibits "I" and "J", including an aircraft hardstand, designated for parking an aircraft, whether used for the loading, unloading, refueling or overnight or temporary storage of the aircraft.
6. "Aircraft Parking Charge Rate" means the base dollar amount calculated for each Fiscal Year under Section 9.08 of this Agreement to be the amount the Airport System charges for parking a narrow-body (single aisle) aircraft at an Aircraft Parking Position for less than four (4) hours without enplaning or deplaning revenue passengers, other than pursuant to a Preferential Use Privilege in conjunction with the lease of Preferential Use Premises.
7. "Aircraft Ramp Cost Center" means that area of paved surface within and part of the Airfield Cost Center that is used for the parking and maneuvering of aircraft and vehicles in designated areas at the Airports, consisting of Adjacent Aircraft Parking Positions, Remote Aircraft Parking Positions, Vehicle Parking Positions, and Tug Access Roads as shown on the attached Exhibits "I" and "J".

8. "Airfield Cost Center" includes all facilities, equipment and improvements located on the airside of the Airports and associated with the landing, taking off, taxiing, maneuvering and parking of aircraft, excluding areas within exclusive land-lease premises, but otherwise including, but not limited to, the Aircraft Ramp Cost Center, runways, taxiways, approach and clear zones, infield areas, safety areas, navigational aids, airfield lighting and electrical systems, and other facilities and appurtenances of the Airport System that are necessary for aircraft operations.
9. "AIRLINE" means the entity that has executed this Agreement and is identified in the first paragraph of this Agreement. The term AIRLINE includes Affiliated Airlines.
10. "Airline Majority" means Signatory Airlines not in default under this Agreement which account for more than fifty percent (50%) in number of all Signatory Airlines as of the date of any distribution of ballots to Signatory Airlines, and that account for more than fifty percent (50%) of total Signatory Airline Revenue from the immediately preceding fiscal year.
11. "Airline/Airport Affairs Committee" (AAAC) means a body composed of the designated representative of AIRLINE and the designated representative of each other Signatory Airline, appointed and authorized to act on behalf of that airline with respect to all matters required or permitted under this Agreement to be approved or undertaken by the Signatory Airlines or an Airline Majority. However, the Airline/Airport Affairs Committee shall not include any representative of a Signatory Airline during any period in which that airline is in default under that Signatory Airline's Agreement.
12. "Airport" means each of ANC (including Lake Hood Seaplane Base) and FAI, except where the context clearly indicates a specific airport. The plural "Airports" means all Airport System airports.
13. "Airport Administered Premises" means, at any time, those portions of the Terminal Cost Center not leased for the balance of the term of this Agreement to any airline or other Airport tenant, which is made available on a per-use/per-turn or a month-to-month basis to airlines for any of the uses to which Premises under this Agreement may be put but shall not include Vacant Space. Airport Administered Premises is further defined by the following categories of use:

Per-Turn: Holdrooms not leased as Preferential Use Premises, together with an associated Adjacent Aircraft Parking Position.

Per-Use: Ticket counter spaces not leased as Preferential Use Premises, together with an associated baggage make-up area.

Month-to-Month: Those portions of the Terminal Cost Center used for functions to which Exclusive Use Premises may be put, that are leased by an

airline on a month-to-month basis which may be set forth in supplemental exhibit to this Agreement.

14. "Airport Director" means, for each Airport, the person to whom DOT&PF delegates primary authority to act on its behalf at that Airport, as well as any designee acting on behalf of that person.
15. "Airport Directives" means the Airport bulletins, notices, orders, and instructions issued by the Airport Director to facilitate day-to-day operation of the Airport and to implement rules and regulations promulgated by state and federal agencies.
16. "Airport System" means the Alaska International Airports System, including both ANC and FAI, and all current facilities and future additions, improvements or enlargements of the Alaska International Airports System.
17. "ANC" means Ted Stevens Anchorage International Airport, including its current facilities, all land and water within its boundaries, including Lake Hood Airport Complex, and all rights and easements held by DOT&PF associated with it (all as shown on attached Exhibit "A") and any future additions, improvements or enlargements of Ted Stevens Anchorage International Airport, and includes all facilities owned by DOT&PF functionally related to, or required by or for, operations at the Airport, whether or not located within or outside its boundaries.
18. "Anchorage CPI" means the Consumer Price Index – All Urban Consumers ("CPI-U") established for the Municipality of Anchorage by the United States Department of Labor, or the most closely equivalent successor index.
19. "Annual Debt Service" means the total dollar amount of required deposits in a Fiscal Year to all interest, principal and sinking fund accounts established by the Bond Resolution for any outstanding Bonds and to replenish the Bond Reserve Fund and the Repair and Replacement Reserve Account as those terms are defined in the Bond Resolution.
20. "Annual Legislative Budgets" means the State Legislative capital and operating budgets for the Airport System adopted by the Legislature and approved by the Governor of the State of Alaska.
21. "Annual Rates and Fees Budgets" means the Airport System's annual capital and operating budgets that, as subsets of the Annual Legislative Budgets, serve as basis and input for the calculation of annual Airport System rates and fees.
22. "Bond" means all bonds, notes or other debt obligations issued under Alaska Statutes 37.15.410 - 37.15.550, as amended or superseded.

23. "Bond Resolution" means Resolution 99-01 adopted by the State Bond Committee of the State of Alaska, together with all supplemental, additional and superseding resolutions providing for or relating to the issuance of Bonds.
24. "Capital Improvement Program" means that schedule of Capital Projects and the GCP Allowances described in attached Exhibit "C" to this Agreement.
25. "Capital Project" means any physical asset or program that has an expected useful life greater than three years, and is purchased or constructed to improve, protect, maintain, or develop the Airport System.
26. "Certificated Maximum Gross Takeoff Weight" means the maximum Takeoff weight at which each aircraft may be configured and operated under FAA authorization as articulated in a list established by AIAS for use by AIRLINE in performing monthly CAR reporting. The list was initially established in consultation with AAAC and is subject to periodic amendment in consultation with AAAC.
27. "Certified Activity Report" (CAR) means a statement of the information required to be submitted monthly to DOT&PF by AIRLINE under Section 11.01.C of this Agreement, and certified on behalf of AIRLINE to be complete and accurate.
28. "Commercial Air Transportation" means the carriage for compensation of passengers, property, freight, or mail by one or more aircraft of FAA Design Group II or larger or having a Certificated Maximum Gross Takeoff Weight of six thousand (6,000) pounds or more, making not less than one hundred fifty-six (156) Landings or not less than fifty (50) international passenger Landings at the Airports in each consecutive twelve (12)-month period.
29. "Common Use Premises" means those portions of the Terminal Cost Center leased non-exclusively and non-preferentially to AIRLINE for joint use along with other airlines and Airport tenants. Among other areas, this space includes common-use bag claim space, portions of bag make-up space, tour bag storage space, common-use bag storage space, and common-use cold storage space.
30. "Consultation" means a discussion at an AAAC meeting or contact soliciting comment on an issue by telephone, e-mail or other means from all affected Signatory Airlines that are not in default of this Agreement.
31. "Debt Service Coverage" means the dollar amount that the Airport System is obligated under the Bond Resolution to collect for a Fiscal Year in Revenues net of M&O Expenses, in excess of required deposits for that Fiscal Year to all interest, principal and sinking fund accounts established under the Bond Resolution.
32. "Deferred Allowance Projects" are projects specifically identified by the respective Airport Director to be deferred to future fiscal years and do not exceed the Fiscal Year funding authorization limits described in Section 6.01.E.2.

33. "Designated Signatory Airline Activity" means any cargo flights and/or cargo activity identified on AIRLINE's CAR performed by another airline where that airline has not sold any seats or cargo space in its own name and all seats or cargo space are sold in the name of AIRLINE. The airline flights or activities cannot be designated on AIRLINE's CAR unless the airline is a signatory to an Operating Agreement or holds a current Operating Permit and is otherwise in compliance with all Airport requirements.
34. "Enplaned Passenger" means each revenue and non-revenue passenger who embarks at an Airport to (i) originate air travel, (ii) transfer between aircraft of the same airline, or (iii) transfer between aircraft of different airlines. "Enplaned Passenger" does not include a through-passenger traveling on an aircraft that stops at an Airport but does not change planes or leave the Airport before resuming travel on the same aircraft.
35. "Environmental Law(s)" means any applicable federal, state or local law, statute, code, ordinance, rule or regulation, permit or other governmental agency requirement or approval relating to the environment, including without limitation any final order or interpretation of any Environmental Law by a court or governmental agency with competent jurisdiction.
36. "Excess Revenues" means all the Debt Service Coverage collected for a Fiscal Year and not needed to pay costs or satisfy obligations of the Airport System for that Fiscal Year.
37. "Exclusive Use Premises" means those areas and facilities in the Terminal Cost Center leased to AIRLINE for its sole use and occupancy. Exclusive Use Premises are authorized to be used for office space, lost and unclaimed baggage offices, airline operations and maintenance areas, ground and air crew accommodation, storage space, and VIP lounges.
38. "FAA" means the Federal Aviation Administration created under the Federal Aviation Act of 1958, as amended, and any superior or successor agency with primary jurisdiction over commercial air transportation, and oversight of airports that serve commercial air transportation, in the United States.
39. "FAI" means Fairbanks International Airport, including its current facilities, all land and water within its boundaries, including its seaplane base, and all rights and easements held by DOT&PF associated with it (all as shown on attached Exhibit "B") and any future additions, improvements or enlargements of Fairbanks International Airport, and includes all facilities owned by DOT&PF functionally related to, or required by or for, operations at, the Airport, whether or not located within or outside its boundaries.

40. "Federal Inspection Services" (FIS) is used to refer to all or any of the federal agencies, excluding the TSA, that process arriving aircraft, airline passengers and crews for entry into the United States.
41. "Flight Number" means the unique airline flight identifier on an official flight plan form filed with FAA related to a landing and associated billable activity at an Airport System airport.
42. "Fiscal Year" means that twelve calendar month period commencing each July 1<sup>st</sup> and concluding the next June 30<sup>th</sup>, or such other twelve calendar month period selected by DOT&PF as the annual accounting period for the Airport System for general accounting purposes.
43. "Force Majeure" means with respect to a material obligation of DOT&PF or AIRLINE under this Agreement, an unexpected or uncontrollable event including but not limited to, strike, boycott, labor dispute, embargo, shortage of energy or materials, act of God, act of war or terrorism, military disturbance, pandemic, act of superior governmental authority, weather condition, riot, rebellion, sabotage, or any other circumstance for which the party is not responsible or which is beyond its control that prevents the obligated party from performing that obligation.
44. "Former Agreements" means each Alaska International Airports System Operating Agreement and Passenger Terminal Lease between DOT&PF and any airline providing for use of Airport facilities, with or without rental of terminal space, the term of which were originally set to expire by their terms at 12:00 midnight, Alaska Time, June 30, 2006 or June 30, 2013, or June 30, 2023, respectively.
45. "Fund Deposit Requirement" means, for any Fiscal Year and for each fund and account described in either the Bond Resolution or Article 10 of this Agreement, the greater of the amount required under the Bond Resolution or Article 10 of this Agreement to be deposited for that Fiscal Year into that fund or account. The combined total of such individual Fund Deposit Requirements is referred to in the aggregate as the "Fund Deposit Requirements."
46. "Funds" means those funds created pursuant to the Bond Resolution, together with those funds established pursuant to Article 10 of this Agreement.
47. "Gate" means an Adjacent Aircraft Parking Position, associated holdroom space within the terminal, and a passenger loading bridge. A Ground Load Gate is a Gate without a passenger loading bridge. An Airport Administered Gate is a Gate that is not preferentially leased and is Airport Administered Premises. A Preferential Use Gate is a Gate that is preferentially leased and is Preferential Use Premises.



48. "Gate and Parking Management Protocols" means the framework of protocols developed by the DOT&PF in consultation with the Signatory Airlines through the AAAC to manage assignment of Adjacent Aircraft Parking Positions and associated unleased terminal space and Remote Aircraft Parking Positions. These protocols are subject to change by the DOT&PF from time to time. The Gate and Parking Management Protocols are included as Exhibit "T".
49. "Hazardous Substances" means any substance that is defined under an applicable environmental law as hazardous waste, hazardous substance, hazardous material, toxic, pollutant, or contaminant, as well as any petroleum, petroleum product, or oil.
50. "IARF" means the International Airports Revenue Fund and any other fund or group of funds established now or in the future pursuant to ALASKA STAT. § 37.15.430 and as amended or superseded.
51. "Landing" means any landing at the Airports after which the aircraft comes to a complete stop, excluding equipment test flight landings and returns to ANC or FAI because of mechanical problems or weather. A "touch-and-go" in which an aircraft touches down, but then takes off again without ever coming to a complete stop is not a "Landing."
52. "M&O Expenses" means, for any Fiscal Year, the costs incurred by DOT&PF, either directly or indirectly, to maintain and operate the Airport System and its facilities during that Fiscal Year, including, without limitation (but exclusive of expenses that the Airport System capitalizes in connection with a Capital Project):
  - a. all costs and expenses incurred by DOT&PF for its employees assigned to the Airport System, or doing work for or in support of the Airport System, including direct salaries and wages (including overtime pay), payments or costs for payroll expense, such as payments to pension funds, retirement funds or unemployment compensation funds, life, health, accident and unemployment insurance premiums, deposits for self-insurance, vacation and holiday pay, and other fringe benefits;
  - b. costs of materials, supplies, machinery and equipment and similar expenses for the Airport System and not capitalized under generally accepted accounting principles;
  - c. costs of contractual services for maintenance, janitorial, landscaping, decorating, repairs, renewals and alterations and any similar functions for the Airport System and neither reimbursed by insurance, in consequence of a duly submitted insurance claim, nor capitalized under generally accepted accounting principles;
  - d. costs of water, electricity, natural gas, telephone service, multiple user telecommunications and data networking systems, flight information display

- and baggage information display systems, common user terminal equipment and all other utilities and services to the Airport System, whether furnished by DOT&PF or furnished by independent contractors and purchased by DOT&PF;
- e. costs of rentals for real property, rental equipment and other personal property relating to the Airport System;
  - f. costs of premiums or assessments for insurance, including property damage, public liability, burglary, employee bonds, workers' compensation, disability, automobile and all other insurance covering any part of the Airport System and its operations;
  - g. the amount of any judgment or settlement arising out of DOT&PF's ownership, maintenance or operation of the Airport System payable by DOT&PF during that Fiscal Year, including, without limitation, the amount of any judgment or settlement resulting from claims, actions, proceedings or suits alleging a taking of property or interests in property without just compensation, trespass, nuisance, noise, property damage, personal injury or similar claims, actions, proceedings or suits based upon environmental or health and safety impacts, including, without limitation, those resulting from the use of the Airports for the landing and taking off of aircraft;
  - h. costs incurred, without recovery, to perform any obligation of any defaulting tenant or permittee, including costs to satisfy, remove or discharge any contractor's, mechanic's or materialman's lien, together with all costs incurred in collecting and attempting to collect any sums due DOT&PF in connection with the ownership and operation of the Airport System;
  - i. costs of advertising by DOT&PF at or on behalf of the Airport System;
  - j. costs to compensate persons, firms or other government agencies appointed or engaged, from time to time, by DOT&PF to render advice and perform architectural, engineering, construction management, financial, legal, accounting, testing, consulting or other professional services in connection with the operation, expansion, alteration, reconstruction, betterment or other improvement of the Airport System or any Airport structures, facilities or systems;
  - k. costs of providing services to the Airport System by DOT&PF, including Six Hundred and Eighty Thousand dollars (\$680,000) per Fiscal Year inflated each year by Anchorage CPI to cover a portion of the costs of operating, but not the capital costs of, the State-owned airport at Cold Bay, Alaska, the services of which are beneficial to the Airport System as a part of the State's air transportation system;

- l. any other cost incurred by or allocated to the Airport System to comply with any valid rule, regulation, policy or order of any federal, state or local government, agency or court; and
  - m. all other direct and indirect expenses, whether similar or dissimilar, which arise out of DOT&PF's ownership, maintenance or operation of the Airport System, including any tax payable by DOT&PF which may be lawfully imposed upon the Airport System by an entity other than DOT&PF.
53. "Minimum Utilization Rate" means that level of average use of one or more Adjacent Aircraft Parking Positions that AIRLINE must have maintained to be entitled to continue to lease the terminal facilities associated with those Adjacent Aircraft Parking Position(s) as Preferential Use Premises after utilization review under Article 4 of this Agreement. The applicable Minimum Utilization Rate is stated as a number of seats over a twelve (12)-month period on combined Signatory Airline and its Affiliated Airline aircraft using each Adjacent Aircraft Parking Position grouped by, for example, maximum type, size, or seating capacity of aircraft permitted as described for each Airport in the attached Exhibit "D".
54. "Non-Airline Revenues" means, for any Fiscal Year, all Revenues except Landing fees, terminal fees, fueling fees and aircraft parking fees.
55. "Non-Passenger Flight" means an aircraft operation, consisting of an arrival and a departure, during neither of which the aircraft is transporting revenue passengers.
56. "Non-Signatory Airline" means any commercial air carrier that uses any Airport System facilities but is not a Signatory Airline.
57. "Non-Signatory Revenues" means, for any Fiscal Year, all Revenues derived from Non-Signatory Airlines.
58. "Other Buildings and Grounds Area Cost Center" includes all other areas, facilities, installations, and improvements of the Airport System not included in the Airfield Cost Center, Aircraft Ramp Cost Center or the Terminal Cost Center.
59. "PFC" means each Passenger Facility Charge and any other charge per passenger authorized under 49 U.S.C. § 40117, or any amendment or successor law, and approved by the FAA for collection with respect to an Airport.
60. "Parties" means AIRLINE and DOT&PF.
61. "Passenger Flight" means an aircraft operation, consisting of an arrival and a departure, during either of which the aircraft is transporting one or more revenue passengers, whether or not the aircraft is also being used to transport cargo.

62. "Preferential Use Premises" means those areas and facilities in the Terminal Cost Center leased to AIRLINE for its use and occupancy on a basis that gives it priority of use over all other users, subject to the provisions of this Agreement. Preferential Use Premises are authorized to be used for such functions as accommodating passengers (such as boarding gate holdrooms), ticketing, baggage handling, sorting, makeup and redelivery.
63. "Preferential Use Privilege" means a right to priority of use over all other users, subject to the provisions of this Agreement including the Periods of Use outlined in the Gate and Parking Management Protocols.
64. "Premises" means all areas and facilities within the Terminal Cost Center leased to AIRLINE under this Agreement, as shown in Exhibits "E", "F", "K" and "L". The area of each portion of the Premises is agreed to be that stated in the respective exhibit to this Agreement. Any adjustment to that area due to correction of any inaccuracy of measurement shall be applied prospectively only from the date of correction.
65. "Rate Covenant" means Section 4.10 of the Bond Resolution and any similar provision of any supplemental or additional resolution providing for the issuance of Bonds.
66. "Release" means the same as defined in ALASKA STAT. § 46.03.826(9).
67. "Remote Aircraft Parking Position" means an Aircraft Parking Position other than an Adjacent Aircraft Parking Position.
68. "Rentable Premises" means, at any time, all areas of the Terminal Cost Center that are leased, and all Airport Administered Premises, except for areas devoted to Airport concessions or leased by any entity entitled under state or federal law to occupancy without charge.
69. "Requesting Airline" means a commercial air carrier that requests use of State-owned terminal facilities at an Airport for new or expanded service.
70. "Revenues" means all revenues, fees, charges and rentals derived by DOT&PF from the ownership, lease, use and operation of the Airports, their facilities and improvements, and any facilities and improvements used in connection with them. "Revenues" includes all income earned from the investment of funds required by the Bond Resolution, but does not include the proceeds of any State tax or license, the proceeds of any borrowing by the State, the payment to DOT&PF in respect of debt service on special facility bonds or other special obligations so long as the debt service thereon is not included in the calculation of Airport System rents and fees under this Agreement, PFCs, federal grants-in-aid, or proceeds of condemnation awards or insurance other than business interruption insurance.

71. "Signatory Airline" means, at any time, AIRLINE and each other air carrier that is engaged in Commercial Air Transportation and that has entered into this Operating Agreement and Passenger Terminal Lease with DOT&PF, which Operating Agreement and Passenger Terminal Lease is then in effect.
72. "Terminal Cost Center" includes the State-owned terminal complexes at ANC and FAI, including the passenger terminal buildings with all of their State-owned appurtenances, fixtures and equipment within the drip-line of the building, public parking, employee parking, curbside areas, related landscaping, and access or circulation roads and rights-of-way now or hereafter located thereon.
73. "Terminal Rental Rate" shall be the rate calculated pursuant to Section 9.03 to be paid by airlines.
74. "TSA" means the Transportation Security Administration created under the Homeland Security Act of 2001, as amended, and any superior or successor agency with primary jurisdiction to protect the nation's transportation systems through security regulation and oversight of airports that serve commercial air transportation, in the United States.
75. "Tug Access Routes" means those areas within the Adjacent Aircraft Parking Position area made available for tug routes from the baggage make-up areas within a Terminal.
76. "Turn" means one Landing and departure of an aircraft, whether in transit under a single flight number, or under differing inbound and outbound flight numbers.
77. "Usable Premises" means, at any time, the number of square feet in all of the Airport System terminal buildings excluding those areas and facilities that are used by or provided for mechanical, electrical and plumbing equipment.
78. "Vacant Space" means any space that is deemed by the Airport Director to be not in active use.
79. "Vehicle Parking Position" means a location shown on attached Exhibits "I" and "J" designated for parking a vehicle, whether designated for use by AIRLINE, other airlines and Airport tenants, Airport staff, or contractors.
80. "VIP Lounge" means an Exclusive Use Premises used by AIRLINE as a restricted-access waiting area.

## **ARTICLE 2**

### **Term**

#### Section 2.01. Effective Date of Agreement

A. The effective date of this Agreement shall be July 1, 2023, provided that it has been signed by both parties as of that date.

B. So long as an Agreement is in effect between DOT&PF and other Signatory Airlines, if AIRLINE was not a signatory as July 1, 2023, this Agreement shall become effective for all purposes as to AIRLINE on the first day of the month following its execution by both Parties.

#### Section 2.02. Expiration of Agreement

This Agreement shall, unless earlier terminated under its provisions, expire at 12:00 midnight, Alaska Time, June 30, 2033.

#### Section 2.03. Expiration Procedure and Holdover Tenancy

DOT&PF is not required to give AIRLINE notice to quit possession of the Premises at the expiration of this Agreement. Upon expiration of this Agreement, AIRLINE's right to possession shall cease without further notice, and DOT&PF shall have the right to take possession of the Premises. If after the expiration of this Agreement, AIRLINE holds over with the written consent of DOT&PF, but without a written renewal, the holding over will not operate as a renewal of this Agreement but will create only a month-to-month extension, regardless of any rent or fee accepted by DOT&PF. In that case, the obligations of DOT&PF and AIRLINE to perform under this Agreement shall continue month-to-month until the holdover terminates, provided, however, that DOT&PF shall cease to be bound by the provisions relating to the calculation of rates, fees and charges, which DOT&PF may then alter in any reasonable manner not contrary to the Bond Resolution or any controlling law. Either party may terminate the holdover at any time by giving the other party at least sixty (60) days advance written notice.

### **ARTICLE 3**

#### **Use of the Airport System**

#### Section 3.01. Use, Generally

A. AIRLINE shall enjoy the use of the Airport System, in common with others so authorized, for the purpose of conducting its Commercial Air Transportation business, and subject to the terms and conditions of this Agreement, the requirements of all applicable laws, codes, and regulations, and the requirements of all FAA-required rules, policies, procedures and all Airport Directives promulgated by DOT&PF. DOT&PF agrees not to discriminate unjustly against AIRLINE in the enforcement of DOT&PF's rules, regulations, policies and procedures. In connection with AIRLINE's use of the Airport System as described above in this Section, AIRLINE may perform functions and conduct operations at the Airports reasonably necessary to its Commercial Air Transportation business. In accordance with the foregoing, AIRLINE's right of use shall include, but not be limited to, the following specific rights:

1. The landing and taking off of its aircraft from Airport System runways;
2. The ground movement of its aircraft on Airport System taxiways and taxilanes;
3. The parking, loading, unloading, servicing and fueling of its aircraft in areas designated by DOT&PF for that use in accordance with the Gate and Parking Management Protocols;
4. The right to install, maintain and operate such aviation radio, communications, meteorological and aerial navigation equipment and facilities as may be necessary or convenient in AIRLINE's opinion for its operation, subject to the prior written consent of DOT&PF, which consent shall not unreasonably be withheld;
5. The right to provide a VIP Lounge, and to sell in the VIP Lounge goods and services, including food and beverages, approved in writing by DOT&PF, provided that AIRLINE reports gross revenues received from such sales on a CAR submitted under Section 11.01.C. of this Agreement and pays to DOT&PF a concession fee of ten percent (10%) of gross revenues received from any such sales;
6. The right in Exclusive Use Premises to sell proprietary branded items or products, excluding food and beverages, bearing the name of AIRLINE or displaying directly associated AIRLINE service marks, trademarks, or logos without a concession fee.
7. The right to provide skycap services, through its own forces or through a contractor that has obtained prior written permission from DOT&PF via a permit or other written form of agreement authorizing such skycap services; and
8. The right to purchase fuels, lubricants, and any other goods and services at, or to be delivered or performed at, the Airport, and that AIRLINE needs to conduct Commercial Air Transportation, from any person, firm or corporation providing the same at the Airports with any required permission from DOT&PF.

B. The right to perform all functions directly and reasonably related to AIRLINE's Commercial Air Transportation shall not be construed to include:

1. The performance of ground-handling services (other than on an occasional one (1)-flight basis), except as provided under Section 13.03 of this Agreement;
2. The performance of services other than air transportation for other airlines or other Airport users absent prior written approval by DOT&PF;
3. The sale of any goods or services on the Airport other than air transportation unless in compliance with express written approval by DOT&PF;

4. The parking of ground support equipment ("GSE") on an Airport other than (i) on AIRLINE's Premises or other premises with the consent of the lessee of that premises, or (ii) in a location authorized by DOT&PF and after AIRLINE has paid for and affixed on the piece of GSE a GSE parking fee sticker to the extent required under Section 7.01.B.12;

5. The conduct of any other business on the Airport whether or not related to, or affiliated with, Commercial Air Transportation; or

6. The parking of aircraft on the Airport other than (i) on AIRLINE's Premises or other premises with the consent of the lessee of the premises, or (ii) in a location and for the duration authorized by the Airport Director.

### Section 3.02. Restrictions

A. AIRLINE shall not use or permit the use of any portion of its Premises for any unlawful purpose. Neither shall it sell nor offer for sale on the Airport any product or service other than air transportation unless expressly provided herein.

B. AIRLINE shall not do or permit to be done anything that may interfere with the safe and efficient operation of any of the following systems installed on or serving any portion of the Airport: drainage, water, sewer, fire protection, communications, electrical, plumbing, heating, ventilation, air conditioning, and natural gas.

### Section 3.03. Reservations

A. The Airport Director may, from time to time with advance notice and coordination with the Signatory Airlines when circumstances permit, close roadways, taxiways, taxiways, runways, apron areas, portions of the terminals, or any other portion of the Airport, either temporarily or permanently, when circumstances warrant; provided, however, that the Airport Director will make reasonable efforts to provide alternate means of ingress, egress and movement on the Airport and within the terminals.

B. DOT&PF reserves the right to install in any or all of its passenger terminals multiple user telecommunications and data networking systems (including, among other things, , multi-user flight information display systems, multi-user baggage information display systems, and shared use terminal equipment at Airport Administered Premises) and a premises wiring system and to act as the exclusive provider of such equipment and systems. DOT&PF will develop and keep up-to-date any such system with notice to and coordination with AIRLINE, and use DOT&PF's best efforts to accommodate AIRLINE's particular needs to the extent practicable. AIRLINE agrees to connect to and use any such systems or equipment whether installed by DOT&PF within or outside AIRLINE's Premises, and to furnish DOT&PF such data and other information required for the proper operation of such systems and equipment.



## **ARTICLE 4**

### **Lease of Premises**

#### Section 4.01. DOT&PF Terminal Management Policy

A. DOT&PF's policy and obligation is to manage Airport System terminals to serve the traveling public, maximize efficient utilization of space and facilities, facilitate the transportation of passengers and goods, optimize competitive opportunities for airlines, and retain the ability to accommodate both new entrant airlines and periodic service expansions and contractions by incumbent airlines. Accordingly, DOT&PF must retain sufficient flexibility to close, renovate, demolish, or reconstruct terminal space and facilities from time to time, and, in accordance with the provisions of this Agreement, to relocate airlines and concessionaires and tenants temporarily or for the balance of their tenancies in order to accomplish these objectives.

B. In support of DOT&PF's obligation to optimize competitive opportunities for new entrants and incumbent airlines, AIRLINE will, together with the other Signatory Airlines, in good faith cooperate fully with DOT&PF to seek resolution to any conflicting demand for direct lease, rental or Airport Administered use of unleased terminal space and privileges for associated Adjacent Aircraft Parking Positions, including space that becomes available due to the expiration of a lease at the expiration or termination of an Agreement. DOT&PF will establish and inform AIRLINE of a system for providing notice of the availability of terminal space and, to the extent legally permissible, a procedure affording the AAAC a reasonable opportunity to work out a resolution if any two or more airlines apply to lease, rent, or otherwise use any particular portion of unleased terminal space for the same or overlapping periods. AIRLINE will cooperate in good faith with such efforts, including the Gate and Parking Management Protocols, but the ultimate authority for allocation of terminal space shall at all times remain in DOT&PF.

#### Section 4.02. Premises and Preferential Use Privileges

A. DOT&PF hereby leases to AIRLINE, and AIRLINE leases from DOT&PF, "as is," without warranty and subject to build-out or refurbishment only at AIRLINE's sole expense under an Airport-approved building permit and under the terms of this Agreement, the following Premises:

1. Exclusive Use Premises shown on attached Exhibits "K" and "L" (with permitted uses of such space described on attached Exhibits "E" and "F");
2. Preferential Use Premises shown on attached Exhibits "K" and "L" (with permitted uses of such space described on attached Exhibits "E" and "F").

B. Common Use Premises, shown on attached Exhibits "O", "P", and "Q" are hereby made available for AIRLINE's joint use along with other airlines and Airport tenants.

C. Airport Administered Premises will be made available by DOT&PF pursuant to this Agreement for common, shared, or temporary use on a per-Turn, Per-Use and Month-to-Month basis by AIRLINE and any other airline on fair and reasonable terms documented independently from but subject to the terms of this Agreement, without unjust discrimination.

D. So long as AIRLINE leases any Preferential Use Premises associated with a designated Adjacent Aircraft Parking Position, AIRLINE shall have a Preferential Use Privilege in that Adjacent Aircraft Parking Position. Designated Adjacent Aircraft Parking Positions associated with particular Preferential Use Premises are shown on attached Exhibits "I" and "J" (with permitted uses of such Adjacent Aircraft Parking Positions described on attached Exhibits "E" and "F").

E. AIRLINE may have the opportunity to lease positions for the parking of vehicles in assigned Vehicle Parking Positions if it does not lease any Adjacent Aircraft Parking Positions. In such event the designated Vehicle Parking Positions will be shown on attached Exhibits "I" and "J" (with permitted uses of such Vehicle Parking Positions described on attached Exhibits "E" and "F").

F. Except by written consent of DOT&PF, AIRLINE shall not use any terminal space that is not a part of its Premises under this Agreement. However, if at any time AIRLINE has, without either written consent of DOT&PF or a DOT&PF-approved sublease, used any terminal space not formally leased to AIRLINE, or an Adjacent Aircraft Parking Position designated as associated with terminal space not formally leased to AIRLINE, then AIRLINE shall pay DOT&PF for such unauthorized use. AIRLINE's payment for such unauthorized use shall be the greater of the rent or use charge that would be applicable to such terminal space if that space were leased by AIRLINE under this Agreement, or any charge that would be applicable to AIRLINE's use of that space as Airport Administered Premises. Use of Common Use Premises by AIRLINE for functions designated for Exclusive Use Premises or Preferential Use Premises shall also be deemed an unauthorized use under this provision, for which use AIRLINE shall pay to DOT&PF any difference between AIRLINE's Common Use Premises rate for use of such space and the greatest rate chargeable for the type of premises for which AIRLINE's actual use is designated under this Agreement. AIRLINE agrees to report to DOT&PF any unauthorized use by AIRLINE under this Section within ten (10) days of the use, and to pay to DOT&PF all applicable charges for the unauthorized use within ten (10) days of receipt of an invoice from DOT&PF. So long as AIRLINE makes any unauthorized use of space as described in this Section, AIRLINE shall pay DOT&PF for the space, but no acceptance of payment by DOT&PF shall render the use authorized or entitle AIRLINE to retain possession of the space. Such payment will be credited toward, but will not substitute for, or work a release of, any other damages to which DOT&PF may be entitled. Unless and until DOT&PF approves an application from, and leases such space to, AIRLINE, DOT&PF may require the surrender of the space at any time.

#### Section 4.03. Mid-term Premises Adjustment

AIRLINE shall have a one (1)-time right to reduce its Exclusive Use Premises or Preferential Use Premises by an amount not to exceed fifty percent (50%) of the aggregate square footage of its leased Premises by providing DOT&PF with written notice of its intent to do so not later than January 31, 2028. To reduce the leased Premises and rent the AIRLINE and DOT&PF will execute a supplement to this Agreement that will become effective on the later of June 30, 2028, or on the date AIRLINE has executed the supplement. AIRLINE will return space relinquished pursuant to this Section in accordance with the terms of this Agreement.

#### Section 4.04. Utilization Requirement for Lease of Preferential Use Premises

A. During the term of this Agreement, Signatory Airlines, including AIRLINE if AIRLINE leases Preferential Use Premises, will be subject to the utilization rate review procedures set forth in this Section to determine entitlement to retain leasehold interest in their Preferential Use Premises.

B. To be entitled to retain the lease of one or more Preferential Use Premises, for which DOT&PF has designated associated Adjacent Aircraft Parking Position(s), AIRLINE must have achieved and maintained for the most recent twelve (12) months for which data are available prior to utilization review, and state its intention to continue to maintain, average utilization of those Adjacent Aircraft Parking Positions equal to at least the applicable Minimum Utilization Rate. For any period during which Force Majeure, as described in Section 18.07, substantially impairs AIRLINE's ability to achieve or maintain the Minimum Utilization Rate at a Preferential Use Privilege Aircraft Parking Position, the Minimum Utilization Rate for that Preferential Use Privilege Aircraft Parking Position will be reduced in proportion to the duration of the period of Force Majeure.

C. No earlier than July 1, 2024 and thereafter at intervals no shorter than twelve (12) months after the most recent utilization review, DOT&PF may determine AIRLINE's utilization of its Preferential Use Premises using: (i) CAR information received from AIRLINE under Section 11.01 of this Agreement, (ii) AIRLINE's response to an inquiry as to future intended utilization, and (iii) any other reliable data to ascertain performance of Signatory Airlines against the Minimum Utilization Rates. A Signatory Airline's failure to achieve an applicable Minimum Utilization Rate neither requires DOT&PF to reduce that airline's preferential use premises nor precludes DOT&PF from leasing to that Signatory Airline additional preferential use premises. If DOT&PF has no pending demand for use of a preferential use premises, does not expect such demand before the next rate review, and determines that federal competition planning principles do not oblige DOT&PF otherwise, DOT&PF does not intend unilaterally to reduce the preferential use premises of any Signatory Airline, including AIRLINE, despite its failure to maintain the Minimum Utilization Rate. However, DOT&PF may, in its sole discretion, reduce the preferential use premises of any Signatory Airline, including AIRLINE that has failed to maintain an applicable Minimum Utilization Rate. If DOT&PF expects to experience demand for use of preferential use premises before the next rate review, DOT&PF may reduce the preferential use premises of a Signatory Airline, including AIRLINE, that fails to maintain the Minimum Utilization Rate for the premises, but allow that airline to remain in

occupancy under an Airport Administered Premises permit at the lower Terminal Rental Rate until any such demand arises. DOT&PF must, within two (2) months of the date of any utilization review under this Section, send notice of any decision to reduce AIRLINE's Preferential Use Premises due to AIRLINE's failure to maintain the Minimum Utilization Rate. In the event DOT&PF decides not to reduce AIRLINE's Preferential Use Premises despite AIRLINE's failure to maintain the Minimum Utilization Rate, then AIRLINE shall continue to lease all of its Preferential Use Premises for the balance of the term of this Agreement, subject only to adjustment based upon a subsequent utilization review under this paragraph.

D. If DOT&PF decides to reduce AIRLINE's Preferential Use Premises, if any, due to AIRLINE's failure to maintain the Minimum Utilization Rate, DOT&PF shall provide not less than thirty (30) days written notice to AIRLINE stating the amount of reduction in AIRLINE's Preferential Use Premises. Such reduction must be not more than reasonably proportional to the percentage of AIRLINE's Adjacent Aircraft Parking Positions with respect to which AIRLINE failed to maintain the Minimum Utilization Rate. DOT&PF will accomplish any reduction in the Preferential Use Premises under this paragraph by delivering to AIRLINE a self-effective supplement, including updated Exhibits "E", "F", "I", "J", "K" and "L" (where applicable) identifying AIRLINE's deleted and remaining Preferential Use Premises. Such self-effective supplement will relieve AIRLINE of all prospective rents and other prospective charges or liabilities with respect to the Preferential Use Premises withdrawn from its lease except as may be provided under any new Airport Administered Premises permit of the same space to AIRLINE. Preferential Use Premises that DOT&PF withdraws from AIRLINE shall be available to DOT&PF for either use as Airport Administered Premises or preferential leasing to another air carrier. For purposes of AIRLINE's obligation to vacate Premises and surrender them to DOT&PF, withdrawal of Preferential Use Premises under this Section will be deemed partial termination of a portion of the Premises under Section 14.05 of this Agreement. However, AIRLINE shall have thirty (30) days after the date of a notice of Premises reduction under this Section to remove all removable furniture, furnishings, fixtures, and equipment under Section 14.06, or to make provision acceptable to DOT&PF for their removal, sale to, or acceptance by the DOT&PF. However, DOT&PF may require that pending removal, passenger loading bridges, baggage-handling equipment, furniture and other appurtenances reasonably necessary for the effective use of the withdrawn Preferential Use Premises be made available for use by any airline that DOT&PF permits to use those Premises. In such case, DOT&PF shall fashion an operating arrangement for use of AIRLINE's property that is reasonably fair to the airline parties and that allows AIRLINE to recover its unamortized costs for property and equipment owned by AIRLINE that are affixed to or associated with the withdrawn Preferential Use Premises. AIRLINE's privileges and obligations with respect to all Preferential Use Premises that AIRLINE retains shall remain in full force and effect.

E. Utilization that would otherwise be sufficient to entitle AIRLINE to retain a greater number of Adjacent Aircraft Parking Positions than are actually associated with the Preferential Use Premises that AIRLINE leases at the time of utilization review, will neither guarantee to nor entitle AIRLINE to lease additional preferential use premises nor to gain

a Preferential Use Privilege as to an additional Adjacent Aircraft Parking Position. However, in the event that a utilization review reveals that AIRLINE's total number of seats during the relevant twelve (12)-month data period were high enough to have otherwise entitled AIRLINE to retain a Preferential Use Privilege at more Adjacent Aircraft Parking Positions than are associated with the Preferential Use Premises AIRLINE is then actually leasing, and if an Adjacent Aircraft Parking Position and related terminal facilities are available from the pool of Airport Administered Premises and are physically located adjacent to, or in reasonable proximity to AIRLINE's other Premises, then DOT&PF may, at AIRLINE's request, withdraw such terminal facilities from the Airport Administered Premises category and lease them as Preferential Use Premises to AIRLINE. In so doing, DOT&PF shall seek to avoid causing unreasonable operational or competitive disadvantage to another airline and to avoid causing unusual expense to the Airport System or to other parties, provided that DOT&PF shall be presumed to have fulfilled this obligation absent clear and convincing evidence to the contrary. To increase AIRLINE's Preferential Use Premises under this paragraph, AIRLINE and DOT&PF will execute a Supplement to this Agreement updating Exhibits "E", "F", "I", "J", "K" and "L" (where applicable) to describe AIRLINE's new Premises.

F. Any change in AIRLINE's Preferential Use Premises as a result of a change in AIRLINE's rate of utilization is not considered a modification or relocation to which Section 11.05 applies. AIRLINE shall be responsible for all costs incurred by it or the Airport System associated with AIRLINE's change in or move from or into Preferential Use Premises under paragraphs D or E, above. AIRLINE's responsibility with respect to space withdrawn from AIRLINE under paragraphs D or E above is that provided under Sections 14.05 and 14.06 of this Agreement.

G. DOT&PF retains the right to alter or adjust by self-effective supplement either or both the calculation and level of the Minimum Utilization Rate, and the Adjacent Aircraft Parking Positions to which they apply, at each Airport by self-effective supplement after Consultation with the affected Signatory Airlines and upon sixty (60) days advance written notice. In deciding whether to make such alteration or adjustment, DOT&PF shall consider all relevant factors including, but not limited to, overall levels of passenger and aircraft activity actually experienced and anticipated, changes in market share among Signatory and Non-Signatory Airlines, terminal expansion plans, expanded or contracted airline service, and levels of competition.

#### Section 4.05. Quiet Enjoyment

DOT&PF covenants that, subject to the provisions of this Agreement, AIRLINE shall peaceably have and enjoy the Premises and the rights, privileges, appurtenances, and facilities granted in this Agreement.

#### Section 4.06. Application Fee Waiver

Processing fees for Premises to be leased under this Agreement and for preferential use applications identified in Section 4.02 are waived.

## **ARTICLE 5**

### **Subordinate Use of Premises**

#### Section 5.01. DOT&PF Open Access Policy

DOT&PF's policy is to ensure open access to the Airport System by maintaining balanced utilization of Airport facilities. Therefore, DOT&PF reserves the right to require shared use of Exclusive and Preferential Use Premises as specified in this Article 5. It is contemplated that in most cases, shared use will be of limited duration, pending construction of additional terminal facilities or adjustments to the Preferential Use Premises of Signatory Airlines as a result of utilization review and adjustment under Section 4.04 or expiration of this Agreement.

#### Section 5.02. Procedure for Request for Accommodation

A. If any Signatory or incumbent Non-Signatory Airline seeking to expand, or a new entrant airline seeking to commence, service to an Airport is in need of space or facilities at that Airport and Airport Administered Premises cannot meet that need, DOT&PF may direct the airline to request use of a portion of Signatory Airline premises. Except to the extent that the Requesting Airline has demonstrated to the reasonable satisfaction of DOT&PF that it should not, for competitive reasons, be required to make such requests of one or more Signatory Airlines either individually or in committee, DOT&PF may direct the Requesting Airline to make such request to Signatory Airlines with preferential or exclusive use premises at such Airport either individually or, at the option of the Requesting Airline, to such Signatory Airlines in committee, until either (i) the Requesting Airline's need is satisfied, or (ii) the Requesting Airline has made the request to all such Signatory Airlines. Each Signatory Airline with Preferential Use Premises or Exclusive Use Premises shall make all reasonable efforts to accommodate any such request in a timely manner within any Preferential Use Premises or Exclusive Use Premises leased to it.

B. In the event DOT&PF receives a written request from an airline for space or facilities that could be of a type leased to Signatory Airlines on a Preferential Use Premises or Exclusive Use Premises basis, and the Requesting Airline demonstrates to the reasonable satisfaction of DOT&PF either (i) that it has contacted all Signatory Airlines that have Preferential Use Premises or Exclusive Use Premises at the Airport, and has reason to believe that all reasonable efforts to find accommodation for its proposed operations and the space or facilities it needs will prove unavailing, or (ii) that it should not, for competitive reasons, be required to make such requests of one or more Signatory Airlines, then DOT&PF shall make its own determination. If DOT&PF finds that such Requesting Airline needs such space or facilities to accommodate passengers or aircraft and that DOT&PF cannot provide such space or facilities to such airline on a timely basis, then DOT&PF shall serve written notice to all Signatory Airlines of that determination and notice of DOT&PF's intention to make a further determination, in not less than ten (10) calendar days, as to how the Requesting Airline will be accommodated. DOT&PF may grant such Requesting Airline the right of shared use of all or a designated portion of one

or more Signatory Airlines' Preferential Use Premises and Exclusive Use Premises including associated Adjacent Aircraft Parking Positions. In making such determination DOT&PF shall have complete flexibility to fashion an operating arrangement that is reasonably fair to all of the affected parties. Such shared use will include, but not be limited to, the use of passenger loading bridges, baggage-handling equipment, furniture, ticket counters and other appurtenances, that are reasonably necessary for the effective use of the shared use space and facilities, whether the latter are owned or leased by a Signatory Airline or by DOT&PF.

C. In accordance with the rules and priorities set forth in Section 5.03 below, DOT&PF may grant the Requesting Airline the right of shared use of a designated portion of a Signatory Airline's Preferential Use Premises and Exclusive Use Premises, as well as rights of ingress and egress, the right to use the Adjacent Aircraft Parking Positions associated therewith and the right to use passenger loading bridges and other appurtenant equipment which are reasonably necessary for the effective use of such space and facilities, provided, that:

1. Such Requesting Airline provides such Signatory Airline with indemnification and proof of insurance reasonably satisfactory to such Signatory Airline; provided, however, that such Signatory Airline may not require any indemnification more favorable to it than that which such Signatory Airline provides to DOT&PF under this Agreement;
2. Such Requesting Airline enters into a written agreement with the Signatory Airline for the shared use, which agreement shall not be inconsistent with the terms and conditions stated in this Agreement and shall be submitted to DOT&PF for written approval prior to its effective date, together with sufficient documentation to substantiate the amounts claimed pursuant to this Section, and such other information as DOT&PF may reasonably require; and
3. Such Requesting Airline agrees to pay the Signatory Airline the sum of the following, without markup:
  - a. An amount equal to a pro rata share of the sum of the terminal rentals and any other applicable payments, fees or taxes payable by such Signatory Airline under this Agreement with respect to such areas during such shared or temporary use period as calculated in this Agreement;
  - b. Additional amounts necessary to recover such Signatory Airline's direct costs, including any operation and maintenance expenses, of such shared or temporary use, including a reasonable allocation of any capital and equipment costs for property and equipment owned by such Signatory Airline and used by the Requesting Airline; and

c. A reasonable administrative processing fee calculated in good faith not to exceed any unrecovered indirect cost incurred by the Signatory Airline by reason of the Requesting Airline's use.

D. AIRLINE agrees to make reasonable efforts to facilitate the temporary or shared accommodation of the Requesting Airline's scheduled operations under Section 13.01 of this Agreement. If under Section 5.03, below, DOT&PF selects Premises of AIRLINE for the grant of shared use to a Requesting Airline under paragraph C of this Section, DOT&PF will so advise AIRLINE in writing. Within ten (10) days after receipt of DOT&PF's written notice, which may, but need not, identify specific Premises affected, AIRLINE will make available to that Requesting Airline shared use of its Preferential and Exclusive Use Premises, together with use of such of AIRLINE's passenger loading bridges and other facilities as may be reasonably necessary to accommodate that airline. Until DOT&PF provides other lease space to the Requesting Airline, AIRLINE will conduct its operations cooperatively, with due regard for the needs of the accommodated airline. If DOT&PF and AIRLINE are not able to agree to a form of written agreement pursuant to the provisions of this Article, DOT&PF shall have the right to prescribe the final terms of such agreement, while making reasonable efforts to protect the interests of both parties, and such prescribed terms shall be binding on both the Requesting Airline and on AIRLINE except as Requesting Airline and AIRLINE may thereafter agree in a sublease agreement approved by the Airport Director under Section 13.01 of this Agreement.

Section 5.03. Considerations for DOT&PF-Directed Accommodation

If DOT&PF determines pursuant to Section 5.02 that a Requesting Airline needs terminal space and facilities, DOT&PF will take into account the priorities and considerations listed in this Section to select premises for shared use by the Requesting Airline:

A. Airport Administered Premises and Common Use Premises suited to the Requesting Airline's needs shall have first priority as the site for use by the Requesting Airline.

B. Preferential Use Premises shall be available for designation by DOT&PF for shared use when required, in the absence of or in combination with any suitable Airport Administered or Common Use Premises, in order to permit a consolidated operation by the Requesting Airline.

C. Exclusive Use Premises shall be available for designation by DOT&PF for shared use when required, in the absence of or in combination with any suitable Preferential Use, Airport Administered or Common Use Premises, in order to permit a consolidated operation by the Requesting Airline.

D. In all such instances, DOT&PF shall make a good faith effort to avoid or minimize schedule conflicts between the Requesting Airline and AIRLINE, if DOT&PF calls upon AIRLINE to share AIRLINE's Preferential or Exclusive Use Premises, or any Airport



Administered or Common Use Premises that AIRLINE is using. When DOT&PF determines that it is necessary under this Article 5 to make any of AIRLINE's Preferential or Exclusive Use Premises available to a Requesting Airline for shared use, DOT&PF shall provide ten (10) days' written notice to AIRLINE that DOT&PF is making specified Preferential or Exclusive Use Premises and any associated Adjacent Aircraft Parking Position available to the Requesting Airline. Preferential Use Premises may be made available to a Requesting Airline at a time when there is a "window" of three (3) hours or longer at any Adjacent Aircraft Parking Position associated with the specified Preferential Use Premises, (two (2) hours or longer at certain ground loading Adjacent Aircraft Parking Positions designated by DOT&PF) with no scheduled flight arrival or departure activity. Beginning the eleventh (11<sup>th</sup>) day after DOT&PF provides such notice, DOT&PF may allow, and AIRLINE must accommodate, Requesting Airline's use of AIRLINE's Preferential Use Premises starting thirty (30) minutes after the scheduled time for the last scheduled activity at the beginning of the window, until thirty (30) minutes before the scheduled time of the next scheduled activity that closes the window. Requesting Airline's use of AIRLINE's Exclusive Use Premises shall be limited to reasonably necessary use incidental to the Requesting Airline's flight activity. Flight and flight-related operations by AIRLINE and the Requesting Airline at the designated Preferential Use Premises and designated Adjacent Aircraft Parking Position shall be subject to the following conditions:

1. Upon and after the commencement of operations at such Adjacent Aircraft Parking Position by the Requesting Airline, AIRLINE, shall promptly vacate the designated Preferential Use Premises and remove its aircraft and ground equipment from the designated Adjacent Aircraft Parking Position at the commencement of the window or, at the latest, thirty (30) minutes following the opening of the window. In the event AIRLINE's flight scheduled prior to the opening of the window is not ready to be removed thirty (30) minutes following the opening of the window due to delayed arrival or mechanical issues, AIRLINE shall promptly notify Airport Operations personnel to determine whether the aircraft may be permitted to remain at the Adjacent Aircraft Parking Position or for other directions;
2. DOT&PF will require that the Requesting Airline occupy and use the designated Preferential Use Premises, and position its aircraft or ground equipment at the designated Adjacent Aircraft Parking Position, no earlier than thirty (30) minutes following the opening of the window; and
3. DOT&PF will require the Requesting Airline to vacate the designated Preferential Use Premises and remove its aircraft and ground equipment from the designated Adjacent Aircraft Parking Position not later than thirty (30) minutes prior to the close of the window.

E. In making its decision regarding the designation of terminal space and Adjacent Aircraft Parking Positions to make available for shared use, DOT&PF shall consider the following objectives:

1. avoiding or minimizing real or potential labor problems between the Requesting Airline and any Signatory Airline which is called upon to share Airport Administered Premises or, Exclusive Use Premises, Common Use Premises, or Preferential Use Premises;
2. permitting the Requesting Airline to function within a reasonably compact and contiguous area so as to be able to mount an effective and competitive operation;
3. avoiding unnecessary physical separation of the functions of any Signatory Airline which is called upon to share Airport Administered Premises or, Exclusive Use Premises, Common Use Premises, or Preferential Use Premises;
4. the size of aircraft, type of flight (international, interstate, commuter or other intra-state) and frequency of schedules proposed to be operated by the Requesting Airline; and
5. facilitating to the extent reasonable under the circumstances the advantages of code-sharing or similar commercial arrangements between airlines.

Section 5.04. Additional Operational Requirements for Shared Use of Exclusive or Preferential Use Premises

A. If DOT&PF has made any of AIRLINE's Exclusive or Preferential Use Premises available for shared use by one or more other airlines, AIRLINE shall give DOT&PF sixty (60) days' notice prior to any proposed schedule change that would conflict with that shared use. Upon receipt of such notice, DOT&PF shall work with AIRLINE and each airline scheduled for shared use in conflict with AIRLINE's proposed new schedule to try to work out voluntary adjustments to one or more of the airlines' schedules to eliminate the conflict in use of the shared Exclusive or Preferential Use Premises. If the foregoing efforts by DOT&PF are unsuccessful, then DOT&PF shall re-determine the accommodation for the Requesting Airline under this Article.

B. DOT&PF and AIRLINE agree to apply cooperation and good judgment, in good faith, in dealing with one another and with the Requesting Airline, in any situation in which DOT&PF determines that shared use of Exclusive or Preferential Use Premises is required on an emergency or other unanticipated short-term basis, and AIRLINE and DOT&PF will work with other airlines to accommodate, if possible, other airline flight activity without unduly conflicting with AIRLINE's use of its Exclusive or Preferential Use Premises.

C. In the event that DOT&PF makes any of AIRLINE's Preferential Use Premises available for shared use by one or more other airlines, AIRLINE shall remove, or arrange to have its ground support contractor remove, sufficient ground support equipment from the associated Adjacent Aircraft Parking Position in adequate time to allow ground handlers employed by or under contract to the Requesting Airline enough room to set up required ground equipment to service the Requesting Airline's aircraft. The Requesting

Airline will be obligated to ensure that any ground support equipment placed on the associated Adjacent Aircraft Parking Position in conjunction with the Requesting Airline's use is removed in adequate time to allow AIRLINE's ground handlers enough room to set up required ground equipment to service AIRLINE's next scheduled aircraft. The Requesting Airline will be obligated to leave the shared use Preferential Use Premises in the same condition as when received from AIRLINE.

D. If DOT&PF schedules another airline's flight activity at AIRLINE's Exclusive or Preferential Use Premises, AIRLINE shall be relieved of any obligation to indemnify and save harmless DOT&PF, its employees or agents with regard to any claim for damages or personal injury arising out of or in connection with the other airline's use of such Exclusive or Preferential Use Premises, except to the extent caused by the negligence of AIRLINE, its employees or agents.

## **ARTICLE 6**

### **Capital Projects**

#### Section 6.01. Preamble; Pre-Approved Projects

A. DOT&PF may acquire, plan, design, and construct or install a Capital Project that is deemed approved by the Signatory Airlines under paragraph C of this Section 6.01 or under Sections 6.02 and 6.03 of this Agreement and finance such Capital Project through the use of Airport funds by means of the issuance of Bonds, any other lawfully available source, or any combination of the same. DOT&PF may include, beginning at the date each first begins to accrue, the debt service on such Bonds, and the M&O Expenses of such Capital Project, in determining subsequent Landing fees, rentals or use fees, as appropriate, pursuant to the terms and conditions of this Agreement.

B. Not less than twice each Fiscal Year, DOT&PF will provide to the Signatory Airlines the following reports:

- Status Report of Capital Projects and General Categories Projects Allowances (GCP Allowances) (as described in paragraph E below) which have been approved or deemed approved under the provisions of this Article 6 containing updated information concerning the scope, schedule, funding source, and budget status of Capital Projects, GCP Allowances, and Deferred Allowance Projects, and
- 5-year Capital Improvement Program ("CIP") Outlook providing preliminary information regarding potential upcoming capital projects.

Such reports shall be presented in conjunction with the financial reports described in Section 8.02 of this Agreement.

C. The Capital Projects and GCP Allowances identified as part of the Capital Improvement Program described in attached Exhibit "C" to this Agreement shall

be deemed approved by the Signatory Airlines. The approval shall be deemed to include reasonable adjustments to the scope, timing, and cost of individual approved Capital Projects subject to the overall limitations described in paragraph D below.

Any Capital Project for which funding is: 1) provided by GCP Allowances approved in Former Agreements and 2) obligated to or established in a Capital Project by June 30, 2023, shall be deemed approved by the Signatory Airlines.

Any Capital Project approved by an Airline Majority prior to June 30, 2023, in Former Agreements, shall be deemed approved by the Signatory Airlines subject to the overall limitations described in paragraph D below.

D. The Capital Projects identified as part of the Capital Improvement Program shall be funded as described in attached Exhibit "C" to this Agreement. DOT&PF will use its best efforts to obtain and to use federal funds for eligible Capital Projects. In the event that any aspect of or funding for any Capital Project not exempted under Section 6.02 changes, such that the portion of the Capital Project that must be funded from airline rates and fees increases by more than fifteen percent (15%) the revised Capital Project shall be subject to Signatory Airline vote per Section 6.03. In the event that any aspect of or funding for any Capital Project authorized under Section 6.02 increases by more than fifteen percent (15%) and the revised Capital Project would be exempt from a Signatory Airline Vote under Section 6.02, the revised Capital Project shall be subject to the notification process under Section 6.02.B. In the event that any aspect of or funding for any Capital Project authorized under Section 6.02 changes such that it is no longer exempt under Section 6.02, the revised Capital Project shall be subject to Signatory Airline vote per Section 6.03.

The imposition and use of PFCs, in connection with any cost increases undertaken in this Section 6.01.D, are excluded from the MII process.

E. General Categories Projects Allowances

1. The following GCP Allowances are created:
  - Annual Improvements
  - Advanced Project Design and Planning
  - Information Technology Improvements
  - Facility Improvements, Renovations and Upgrades
  - Equipment
  - Environmental Projects
  - Airfield Pavement Reconstruction and Maintenance

2. Funding Authorization and Reporting: Exhibit “C” identifies the maximum approved funding authority for each of the GCP Allowances estimated by year. The annual escalation rate of seven percent (7%) as applied to the maximum approved funding authority for each of the GCP Allowances shown in Exhibit C will be reviewed after five (5) years from the commencement of this Agreement and a change to the escalation rate for remaining years of this Agreement may be made if approved by an Airline Majority and the DOT&PF. The scope, timing, and cost of individual projects within the GCP Allowances will be determined by the DOT&PF without the need for further specific authorizations. However, DOT&PF shall prepare and provide a Project Nomination Form as described in Exhibit “N” to the AAAC for any individual project with a total project cost greater than seven hundred fifty thousand dollars (\$750,000) prior to the commencement of such project and will provide semi-annual CIP Status Reports to the AAAC as required in Sections 6.01.B and 8.02.A.4 which include the following information:

- a. Project Information: The project description, cost and funding sources for:  
(i) identified projects that have been funded under each GCP Allowance and the current status of those projects, and (ii) identified projects that are to be funded in the current and next upcoming Fiscal Years.
  - b. Collections Information: The current amount of rates and fees collections that are to be collected for each of the GCP Allowances.
3. Annual Collections for GCP Allowances: In setting collection amounts (i.e., the amount to be collected through airline rates and fees) for each GCP Allowance in any Fiscal Year, DOT&PF shall use a rate impact conscious analysis. Such analysis shall evaluate: (i) the amounts programmed into projects to date and expected to be programmed through the next Fiscal Year, and (ii) the collection amounts previously collected under the GCP Allowance which have not been programmed to projects.

As part of the semi-annual reporting DOT&PF will identify Deferred Allowance Projects and provide updates regarding their anticipated year of implementation. DOT&PF will not collect for Deferred Allowance Projects within the Fiscal Year in which the Deferred Allowance Projects have been identified or, if funds have been collected, will release collected funds for year-end reconciliation. Collection amounts for each GCP Allowance are capped at the lesser of: (i) the cumulative annual maximum funding authority minus prior amounts collected, or (ii) one hundred fifty percent (150%) of the estimated annual funding amount shown in Exhibit “C” plus Deferred Allowance Projects (if any) minus un-programmed prior amounts collected.

GCP Allowance authorizations from previous agreements not programmed into projects prior to commencement of this Agreement shall not carry forward into this Agreement. Authorizations or collections from one GCP Allowance shall not be able to transfer or reallocate to another GCP Allowance.

5. During Fiscal Year 2028 or at times of extraordinary change in operational requirements or cost escalation, DOT&PF may propose adjustments to the annual GCP Allowance amounts subject to Section 6.03.

#### Section 6.02. Capital Projects Not Requiring Signatory Airline Vote

A. DOT&PF may undertake the following types of Capital Projects (in addition to those contained in the pre-approved Capital Improvement Program described in attached Exhibit "C") without Signatory Airline vote, so long as notice shall have been provided, as required by Section 6.03 of this Agreement. It is understood and agreed that DOT&PF will not phase or divide work on Capital Projects if the sole or primary purpose is to avoid a required vote by the Signatory Airlines. Within the limits imposed by FAA grant assurances and laws governing airport revenue diversion and use of airport funds, such Capital Projects may be located inside or outside the normal boundaries of ANC or FAI; provided that any Capital Project located outside such Airport's boundaries must be functionally related to or required for the operation of the Airport. Such Capital Projects could include, but are not limited to, navigational aids, drainage facilities, or noise and other environmental mitigation projects, and the following:

1. Capital Projects, the Airport System share of which, funded from rates and fees, is projected to be seven hundred fifty thousand dollars (\$750,000) or less, including design, construction, and acquisition, provided, however, that the cumulative rate and fee-funded cost for all such Capital Projects undertaken in a single Fiscal Year shall not exceed five million dollars (\$5,000,000); or
2. Capital Projects less than the thresholds in Section 6.04 required in order to make available additional terminal space or related facilities for the expansion of an airline, or Capital Projects required in order to make space or facilities available in a terminal for, or otherwise necessary to accommodate, a new entrant or expanding airline, provided such airline enters into a binding commitment to lease the space so made available for at least the remaining duration of this Agreement and on the same terms as provided for lease of comparable space under this Agreement, and provided, further, that existing space or facilities are not otherwise available to accommodate the airline under Article 4 or 5 of this Agreement in a competitive, non-disruptive, and otherwise satisfactory manner; or
3. Capital Projects to repair or replace property damaged or destroyed by fire or other casualty when the property in question must be rebuilt or replaced in order to satisfy an obligation of DOT&PF or to maintain Airport Revenues; or
4. Capital Projects and amounts to settle claims or lawsuits, satisfy judgments or comply with judicial or administrative orders against DOT&PF arising from or relating to its design, ownership, operation, maintenance, or use of the Airport System; or
5. Capital Projects that, if not undertaken on an emergency basis, would result in the closure of the Airport System or an essential portion of the Airport System.

Emergency Capital Projects do not require advance notification. DOT&PF will notify the Signatory Airlines within five (5) business days of project commencement of an emergency Capital Project; or

6. Capital Projects to be financed either as special purpose facilities, or by third parties, and, in all such cases, whose tenants or users shall be required to pay directly or to reimburse DOT&PF for all costs, including M&O Expenses, associated with such Capital Projects; or

7. Capital Projects to be financed by DOT&PF from sources that do not affect airline rentals, use fees, or Landing fees under this Agreement, including PFCs; or

8. Acquisition of land reasonably necessary to preserve the integrity of the Airport System; or

9. Capital Projects funded with GCP Allowances.

B. Notification Process: DOT&PF shall notify the Signatory Airlines in writing, setting forth the following information in advance of commencing the Capital Project unless otherwise provided above:

1. A description of the Capital Project, including available preliminary drawings, a narrative description and location maps, the reasons for and benefits of its acquisition, installation or construction and its intended use;

2. The estimated cost of the Capital Project and the means by which DOT&PF intends to finance its acquisition, installation or construction, an estimate of net M&O Expenses projected to result from the Capital Project and an estimate of its financial impact on Landing fees, rents and use fees; and

3. Why the proposed Capital Project falls within the scope of the exception provisions of this Section 6.02.

### Section 6.03. Process for Capital Projects Requiring Signatory Airline Vote

A. In the event DOT&PF intends to undertake a Capital Project not identified as part of the pre-approved Capital Improvement Program described in attached Exhibit "C" to this Agreement and not subject to exemption pursuant to Section 6.02.A., above, DOT&PF shall initiate the process described in Exhibit "N" and after completion of such process shall notify the Signatory Airlines in writing, setting forth the following information:

1. A description of the Capital Project, including available preliminary drawings, a narrative description and location maps, the reasons for and benefits of its acquisition, installation or construction and its intended use; and

2. The estimated cost of the Capital Project and the means by which DOT&PF intends to finance its acquisition, installation or construction, an estimate of net M&O Expenses projected to result from the Capital Project and an estimate of its financial impact on Landing fees, rents, and use fees; or

3. In the case of a Capital Project that does not fall within the scope of the exception provisions of Section 6.02 of this Agreement, and that has not been deferred under Section 6.03.C or D of this Agreement for the requisite period after Airline Majority disapproval, DOT&PF will include in such notification a statement of the voting procedures and deadlines as provided under paragraph B of this Section 6.03. At DOT&PF's discretion, or if so requested by the Chairperson(s) of the AAAC, DOT&PF will convene a meeting with the AAAC within thirty (30) days of such notice, or at such other time that is reasonably convenient for the parties, for the purpose of discussing and receiving comments concerning the Capital Project (the "Capital Project Meeting").

The imposition and use of PFCs, in connection with any projects undertaken in this Section 6.03, are excluded from the MII process.

B. AIRLINE, so long as it is not in default under this Agreement, shall have the right to vote whether to disapprove a GCP Allowance increase or Capital Project that is not pre-approved under Section 6.01.C or falling within Section 6.02 of this Agreement.

1. After or in conjunction with the notification required under paragraph A of this Section 6.03, the Airport System Controller or their designee (hereafter "Controller") will distribute a ballot to AIRLINE, if not in default, and to each other eligible Signatory Airline, as well as a list of the Signatory Airlines not in default under this Agreement as of the date of distribution, and therefore eligible to receive a ballot. A sample ballot is attached as Exhibit "N". Within thirty (30) days following distribution of the ballots, AIRLINE and each other eligible Signatory Airline must return to the Controller and the then-current Chairperson(s) of the AAAC, or to his or her designee(s), its marked ballot signed by an authorized representative of such respective Signatory Airline. Marked and signed ballots shall be sent via email. The date and time of the email shall be the official time of receipt of the ballot by the Controller. Within twenty-four (24) hours of a request by AIRLINE during the voting period, the Controller will provide to the then-current Chairperson(s) of the AAAC by email, a copy of each ballot received as of that time. A proposed GCP Allowance increase or Capital Project shall be deemed approved unless by close of business on the last business day of the thirty (30)-day voting period, the Controller has received timely votes from an Airline Majority voting disapproval of that Capital Project. By close of business on the second business day after the close of the thirty (30)-day voting period, the Controller will provide by email to the then-current Chairperson(s) of the AAAC a certification of the vote. The then current AAAC Chairperson(s) shall confirm ballot results by email to the Controller within two (2) days of receipt.



2. The Commissioner of DOT&PF, or the Commissioner's designee, may request reconsideration of any Capital Project for which approval is denied under paragraph 1 of this Section 6.03.B, by distributing new ballots and calling a meeting to be held with the Signatory Airlines within fifteen (15) days after DOT&PF receives written notice that approval has been withheld. Unless approval is again specifically withheld within thirty (30) days after the reconsideration meeting by a second vote according to the procedures provided in paragraph 1 of this Section 6.03.B, the proposed Capital Project will be deemed approved.

C. In the event an Airline Majority shall have disapproved a proposed GCP Allowance increase or Capital Project under Section 6.03.B of this Agreement, DOT&PF may (i) abandon the proposed Capital Project, (ii) carry out the Capital Project using financing that will not affect Signatory Airlines' rates and fees, or (iii) defer the Capital Project for twelve (12) months from the date of the vote, after which DOT&PF may undertake the Capital Project after a notification per Section 6.02.B, but without further need for a vote by the Signatory Airlines. In the latter case, DOT&PF may include the capital costs when incurred and operating costs of the Capital Project, when completed and placed in service, in the calculation of rates and fees chargeable to Signatory Airlines, as appropriate.

D. DOT&PF and any and all third parties may rely on AIRLINE's execution of this Agreement and, as applicable, each vote by the Signatory Airlines that is deemed an approval under paragraph B of this Section, as conclusively binding on AIRLINE and as conclusive expression of its consent and contractual authorization for DOT&PF to finance and carry out, each Capital Project that:

1. is identified as part of the pre-approved Capital Improvement Program described in attached Exhibit "C" to this Agreement; or
2. has been duly presented for review by the Signatory Airlines under Section 6.03.A and has either
  - a. not been disapproved under Section 6.03.B; or
  - b. has been deferred for the applicable period under Section 6.03.C and re-noticed to the Signatory Airlines under Section 6.02.B; or
3. is exempt from Signatory Airline vote under Section 6.02.

#### Section 6.04. Mega Project Approval Process

In the event DOT&PF intends to undertake a Capital Project that has a total project cost in excess of five hundred million dollars (\$500,000,000) or the project costs that will be funded from airline rates and fees exceed one hundred million dollars (\$100,000,000), DOT&PF must obtain approval of a Rate Specific Airline Majority in order to proceed with advanced design of the project or construction during the term of this Agreement. The

project shall be deemed disapproved unless by the close of business on the second business day after the close of the thirty (30)-day voting period, a Rate Specific Airline Majority has timely voted approval of the Capital Project. Should the project not be approved by the Rate Specific Airline Majority, DOT&PF may reinstate the pre-ballot process with additional information as determined appropriate.

“Rate Specific Airline Majority” means Signatory Airlines not in default under this Agreement which accounted for more than fifty percent (50%) of Signatory Airline Revenue for each rental rate, fee, or charge impacted by the proposed Capital Project in the immediately preceding fiscal year per the calculations outlined in Article 9 of this Agreement OR which account for more than fifty percent (50%) in number of all Signatory Airlines specifically associated with a rental rate, fee or charge that will be impacted by the proposed Capital Project per the calculations outlined in Article 9 of this Agreement.

The imposition and use of PFCs, in connection with any projects undertaken in this Section 6.04, are excluded from the MII process.

## **ARTICLE 7 Rents and Fees**

### Section 7.01. Consideration

The consideration that AIRLINE agrees to provide DOT&PF for this Agreement, including use of the Exclusive Use Premises, Preferential Use Premises, Airport Administered Premises, Common Use Premises, and Preferential Use Privilege Aircraft Parking Positions, is the following:

- A. Provide Commercial Air Transportation to and from an Airport; and
- B. Pay the rents and fees and perform all the obligations described in this Agreement. The rents and fees include the following:

- 1. Exclusive Use Premises Rent: For the Exclusive Use Premises set forth in attached Exhibits “K” and “L”, AIRLINE will pay to DOT&PF rent in the amount of the Terminal Rental Rate, calculated as described in Section 9.03 of this Agreement, multiplied by the square footage shown as Exclusive Use Premises on Exhibits “E” and “F”, payable on a monthly basis. All rent for the Exclusive Use Premises is due in advance on the first day of each month. AIRLINE may rent Exclusive Use Premises on a month-to-month basis. For such Month-to-Month Exclusive Use Premises AIRLINE will pay to DOT&PF rent in the amount of the Terminal Rental Rate calculated as described in Section 9.03 of this Agreement plus a twenty-five percent (25%) premium, multiplied by the square footage as shown on Exhibit “E” and “F”.

2. Preferential Use Premises Rent: For the Preferential Use Premises set forth in attached Exhibits “K” and “L”, AIRLINE will pay to DOT&PF rent in the amount of the Terminal Rental Rate, calculated as described in Section 9.03 of this Agreement, multiplied by the square footage shown on Exhibits “E” and “F”, payable monthly. In the case of shared Preferential Use Premises, AIRLINE will pay to DOT&PF its share of Preferential Use Premises rent as reasonably allocated by written agreement between AIRLINE and the other sharing airline(s). All rent for Preferential Use Premises is due in advance on the first day of each month. For use of a DOT&PF-owned passenger loading bridge installed at any of AIRLINE’s Preferential Use Premises, AIRLINE will pay one-twelfth (1/12) of the annual charge for the DOT&PF-owned passenger loading bridge as stated in Section 9.07.C of this Agreement in advance with its monthly Preferential Use Premises rent.

3. Airport Administered Premises Charges:

a. For any use AIRLINE makes of any Airport Administered Premises for purposes related to passenger transportation, AIRLINE will pay to DOT&PF each month a payment in the amount of the respective charges for use of Airport Administered Premises, calculated as described in Section 9.07 of this Agreement, for all Per-Use and Per-Turn Airport Administered Premises and associated facilities and equipment AIRLINE used in the preceding month, as accurately reported in AIRLINE’s CARs described in Section 11.01.C of this Agreement. AIRLINE shall submit payment of the applicable Airport Administered Premises charges together with each CAR on which it reports the Landings of the chargeable Passenger Flights.

b. If AIRLINE’s total payments for use of a particular Airport Administered Gate during a Fiscal Year reaches the amount that AIRLINE would have been charged to lease the associated holdroom and Adjacent Aircraft Parking Position as Preferential Use Premises for that Fiscal Year, then AIRLINE will not be required to pay the Airport Administered Gate use charge for that Gate for the remainder of the Fiscal Year. Similarly, in the event that AIRLINE’s total payments for use of a particular DOT&PF-owned passenger loading bridge during a Fiscal Year reaches the amount that AIRLINE would have been charged to use that DOT&PF-owned passenger loading bridge if installed on AIRLINE’s Preferential Use Premises, then AIRLINE will not be required to pay the passenger loading bridge use charge for that passenger loading bridge for the remainder of the Fiscal Year. Likewise, in the event that AIRLINE’s total payments for use of a particular Airport Administered ticket counter and baggage make-up space during a Fiscal Year reaches the amount that AIRLINE would have been charged to lease that ticket counter and baggage make-up space as Preferential Use Premises, then AIRLINE will not be required to pay the Airport Administered ticket counter and baggage make-up space use charge for use of that ticket counter and baggage make-up space for the remainder of the Fiscal Year. It is AIRLINE’s responsibility to notify the

Controller upon reaching the Preferential Use Premises charge in any given Fiscal Year.

c. For use of Month-to-Month Airport Administered Premises, AIRLINE will pay to DOT&PF rent in the amount of the Terminal Rental Rate plus a twenty-five percent (25%) premium on the then-current Terminal Rental Rate calculated as described in Section 9.03 of this Agreement, multiplied by the square footage as shown on Exhibit "A" of such agreement, payable monthly.

4. Fee for Subordinate Use of Exclusive or Preferential Use Premises of Others: In the absence of a sublease or ground handling agreement with another Signatory Airline, approved by DOT&PF under Article 13 of this Agreement, for the subordinate use of Exclusive Use Premises or Preferential Use Premises (including any associated Adjacent Aircraft Parking Positions) of another Signatory Airline, AIRLINE will pay to DOT&PF a payment in the amount of the charges for use of Airport Administered Premises, calculated as described in Section 9.07 of this Agreement, for AIRLINE's use of Exclusive Use Premises or Preferential Use Premises of others on a subordinate basis, as accurately reported in AIRLINE's CARs described in Section 11.01.C of this Agreement. AIRLINE shall submit payment of the applicable fees required under this subsection together with each CAR on which it reports the Landings for the applicable period. To the extent DOT&PF collects a fee under this paragraph from another airline for subordinate use of AIRLINE's Premises, DOT&PF shall pay or credit the amount so collected to AIRLINE.

5. Common Use Premises Charge: For use of Common Use Premises that are available for use by all airlines as shown on attached Exhibits "O", "P", and "Q", AIRLINE will pay to DOT&PF each month, a payment in the amount of the charge at the per Enplaned Passenger rate for use of such space, calculated as described in Section 9.04 of this Agreement, multiplied by the number of AIRLINE's Enplaned Passengers at that Airport in the preceding month, as accurately reported in AIRLINE's CARs described in Section 11.01.C of this Agreement. AIRLINE shall submit payment of the applicable Common Use Premises fees together with each CAR on which it reports the Enplaned Passengers.

6. Preferential Use Parking Rent:

a. For the Preferential Use Privilege that AIRLINE enjoys in either (i) any Adjacent Aircraft Parking Positions associated with AIRLINE's Preferential Use Premises, or (ii) any Remote Aircraft Parking Positions in which DOT&PF has granted a Preferential Use Privilege to AIRLINE, both as shown on attached Exhibits "I" and "J," AIRLINE will pay to DOT&PF rent in the amount of the aircraft ramp rental rate, calculated as described in Section 9.06 of this Agreement, multiplied by the total square footage of all such Aircraft Parking Positions in which AIRLINE enjoys a Preferential Use Privilege as shown on

Exhibits "I" and "J". All Preferential Use Privilege rent is payable monthly and is due in advance on the first day of each month.

b. Preferential Use Privilege rent shall not apply to an aircraft within FAA Design Group II or smaller making use of an Adjacent Aircraft Parking Position associated with FAI gates A and B as designated on Exhibit "J."

7. Vehicle Parking Position Rent: For the convenience AIRLINE enjoys in parking vehicles in Vehicle Parking Positions as shown on attached Exhibits "I" and "J", AIRLINE will pay the applicable Vehicle Parking Position fee per year per position. All Vehicle Parking Position fees are payable monthly and are due in advance on the first day of each month.

8. Common Use Passenger Processing System (CUPPS): For each use AIRLINE makes of CUPPS equipment, AIRLINE shall pay to DOT&PF the applicable charge for such use. AIRLINE shall pay each month the total charges applicable to such uses by AIRLINE in the preceding month as accurately reported in AIRLINE's monthly CARs described in Section 11.01.C of this Agreement. AIRLINE shall submit payment of the applicable CUPPS charges together with each CAR to DOT&PF.

9. FIS Fee:

a. FIS Aircraft Inspection Fee: As rent for Airport facilities used by the Federal Inspection Services, AIRLINE will pay to DOT&PF each month an "FIS Aircraft Inspection Fee" for each aircraft operated by AIRLINE exceeding six thousand (6,000) pounds Certificated Maximum Gross Takeoff Weight that clears for entry into the United States at an Airport using a Federal Inspection Services facility or resource located in the Terminal Cost Center or managed and maintained by the Airports. AIRLINE shall pay the FIS Aircraft Inspection Fee, calculated as described in Section 9.05 of this Agreement, multiplied by the total number of AIRLINE flights that cleared for entry into the United States with FIS as accurately reported in AIRLINE's CARs described in Section 11.01.C of this Agreement. AIRLINE shall submit payment of the applicable FIS Aircraft Inspection Fees together with each CAR on which AIRLINE reports the chargeable flights.

b. FIS Passenger Fee: As rent for Airport facilities used by the Federal Inspection Services, AIRLINE will pay to DOT&PF each month an FIS Passenger Fee for each passenger deplaned at an Airport for entry into the United States (not to include either flight crews or through passengers who do not leave the terminal, or passengers on pre-cleared flights). AIRLINE shall pay the FIS Passenger Fee, calculated as described in Section 9.05 of this Agreement, multiplied by the total number of passengers deplaned by AIRLINE for entry into the United States with FIS in each month as accurately reported in AIRLINES' CARs described in Section 11.01.C of this Agreement. AIRLINE

shall submit payment of the applicable FIS Passenger Fees together with each CAR on which AIRLINE reports the chargeable passengers.

c. **Mid-Term Rate Adjustment:** During Fiscal Year 2028 or at times of extraordinary change in operational requirements or cost escalation, DOT&PF may propose adjustments to the FIS Fees. Any adjustments must be agreed upon by an Airline Majority.

10. **Fuel Flowage Fee:** AIRLINE, directly or through its supplier or agent, will pay to DOT&PF for the term of this Agreement a fuel flowage fee of two point seven cents (\$0.027) per gallon for aircraft fuel dispensed at an Airport for AIRLINE's use, measured as specified in DOT&PF agreements with suppliers. The fee will be paid monthly and is due on the twentieth (20<sup>th</sup>) day of the month after receipt of the fuel. Unless it makes such payment through its fuel supplier(s) or agent(s), AIRLINE shall accurately report its monthly fuel uplift in gallons in AIRLINE's CARs described in Section 11.01.C of this Agreement. AIRLINE shall submit payment of the applicable fuel flowage fees together with each CAR to DOT&PF.

11. **Aircraft Parking Charges:** AIRLINE will pay to DOT&PF each month charges for use of Adjacent Aircraft Parking Positions in which no Signatory Airline has a Preferential Use Privilege, and a charge for use of Remote Aircraft Parking Positions as follows:

a. For each use AIRLINE makes of a Remote Aircraft Parking Position, without enplaning or deplaning any revenue passengers and/or of an Adjacent Aircraft Parking Position in which no Signatory Airline has a Preferential Use Privilege for a Non-Passenger Flight, AIRLINE shall pay to DOT&PF the applicable charge for such use, calculated as described in Section 9.08 of this Agreement. AIRLINE shall pay each month the total charges applicable to such uses by AIRLINE in the preceding month as accurately reported in AIRLINE's monthly CARs described in Section 11.01.C of this Agreement, whether for four (4) hours or less, for four (4) hours to twenty-four (24) hours, or for each additional day over twenty-four (24) hours and whether by either narrow-body or wide-body (two (2) or more aisles) aircraft. AIRLINE shall submit payment of the applicable aircraft parking charges together with each CAR to DOT&PF.

b. For each use AIRLINE makes of a Remote Aircraft Parking Position for enplaning or deplaning revenue passengers and/or of an Adjacent Aircraft Parking Position in which no Signatory Airline has a Preferential Use Privilege for a Passenger Flight, AIRLINE shall pay to DOT&PF the charge for use of Airport Administered Premises, calculated as described in Section 9.07 of this Agreement. AIRLINE shall pay each month the total charges for such uses based on the number of such uses by AIRLINE in the preceding month as accurately reported in AIRLINE's monthly CARs described in Section 11.01.C

of this Agreement. AIRLINE shall submit payment of the applicable aircraft parking charges together with each CAR to DOT&PF.

12. Ground Support Equipment Parking Sticker Fee: No later than October 1<sup>st</sup> of each year, AIRLINE will pay to DOT&PF the applicable annual GSE parking sticker fee for each piece of self-propelled and non-self-propelled GSE, that AIRLINE desires to be allowed to park at any time during the subsequent twelve (12) month period in an authorized location, on a space available basis, on an Airport other than on AIRLINE's Premises or other premises with the consent of the lessee of that premises. As applicable, AIRLINE will pay an additional GSE sticker fee for each additional piece of GSE it desires after October 1<sup>st</sup> to park similarly at an Airport.

13. Air Operations Area ("AOA") Vehicle Sticker Fee: No later than October 1<sup>st</sup> of each year, AIRLINE will pay to DOT&PF the applicable annual AOA vehicle parking sticker fee for each non-GSE vehicle that AIRLINE desires to be allowed to be driven on the AOA at any time during the subsequent twelve (12) month period. AIRLINE will pay an additional AOA vehicle sticker fee for each non-GSE vehicle it desires to have AOA access after October 1<sup>st</sup>.

14. Badge/Fingerprint Fees: AIRLINE will pay DOT&PF the Airport Badge Fee and a Fingerprinting Fee for each badge issued during the term of this Agreement. The Airport Badge and Fingerprinting Fees are due at the time of service for each transaction. As may be applicable, AIRLINE will also pay DOT&PF any other badge-related fees duly established by DOT&PF, including fees for replacement badges and for lost or otherwise unreturned badges.

15. Other Fees: DOT&PF reserves the right to impose and collect charges and fees (i) for the use of parking and tenant employee parking on the Airport; (ii) for the use of specified equipment, facilities or services when such use is requested by Signatory Airlines or others; (iii) for the privilege of operating concessions at the Airport; (iv) for the privilege of accessing the Airport to conduct any business other than Commercial Air Transportation; and (v) for use of any premises wiring distribution system or similar Airport infrastructure system, whether made available on a voluntary or mandatory basis.

16. Landing Fee: Rents and fees for the use of all other facilities, rights, and privileges granted to AIRLINE, except as provided elsewhere in this Agreement, will be combined in and represented by a Landing fee that is subject to adjustment pursuant to Article 9 of this Agreement. No other fee may be charged for the facilities, rights, and privileges granted under this Agreement except as provided in this Agreement.

a. The Landing fee rate will be recalculated for each Fiscal Year as set forth in Section 9.09.

b. AIRLINE shall submit payment of its Landing fee obligation for the preceding month upon submission of its CAR for that month as required under Section 11.01.C of this Agreement. The Landing fee obligation for each month will be calculated by dividing the total Certificated Maximum Gross Takeoff Weights of all of AIRLINE's Landings, and Designated Signatory Airline Activity of aircraft of six thousand (6,000) pounds or greater Certificated Maximum Gross Takeoff Weight during the month by one thousand (1,000), and multiplying that number times the then-current Landing fee rate established by DOT&PF in accordance with Article 9 of this Agreement.

#### Section 7.02. Acceptance of Payments and Interest on Overdue Payments

Acceptance by DOT&PF of any payment does not preclude DOT&PF from verifying the accuracy of AIRLINE's calculations and from refunding or recovering any difference established by DOT&PF. Any payment due and not received by DOT&PF accrues interest from the due date until paid in full at the lower of (i) the judgment rate in Alaska as calculated under Alaska Statute 09.30.070(a), or as amended or superseded, in effect at any time of interest accrual (In 2022, the current rate is three percentage points above the 12th Federal Reserve District discount rate in effect on January 2 of the year. For 2022 the rate is 3.25%.), or (ii) any lower maximum rate applicable to this Agreement under Alaska law, including the maximum rate established by Alaska Statute 45.45.010(b), or as amended or superseded, if applicable. For purposes of calculation of interest, any amount payable for an activity that is subject to reporting on a CAR as provided under Section 11.01.C of this Agreement, is considered due on the date the CAR on which it should be reported is due, whether the activity is reported in that Report or not. Interest on disputed amounts will not be charged to AIRLINE if the dispute is resolved in AIRLINE's favor. Additionally, if any payment due under this Agreement becomes past due by more than sixty (60) days, AIRLINE may be put on a cash only basis for all future fees until AIRLINE brings all outstanding payments due current.

#### Section 7.03. Additional Rent

A. Any fee, charge, reimbursement obligation, or interest due to DOT&PF under this Agreement shall be deemed additional rent and is due upon receipt of an invoice unless otherwise specified in this Agreement or is subject to Section 7.02.

B. After ten (10) days written notice to AIRLINE, DOT&PF may, but is not obligated to, cure any default by AIRLINE of its obligation to perform under this Agreement.

C. In the event of an emergency, or for the protection of health or safety, or if necessary to maintain orderly operation of the Airport, DOT&PF may also perform any responsibility of AIRLINE without advance notice.

D. The costs incurred by DOT&PF, including the costs of any contractor on behalf of DOT&PF, to cure any default by AIRLINE or to perform any responsibility of AIRLINE under this Section 7.03, plus a fifteen percent (15%) administrative fee, is agreed to be



additional rent. Unless otherwise provided, all additional rent is due from AIRLINE with the next installment of monthly rent due under this Agreement.

#### Section 7.04. Adjustment of Rents, Rates and Fees

A. The Terminal Rental Rate and all rents, charges, rates and fees based upon it for use of Exclusive Use Premises, Preferential Use Premises, Airport Administered Premises, and Common Use Premises, as well as the Landing fee, the FIS fee, the aircraft ramp rental rate, and all rents, charges rates and fees based upon it for use of Aircraft Parking Positions are subject to annual recalculation under Article 9 and adjustment under Section 9.10 of this Agreement. The Landing fee is also subject to extraordinary adjustment under Section 9.11 of this Agreement.

B. For any Fiscal Year in which total Airport System Revenues otherwise received by DOT&PF, as determined by the audit prepared under Section 8.03 of this Agreement, fail to satisfy the total Airport System Revenue requirement as calculated under Section 9.09 of this Agreement using audited information, DOT&PF will invoice each Signatory Airline, pro rata, for a portion of the shortfall. In that event, AIRLINE will pay to DOT&PF, within thirty (30) days of invoicing by DOT&PF, that same percentage of the shortfall in Revenues for that Fiscal Year as the percentage that AIRLINE's total Certificated Maximum Gross Takeoff Weights of all of AIRLINE's Landings of aircraft of six thousand (6,000) pounds or greater reported on AIRLINE's CARs for that Fiscal Year bears to the total Certificated Maximum Gross Takeoff Weights of all of Signatory Airline Landings of aircraft of six thousand (6,000) pounds or greater reported on CARs for that Fiscal Year.

#### Section 7.05. Non-Signatory Rates and Fees

A. DOT&PF will, subject to public notice and comment, impose rates and fees for Non-Signatory Airline Activities other than Designated Signatory Airline Activity or Affiliated Airline Activity that are twenty-five percent (25%) greater than the rates and fees charged Signatory Airlines under this Agreement, with the following exceptions:

1. A four-cent (\$0.04) per gallon fuel flowage surcharge for aircraft over six thousand (6,000) Certified Maximum Gross Takeoff Weight ("CMGTW") in addition to the fuel flowage fee to be paid by Signatory Airlines under this Agreement;
2. The Non-Signatory Landing fee rate only applies to aircraft over six thousand (6,000) CMGTW;
3. Non-Signatory Landings at FAI will be exempt from the Landing fee differential, and the Non-Signatory fuel flowage fee surcharge differential at FAI will not apply to the first twenty five million (25,000,000) gallons dispensed to a particular customer that is not a Signatory Airline, nor to any fuel dispensed until the first month following the month in which the total fuel dispensed in that Fiscal Year has reached one hundred million (100,000,000) gallons or more.
4. FIS Fees as described in Section 7.01 B. 9.
5. GSE Parking Sticker Fee as described in Section 7.01 B. 12.

6. AOA Vehicle Sticker Fee as described in Section 7.01 B. 13.
7. Badge/Fingerprint Fees as described in Section 7.01 B. 14.
8. Other Fees as described in Section 7.01 B. 15 may be exempted from the twenty-five percent (25%) surcharge at the sole discretion of DOT&PF.

B. If AIRLINE has not provided uninterrupted Commercial Air Transportation for the previous two years and does not lease Airport terminal space greater than one hundred (100) square feet or Airport land greater than one thousand (1,000) square feet for a term at least through the remaining term of this Agreement, AIRLINE will be required to pay Non-Signatory rates for two years and will receive a credit or refund of the difference between Signatory and Non-Signatory rates upon its first and second twelve (12) month period of providing Commercial Air Transportation after signing this Agreement.

#### Section 7.06. Rates and Fees Applicability

If any Designated Signatory Airline Activity or Affiliated Airline Activity at Airport would generate rates and fees if performed by AIRLINE, AIRLINE shall be responsible for the payments due and for any associated reporting requirements.

#### Section 7.07. Basis for Payment

Although AIRLINE is required under this Article and Section 11.01.C of this Agreement to make monthly payment to DOT&PF based upon activity accurately reported on AIRLINE's CAR, AIRLINE is obligated to pay all rents, fees, and other charges provided for in this Agreement as applicable to all of AIRLINE's activities at the Airports, whether or not accurately reported on AIRLINE's CARs.

## **ARTICLE 8 Records and Reports**

#### Section 8.01. DOT&PF Records of Airport System Cost Centers

A. DOT&PF will maintain a cost accounting system that identifies and segregates by account and cost center the following items for each Fiscal Year: (i) revenues; (ii) operation and maintenance expenses, including administrative expenses of the Airport System; (iii) expenses of DOT&PF allocable to the Airport System; and (iv) capital costs as provided in paragraph C of this Section.

B. Records must be kept for the following cost centers:

1. Airfield Cost Center;
2. Terminal Cost Center;
3. Other Buildings and Grounds Area Cost Center; and

4. Aircraft Ramp Cost Center.

C. DOT&PF will maintain records that allocate capital funds from the IARF, contributions, Bonds, or other sources to each Airport System cost center. Annual Debt Service, including that to cover Bond issuance expenses, capitalized interest, and funding of special funds from Bond proceeds, must be prorated to each Airport System cost center in proportion to the amount of Bond proceeds expended in each Airport System cost center.

Section 8.02. DOT&PF Financial Reports

A. At least seven (7) months before the end of its Fiscal Year, the Controller will prepare and submit the following items to each Signatory Airline:

1. A preliminary "Annual Rates & Fees Budget" to include preliminary estimates of Airport System expenses such as, maintenance, operation, and administrative expenses for the upcoming Fiscal Year. The preliminary Annual Rates & Fees Budget must include a statement of estimated Airport System Revenues.
2. A schedule of Annual Debt Service payments required to be made during the next Fiscal Year.
3. A preliminary calculation of the Signatory Airline rents and Landing fees for the next Fiscal Year.
4. The information regarding the current status of Capital Projects as required in Section 6.01.B. The report shall provide detail for each project category and project by year, to include, but not be limited to the amount approved, the amount funded, the amount spent, the amount encumbered, the amount transferred, the amount lapsed, and the balance of unspent and unencumbered funds remaining for all projects and project categories regardless of source of funding or approval.

B. At least two (2) months before the end of each Fiscal Year, the Controller will prepare and submit the following items to each Signatory Airline:

1. The proposed final Annual Rates & Fees Budget including all estimated Airport System expenses such as, maintenance, operation, and administrative expenses that are to be included in the airline rates and fees for the upcoming Fiscal Year. The proposed Annual Rates & Fees Budget must include a statement of estimated Airport System Revenues;
2. A schedule of Annual Debt Service payments required to be made during the next Fiscal Year;

3. A calculation of the proposed Signatory Airline rents and Landing fees for the next Fiscal Year; and
4. Any updates to the information regarding the current status of Capital Projects as required at Section 6.01.B.

C. Within thirty (30) days after receipt of the reports described in Section 8.02.A, AIRLINE may present written comments concerning the reports. Upon request by the Signatory Airlines, a meeting for additional comments must be held between the Signatory Airlines and DOT&PF. DOT&PF will give due consideration to any comments submitted by AIRLINE and the other Signatory Airlines. The State will not issue a notice for public comment regarding new airline rates and fees sooner than thirty (30) days after the submission of the reports described in Section 8.02.B

D. The proposed Annual Rates & Fees Budget may be revised as a result of DOT&PF's discussions with AIRLINE, others, or as a result of DOT&PF's budget process.

#### Section 8.03. Airport System Annual Audit

To keep AIRLINE informed of the financial performance of the Airport System, DOT&PF will make available to AIRLINE the annual audit of the Airport System's financial statements. Upon request by AIRLINE, DOT&PF will answer questions about the audits or statements.

#### Section 8.04. Fund Balance Annual Reconciliation

To facilitate the annual reconciliation and calculation of Excess Revenue and to track the balance in the Excess Revenue Fund and all other fund balances, the Controller will undertake and report to AIRLINE along with the annual audit report an annual reconciliation of the balance in each Airport System Administrative Fund described in Section 10.02.A, including any residual balance in the IARF not otherwise designated within an identified fund. The purpose of the report is to determine (i) the actual balance within each fund at the end of the Fiscal Year, (ii) the balance required in each fund to satisfy the requirements of this Agreement, including the funding of any Capital Projects approved under the Former Agreement or this Agreement, and (iii) any balance beyond what DOT&PF reasonably determines it needs to provide the Airport System with sufficient operating flexibility. Upon request by AIRLINE, DOT&PF will answer questions about the annual reconciliation.

### **ARTICLE 9 Calculation of Rental Rates, Fees and Charges**

#### Section 9.01. Annual Adjustment of Rental Rates, Fees and Charges

Airport System rental rates and other fees will be adjusted annually, effective the first day of each Fiscal Year, such adjustment being hereby incorporated into this Agreement

without formal amendment documentation. DOT&PF will provide written notice to AIRLINE of all changes to the rental rate and other fees at least thirty (30) days prior to implementation.

#### Section 9.02. Allocation Method

In order to calculate Signatory Airline rental rates, fees and charges, DOT&PF shall account for, and allocate among the cost centers set forth in Section 8.01, M&O Expenses, Annual Debt Service, each Fund Deposit Requirement, and administrative, overhead, and other indirect costs. All such allocations of expenses and revenues shall be in accordance with the allocation method described in attached Exhibit "M". The aggregate of rents, fees, and charges payable by all Signatory and Non-Signatory Airlines, together with Non-Airline Revenues, shall be sufficient to pay the cost of operating, maintaining and improving the Airport System, and to satisfy all of DOT&PF's obligations to make all deposits and payments under this Agreement and any Bond Resolution.

#### Section 9.03. Terminal Rental Rate

A. Each year, DOT&PF will calculate the Terminal Rental Rate per square foot per year for Airport System terminal buildings for the next Fiscal Year using its own reasonable estimates and projections. The Terminal Rental Rate will be charged for Exclusive Use Premises and Preferential Use Premises. Month-to-Month Airport Administered Premises will be charged at a twenty-five percent (25%) premium.

B. DOT&PF will calculate the total Terminal Cost Center expenses for each Fiscal Year by adding together the following amounts projected for that Fiscal Year:

1. The total estimated direct and indirect M&O Expenses including DOT&PF's administrative overhead allocable to the Terminal  
;
2. Annual Debt Service and Debt Service Coverage allocable to the Terminal Cost Center;
3. Any Fund Deposit Requirement established pursuant to either the Bond Resolution or this Agreement that is allocable to the Terminal Cost Center, including deposits under Article 10 of this Agreement to the Maintenance and Operating Reserve Fund and the Airport System Capital Project Fund; and
4. Fifty percent (50%) of the Airport System FIS fee revenue requirement as calculated in Section 9.05.B not recovered by the FIS fee as calculated in Section 9.05, below.

C. DOT&PF will calculate the Terminal Rental Rate requirement for each Fiscal Year by subtracting the estimated amount of Airport System vehicle parking revenue,

concession revenue, and any other passenger related or terminal related non-airline revenue projected for that Fiscal Year from the Terminal Cost Center expense total calculated under paragraph B of this Section.

D. DOT&PF will calculate the Terminal Rental Rate per square foot per year for Airport System terminal buildings for each Fiscal Year by dividing the Terminal Rental Rate requirement, as defined in Section 9.03.C, by the rented premises.

**Section 9.04. Charge for Use of Common Use Premises**

A. Each year DOT&PF will calculate a charge per Enplaned Passenger for use of Common Use Premises at the Airport System for the next Fiscal Year using DOT&PF's own reasonable estimates and projections.

B. DOT&PF will determine the charge per Enplaned Passenger for use of Common Use Premises for each Fiscal Year as follows:

1. DOT&PF will calculate a Common Use Premises requirement for each Fiscal Year by multiplying the total square footage of the Common Use Premises, as shown on Exhibits "O," "P," and "Q", by the Terminal Rental Rate for that Fiscal Year as calculated under Section 9.03 of this Agreement.

2. DOT&PF will calculate a charge per Enplaned Passenger for use of Common Use Premises for each Fiscal Year by dividing the Common Use Premises requirement for that Fiscal Year by the number of Enplaned Passengers that are forecasted on Passenger Flights forecasted to use Common Use Premises at all DOT&PF-operated terminals during that Fiscal Year.

**Section 9.05. FIS Fees**

A. Unless otherwise modified as contemplated by Section 7.01(B)(9)(c) of this Agreement, each year DOT&PF will set the FIS Aircraft Inspection Fee and the FIS Passenger Fee for the Airport System for the next Fiscal Year as follows:

Year	FIS Aircraft Inspection Fee		FIS Passenger Fee	
	ANC	FAI	ANC	FAI
<b>2024</b>	\$60.00	\$60.00	\$10.00	\$8.00
<b>2025</b>	\$65.00	\$65.00	\$10.50	\$8.25
<b>2026</b>	\$70.00	\$70.00	\$11.00	\$8.50
<b>2027</b>	\$75.00	\$75.00	\$11.50	\$8.75
<b>2028</b>	\$80.00	\$80.00	\$12.00	\$9.00
<b>2029</b>	\$85.00	\$85.00	\$12.50	\$9.25
<b>2030</b>	\$90.00	\$90.00	\$13.00	\$9.50
<b>2031</b>	\$95.00	\$95.00	\$13.50	\$9.75
<b>2032</b>	\$100.00	\$100.00	\$14.00	\$10.00
<b>2033</b>	\$105.00	\$105.00	\$14.50	\$10.25

B. DOT&PF will calculate the total Airport System FIS revenue requirement for each Fiscal Year by multiplying the total square footage of all FIS office space, inspection station areas and international bag claim in the Airport System terminal buildings by the terminal rental rate calculated for that Fiscal Year under Section 9.03 of this Agreement.

#### Section 9.06. Aircraft Ramp Rental Rate

A. Each year DOT&PF will calculate the aircraft ramp rental rate per square foot per year for the Airport System's Aircraft Parking Positions for the next Fiscal Year using its own reasonable estimates and projections.

B. The total aircraft ramp rental requirement for each Fiscal Year will be the Aircraft Ramp Cost Center costs for that Fiscal Year, which shall be ten percent (10%) of the total projected direct and indirect M&O Expenses, including DOT&PF's administrative overhead, allocated to the Airfield Cost Center for that Fiscal Year.

C. DOT&PF will calculate the aircraft ramp rental rate for each Fiscal Year by dividing the total aircraft ramp rental requirement for that Fiscal Year by the total number of square feet of all of the Airport System's Aircraft Parking Positions as indicated on attached Exhibits "I" and "J".

#### Section 9.07 Charge for Airport Administered Premises

A. Each year DOT&PF will calculate a charge per use of Airport Administered Premises for the next Fiscal Year for three categories of use. Charges for the respective categories shall be calculated as described in paragraphs (B) – (D) below using DOT&PF's own reasonable estimates and projections. Increases in the respective rates for Airport Administered Premises in a Fiscal Year shall be capped such that in no case shall the annual percentage increase for those rates exceed an amount that is greater than the annual percentage change in the terminal rental rate calculated at Section 9.03 (D) plus 5%.

B. The Airport Administered Gate use charge will be determined as follows.

1. The revenue requirement for Airport Administered Gates will be determined by:
  - a. Calculating the sum of:
    - i. The product of the Terminal Rental Rate multiplied by the total square footage of all Airport Administered holdrooms; plus
    - ii. The product of the aircraft ramp rental rate multiplied by the total square footage of all Adjacent Aircraft Parking Positions associated with Airport Administered holdrooms.

2. DOT&PF will then calculate separate rates for use of Airport Administered Gates by four different classes of aircraft: (i) wide-body (two or more aisles); (ii) narrow-body (with a single aisle, and 100 seats or more); (iii) regional (50-99 seats); and (iv) commuter (less than 50 seats), to be levied on a per Turn basis.

a. The narrow body gate use charge will be calculated as follows:

i. Determine the projected weighted number of Airport Administered Gate uses for the year by adding together the projected weighted uses for each type based on the applicable multiplier in the table below:

Aircraft Size	Multiplier
Narrow body	1
Wide body	1.8
Regional	0.7
Commuter	0.4

ii. Divide the Airport Administered Gate requirement by the weighted number of uses calculated in paragraph 2.a.i., above.

b. The wide body gate use charge, the regional gate use charge, and the commuter gate use charge shall each be calculated by multiplying the narrow body gate use charge by the applicable multiplier listed in the table above.

C. The passenger loading bridge use charge will be determined as follows:

1. The revenue requirement for DOT&PF-owned passenger loading bridges will be determined by calculating the sum of:

a. The annual amortized cost of all DOT&PF-owned passenger loading bridges, plus

b. The annual maintenance and operating costs of all DOT&PF-owned passenger loading bridges.

2. DOT&PF will calculate the annual charge for a DOT&PF-owned passenger loading bridge on a Preferential Use Gate by dividing the revenue requirement calculated under paragraph C.1, above, by the total number of DOT&PF-owned passenger loading bridges.

3. DOT&PF will calculate the charge for use of a DOT&PF-owned passenger loading bridge on an Airport Administered Gate by:



- a. Multiplying the annual charge for a DOT&PF-owned passenger loading bridge calculated under paragraph C.2, above, by the number of DOT&PF-owned passenger loading bridges installed at Airport Administered Gates; then
- b. Dividing that result by the (unweighted) sum of all projected aircraft uses on Airport Administered Gates equipped with DOT&PF-owned passenger loading bridges.

D. DOT&PF will calculate the Per-Use Airport Administered Premises charge for use of an Airport Administered ticket counter and associated baggage make-up space as follows.

1. The revenue requirement for Airport Administered ticket counter and baggage make-up space will be the product of the Terminal Rental Rate multiplied by the total square footage of all Airport Administered ticket counters and baggage make-up space.

2. DOT&PF will calculate the charge for use of Per-Use Airport Administered ticket counters and baggage make-up space, to be levied on a Per-Use basis as follows.

- a. The ticket counter and baggage make-up space use charge will be calculated as follows:

- i. Determine the projected number of Airport Administered ticket counter and baggage make-up space uses for the year by adding together the projected uses; then

- ii. Divide the Airport Administered ticket counter and baggage make-up space revenue requirement calculated in paragraph D.1, above, by the number of uses calculated in paragraph 2.a.i., above.

#### Section 9.08. Aircraft Parking Charges

DOT&PF will calculate each year an Aircraft Parking Charge Rate for the Airport System for each use of a Remote Aircraft Parking Position by an aircraft that does not enplane or deplane revenue passengers at the Remote Aircraft Parking Position, or for each use of an Adjacent Aircraft Parking Position by a Non-Passenger Flight.

The Aircraft Parking Charge Rate is calculated as follows:

1. Determine an adjusted Airport System ramp rental requirement by subtracting the preferential use aircraft parking rents from the Airport System ramp rental requirement calculated under Section 9.06.B, above; then

2. Determine the number of weighted estimated aircraft parkings by adding together the estimated parkings under each category of aircraft size and parking length multiplied by their respective multiplier as shown in the table below.

Aircraft Parking Charge Multipliers

Aircraft Size & Time Period	ANC Multiplier	FAI Multiplier
Narrow body < 4 hrs	0.5	0.5
Wide body < 4 hrs	1.0	1.0
Narrow body 4 - 24 hrs	2.0	2.0
Wide body 4 - 24 hrs	4.0	4.0
Narrow body each additional day over 24 hours	10.0	4.0
Wide body each additional day over 24 hours	10.0	4.0

3. Calculate the base Aircraft Parking Charge Rate by dividing the adjusted Airport System ramp rental requirement by the number of weighted estimated aircraft parkings. The aircraft parking charges are then determined by multiplying the Aircraft Parking Charge Rate by the respective multiplier for the applicable aircraft size and parking length in the table above. Parking time period is not prorated.

Section 9.09. Landing Fee

A. Each year DOT&PF will calculate the Airport System Landing fee for the next Fiscal Year using its own reasonable estimates and projections.

B. DOT&PF will calculate the total Airport System Revenue requirement for each Fiscal Year by adding together the following amounts projected for the Airport System for that Fiscal Year:

1. The total estimated direct and indirect M&O Expenses, including DOT&PF's administrative overhead, for the Airport System;
2. The Annual Debt Service and Debt Service Coverage of the Airport System to be paid from Airport System rates and fees, plus any other amount required by the Bond Resolution, but not any portion to be paid with federal grant funds or PFCs; and
3. The aggregate Fund Deposit Requirements established pursuant to either the Bond Resolution or Article 10 of this Agreement.

C. DOT&PF will determine the Airport System Landing fee requirement for each Fiscal Year by subtracting from the total Airport System Revenue requirement the following amounts projected for the Airport System for that Fiscal Year:

1. All operating Revenues, including:
  - a. Terminal concession revenues, vehicle parking revenues, rental car revenues, ground transportation revenues, and non-airline terminal rental revenues;
  - b. Tie-down permit revenues and land and building rental and permit revenues;
  - c. Fuel flowage revenues;
  - d. Signatory Airline terminal rental revenues for exclusively and preferentially leased premises;
  - e. Signatory Airline Preferential Use Privilege Aircraft Parking Position revenues;
  - f. Airport Administered Premises, Common Use Premises, and passenger loading bridge use revenues from use by Signatory and Non-Signatory Airlines;
  - g. All FIS fee revenues from Signatory and Non-Signatory Airlines;
  - h. All revenues for use of Remote Aircraft Parking Positions and for use of Adjacent Aircraft Parking Positions for Non-Passenger Flights;
  - i. Any miscellaneous operating Revenues, including GSE sticker fees, AOA Vehicle Sticker Fees, Badge/Fingerprint Fees, Vehicle Parking Position fees, and any fees other than Landing fees, to be derived or received by DOT&PF in its operation of the Airport System; and
  - j. A portion of Excess Revenues not to exceed the Fund Deposit Requirement under Section 10.03.B for that Fiscal Year and that is not capitalized in the accounting records maintained under Article 8 of this Agreement.
2. Interest earnings from the IARF for each Fiscal Year, excluding any interest earned on PFC collections.

D. DOT&PF will calculate the Signatory Airline Landing fee rate for each Fiscal Year by dividing the Airport System Landing fee requirement as calculated in this Section 9.09 by the total estimated Certificated Maximum Gross Takeoff Weight of all Landings of aircraft having Certificated Maximum Gross Takeoff Weight of six thousand (6,000) pounds or more projected to land at the Airports that Fiscal Year, adjusting the projected Certificated Maximum Gross Takeoff Weight of Non-Signatory Airline Landings by the percentage by which the Non-Signatory Landing fee rate exceeds the Signatory Landing fee rate.

Section 9.10. Mid-Year Adjustment of Rental Rates, Fees, and Charges

Not later than the one hundred ninetieth (190<sup>th</sup>) day of each Fiscal Year, DOT&PF shall furnish the Signatory Airlines with a revised projection of Revenues from rental rates, fees, and charges, as well as revisions of the various Airport System requirements described in this Article 9, (the "Mid-Year Projection") based on actual receipts and trends in activity reflected by the most recently available information for that Fiscal Year and for the preceding Fiscal Year with regard to each of the rents, fees, and charges described in Section 7.01 of this Agreement. If the Mid-Year Projection forecasts total payments of Landing fees, Signatory Airline terminal rentals for exclusively leased and preferentially leased premises, Airport Administered Premises and Common Use Premises, FIS fees, and revenues from Remote Aircraft Parking Positions and non-preferential use of Adjacent Aircraft Parking Positions that would result in an overpayment or underpayment of five percent (5%) or more of the aggregate amount of the revised Airport System requirements for those rents and fees, then DOT&PF will adjust the respective Landing fee, Terminal Rental Rate, FIS Passenger Fee, or Aircraft Parking Charge Rate for the balance of the Fiscal Year such that Mid-Year Projection activity levels and collection rates would result in satisfaction of budget requirements.

Section 9.11. Extraordinary Adjustments of Landing Fee Rate

1. If at any time DOT&PF projects that the Revenues of the Airport System received by DOT&PF for a current Fiscal Year will not be sufficient to cover the total Airport System Revenue requirement for that Fiscal Year as described in Section 9.09.B of this Agreement, DOT&PF, after Consultation with the Signatory Airlines, and consideration of reducing M&O Expenses or using reserve funds to meet the requirement, may, after thirty (30) days written notice to AIRLINE, immediately increase the Landing fee rate to the amount necessary to cover the total Airport System Revenue requirement for that Fiscal Year.
2. If the total Landing fee revenue received by DOT&PF for any quarter of any Fiscal Year varies by more than ten percent (10%) from the Airport System Landing fee requirement calculated under Section 9.09.C of this Agreement, using known and projected actual information attributable to that quarter, DOT&PF may adjust the Landing fee for the balance of the Fiscal Year.

**ARTICLE 10**  
**Bond Resolution; Establishment of Funds**

Section 10.01. Subordination to Bond Resolution

- A. This Agreement is subordinate in all respects and at all times to every Bond Resolution then in effect.

B. AIRLINE will be given an opportunity to review and comment on drafts of proposed amendments to all existing Bond Resolutions and drafts of official statements for the issuance of additional Bonds. DOT&PF will give due consideration to the comments before adopting the amendments or issuing new Bonds.

#### Section 10.02. Establishment of Funds

A. Within the IARF, DOT&PF has administratively established the following funds (collectively, the “Administrative Funds”):

1. Maintenance and Operating Reserve (“M&O Reserve Fund”);
2. Airport System Capital Project Fund; and
3. Excess Revenue Fund.

B. Amounts held in Administrative Funds shall be used for the purposes set forth in this Agreement and in the Bond Resolution.

#### Section 10.03. Deposits into Funds

A. At any time when a pledge of Revenues under a Bond Resolution is in effect, all Revenues from the Airport System collected by DOT&PF shall be applied as set forth in the Bond Resolution.

B. The Fund Deposit Requirement for each Administrative Fund or account for each Fiscal Year shall be as follows:

1. The Fund Deposit Requirement for the M&O Reserve Fund shall be the amount required to maintain a balance in the M&O Reserve Fund equal to one-fourth (1/4) of the projected M&O expenses for such Fiscal Year.
3. The Fund Deposit Requirement for the Airport System Capital Project Fund shall equal the amount authorized from rates and charges in the Annual Rates and Fees Budget for that Fiscal Year for Capital Projects approved by Signatory Airlines under Section 6.01 or 6.03 of this Agreement, plus the amount authorized from rates and charges in the Annual Rates and Fees Budget for that Fiscal Year for Capital Projects not requiring Signatory Airline approval under Section 6.02 of this Agreement.

C. Each Fiscal Year all Excess Revenues will be deposited to the Excess Revenue Fund.

Section 10.04. Uses of Funds

A. The moneys on deposit in the Funds described in this Article 10 shall be used in accordance with the provisions of this Agreement and the Bond Resolution.

B. Any balance in the IARF after the deposits and transfers set forth in this Agreement shall remain in the IARF and shall be available only (i) to meet deficiencies arising in any of the Funds in the order of their priority under the Bond Resolution and (ii) to make future deposits and transfers required under this Agreement.

C. The moneys in the M&O Reserve Fund shall be used by DOT&PF to pay M&O Expenses.

D. The moneys in the Airport System Capital Project Fund shall be used for payment of Capital Projects that were approved under the Former Agreements and Capital Projects that are either approved by the Signatory Airlines under Section 6.03 of this Agreement or are not required to be so approved.

E. Moneys in the Excess Revenue Fund at the close of a Fiscal Year shall be applied in any following Fiscal Year as provided in Section 9.09.C.1.j of this Agreement, or for any other legally permissible purpose consistent with the obligations of the Airport System and of DOT&PF under the Bond Resolution, as designated by the AAAC in writing by its chairperson(s) on or before the first day of May of the Fiscal Year preceding the Fiscal Year in which such moneys are to be applied.

**ARTICLE 11**  
**Additional Responsibilities of Parties**

Section 11.01. AIRLINE's Responsibilities

A. Information about AIRLINE's Operations: In electronic format as prescribed by DOT&PF, AIRLINE shall, within thirty (30) days after execution of this Agreement, file with the Controller for each Airport that AIRLINE serves or intends to serve, information describing its operations at that Airport. AIRLINE shall be responsible to keep the information accurate and updated. The report must include:

1. Names and telephone numbers of AIRLINE's corporate officials responsible for various major AIRLINE functions including station operations, flight operations, scheduling, properties, facilities, and the names, titles and telephone numbers of officials responsible for AIRLINE's operations at the Airport;

2. The then-current schedule of AIRLINE's flights to and from the Airport (to be updated semi-annually (approximately every six (6) months) and upon any major intervening schedule change);
3. A description of AIRLINE's fleet and identification of AIRLINE's aircraft that will or may serve the Airport, and the Certificated Maximum Gross Takeoff Weight for each aircraft;
4. The identity of AIRLINE's Affiliated Airlines whose aircraft or personnel may serve the Airport at any time during the term of this Agreement. For each such Affiliated Airline that is not a Signatory Airline, AIRLINE shall furnish DOT&PF with the information requested in paragraphs 1 through 3, above, regarding that Affiliated Airline (to be updated within ten (10) days of any change). An Affiliated Airline shall be considered an agent of AIRLINE.
5. A statement of AIRLINE's then-current facility requirements at the Airport, including, if any, its requirements associated with anticipated Designated Signatory Airline Activity; and
6. Any other information DOT&PF reasonably requests as necessary for sound airport management, including management of Airport Administered Premises.

B. Certificated Maximum Gross Takeoff Weight Forecast: At least four (4) months before the end of each Fiscal Year, AIRLINE shall submit to DOT&PF, in writing, its Certificated Maximum Gross Takeoff Weight forecast for Landings by aircraft of six thousand (6,000) pounds or greater Certificated Maximum Gross Takeoff Weight for the next Fiscal Year, broken down by quarter, together with a like forecast for anticipated Designated Signatory Airline Activity or Affiliated Airline Activity that may serve the Airport System during that next Fiscal Year. If AIRLINE fails to furnish its forecast at the time specified, DOT&PF may, without further notice or waiver of AIRLINE's obligation under this paragraph, forecast AIRLINE's activity.

C. CAR and Payment: For any Airport where AIRLINE does not intend to make any Landings, AIRLINE may provide written notice to the Airport Director that it will not be landing at that Airport absent emergency circumstances, and that it will advise the Airport Director in writing prior to initiating service to, or otherwise landing at, that Airport. For each Airport to which AIRLINE has not provided such written notice, or where AIRLINE has landed in the preceding month despite such notice, AIRLINE shall file a CAR each month as follows:

1. On or before the tenth (10<sup>th</sup>) day of each month, unless such day is an official holiday in the State of Alaska, then the first business day thereafter, AIRLINE will provide to the Controller, by electronic format as prescribed by DOT&PF, a CAR of AIRLINE's operations at that Airport during the preceding month, including the following information:

- a. the number of Landings made by AIRLINE at the Airport and the Certificated Maximum Gross Takeoff Weight of each Landing by an aircraft having a Certificated Maximum Gross Takeoff Weight of six thousand (6,000) pounds or more in accordance with Certificated Maximum Gross Takeoff Weight standards as provided by DOT&PF from time to time;
  - b. the number of Enplaned Passengers, identifying the number of enplaned non-revenue passengers, deplaned passengers, and through passengers of AIRLINE at the Airport;
  - c. the total tonnages for each of all cargo (i) enplaned, (ii) deplaned, or (iii) moved in transit by AIRLINE at the Airport and additional information regarding cargo activities at the Airport that the DOT&PF may reasonably request;
  - d. the number of gallons of aircraft fuel and the number of gallons of any other fuel provided to AIRLINE at the Airport, identified according to the fuel provider;
  - e. total sales of goods and services in a VIP Lounge as authorized under Section 3.01.A.5 of this Agreement, with a subtotal for each classification to which a different percentage fee applies;
  - f. all use of Aircraft Parking Positions, identifying Aircraft Parking Position, aircraft parked, and duration for each use, other than associated with AIRLINE's Preferential Use Premises;
  - g. all use of Airport Administered Premises, when applicable, identifying gate number, aircraft parked, and duration of each use and identifying ticket counter number and duration of each use;
  - h. all Designated Signatory Airline Activity and Affiliated Airline Activity with applicable information respective to paragraphs a through g, above, by name of airline operating the flight, activity date, and Flight Number; and
  - i. any other data that DOT&PF may reasonably request.
2. On separate forms, AIRLINE shall report to DOT&PF the same information for each Non-Signatory Airline that AIRLINE ground-handled at the Airport at any time during the preceding month.
  3. On the same day that the CAR is due, AIRLINE will submit payment in full of all of its fee obligations under Article 7 and under Article 9 of this Agreement that are based on information contained in that report and able to be calculated from it. Payment shall be made by electronic funds transfer in a manner prescribed by DOT&PF.



4. If AIRLINE fails to submit as prescribed herein to the Controller the CAR or payment required by this Section 11.01.C by the tenth (10<sup>th</sup>) day of any month, AIRLINE shall pay, in addition to interest on all unpaid fees payable with that report, a late fee of thirty dollars (\$30.00) for the first day late, and fifteen dollars (\$15.00) per day thereafter until the report is received. For any CAR not submitted within forty-five (45) days of its due date, the Controller may elect to conclusively presume that AIRLINE's activity for that month was equal to the highest activity level AIRLINE reported on a CAR within the preceding twelve (12) months and bill AIRLINE accordingly. However, the Controller's presumption of activity does not constitute a cure by AIRLINE of the requirement to submit a CAR.

5. Any amendment to a previously submitted CAR must be filed in electronic format prescribed by the Controller, accurately restate all information on the previously submitted report, and specifically identify each item that has been amended. For any activity reported on the amended CAR for which AIRLINE has not made all required payment, AIRLINE must submit payment in the manner described in paragraph 3, above, on the same day AIRLINE submits the amended CAR. Any material amendment to a previously submitted CAR will invalidate any timely submittal of an original CAR; if the amended CAR is submitted after the deadline for that CAR, then the late fee described in the preceding paragraph 4 will apply from the deadline date to the date the Controller receives the amended CAR. Any amendment to a previously submitted CAR that results in a change of five percent (5%) or more in total charges payable from total charges payable under the originally submitted CAR is considered a "material" amendment.

6. DOT&PF shall be entitled to audit AIRLINE's records by any reasonable method not more frequently than once every twelve (12) months to confirm the completeness and accuracy of the information in AIRLINE's CARs, and for any other reasonable and good-faith purpose relating to this Agreement.

7. DOT&PF reserves the right to collect and use for the calculation of AIRLINE's rents and fees information from other reasonable and accurate sources regarding AIRLINE's activity at the Airports. If DOT&PF uses information from other sources for the calculation of AIRLINE's rents and fees, AIRLINE has the right to review and provide additional information to justify AIRLINE's position.

8. AIRLINE must provide written notice to the Controller of anticipated Designated Signatory Airline Activity or Affiliated Airline Activity in the month prior to when the flights or activity are anticipated.

D. Airline Financial Statements: If, during the period that any Bonds are outstanding, DOT&PF determines that AIRLINE is an "Obligated Person" for purposes of financial disclosure under securities laws or regulations, DOT&PF will request that AIRLINE provide DOT&PF either (i) a copy of the most recently prepared financial statements (audited, if available) of AIRLINE or (ii) if AIRLINE files a Form 10K or Form 10Q with the Securities

and Exchange Commission, a cross-reference to such filing. Upon receipt of such a request in writing from DOT&PF, together with a statement by DOT&PF that it has found AIRLINE to be an "Obligated Person," AIRLINE will promptly comply with such request. Subject to any other interpretation required for compliance with securities laws and regulations, for purposes of this Section, an "Obligated Person" is a Signatory Airline or other user of the Airport System (i) having an agreement with DOT&PF that requires, among other things, payment of rates calculated to pay a portion of debt service on the Bonds, and (ii) which Signatory Airline or other user has paid at least twenty percent (20%) of the Revenues for the Airport System for each of the two (2) previous Fiscal Years.

E. Maintenance, Repair, and Alteration Responsibilities: AIRLINE has the maintenance, repair, and alteration responsibilities described in this subsection, and as listed on Exhibit "S". AIRLINE will, at its sole expense and in a manner acceptable to DOT&PF:

1. Maintain and keep all of AIRLINE's Premises, Preferential Use Privilege Aircraft Parking Positions, Vehicle Parking Positions, Airport Administered Aircraft Parking Positions during AIRLINE's use, and surrounding apron area, in a neat, clean, safe and orderly condition, free from litter, debris, refuse and other solid waste;
2. Perform reasonable, ordinary, and preventative maintenance and janitorial service within its Premises, including:
  - a. Maintain and repair all personal property, fixtures and equipment that are not provided by DOT&PF including fixtures, doors, interior windows, plumbing fixtures, baggage conveyors and belts not devoted to common use, fire walls between belt systems, floor and wall finishes or coverings, and ticket counters; and
  - b. Maintain and repair all electrical, plumbing, heating, ventilating, and air conditioning appliances that are not provided by DOT&PF;
3. Immediately repair any uninsured damage at the Airport caused by the fault or negligence of AIRLINE, its servants, contractors, agents, licensees, or employees;
4. Pay to DOT&PF as additional rent any extraordinary cost incurred by DOT&PF in providing AIRLINE with water, sewer service, electricity, or extraordinary use of any other utilities as are required; and
5. Ensure that DOT&PF has emergency access to AIRLINE's Exclusive Use Premises either by delivering keys and combinations to keyless locks to the Airport Director or by providing emergency telephone numbers by which AIRLINE or its agent can be reached on a twenty-four (24)-hour basis.

F. Disabled or Abandoned Aircraft:

1. If any aircraft owned or operated by AIRLINE, through accident or any other reason, is disabled or abandoned in any area of the Airport where it could interfere with the continuous, normal operations or any landing and field facilities, AIRLINE will:

a. Immediately provide for approval by the Airport Director a concise plan for removal of the aircraft;

b. As expeditiously as possible remove the aircraft to a location designated by the Airport Director, unless the aircraft is required to remain in place pending investigation by the appropriate federal regulatory agencies; and

c. In the event of any incident where federal investigation in-place is required, immediately upon receiving clearance to do so from the appropriate federal agency investigating such incident, and confirming that clearance with Airport Director, implement the plan to remove the aircraft and any resulting wreckage or debris to the area designated by the federal agency authorizing the removal; otherwise the aircraft wreckage and debris may immediately be removed at AIRLINE's expense to be stored at a location approved by the Airport Director.

2. If AIRLINE fails to proceed immediately to remove the disabled aircraft as provided above, or if any aircraft owned or operated by AIRLINE is abandoned on the Airport, DOT&PF has the right, after reasonable advance written notice to AIRLINE to remove the aircraft by any reasonable means DOT&PF deems necessary under the circumstances, and AIRLINE will reimburse DOT&PF for all costs and expenses (including storage costs) incurred in the removal and will indemnify, save harmless, and defend the State from any liability, cost, or expense resulting from the removal to the extent set forth in Section 12.01 of this Agreement.

G. Daily Flight Information: AIRLINE shall provide DOT&PF with the information for DOT&PF's multi-user flight, gate, and baggage information display systems for wherever such a system is operational at ANC or FAI, by providing real time data output from the AIRLINE's internal flight information display system, computer reservations system, cargo load message transmission, Aeronautical Radio Incorporated ("ARINC") or Société Internationale de Télécommunications Aéronautiques ("SITA") transmissions, or other information systems (including commercial information systems) in a format prescribed by DOT&PF on a per flight basis. AIRLINE shall provide to DOT&PF, in real time to the extent practicable, the following information about AIRLINE's operations and activities at the Airport and other information reasonably requested by DOT&PF.

For each arriving flight:

1. flight number, gate utilized, and baggage claim to be utilized,
2. aircraft registration number and aircraft type,
3. actual time of arrival at the Airport (wheels-on) and actual time of arrival at the gate (aircraft parked at the gate), and
4. the number of deplaned passengers, with daily subtotals for each gate, together with the total number of aircraft seats on all flights that enplaned passengers at each gate.

For each departing flight:

1. flight number and Airport gate utilized,
2. aircraft registration number, aircraft type, and number of seats,
3. actual time of departure from the gate (aircraft pushback) and actual time of departure from the Airport (wheels-up), and
4. the number of enplaned passengers, with daily subtotals for each gate, together with the total number of aircraft seats on all flights that enplaned passengers at each gate.

#### Section 11.02. DOT&PF's Responsibilities

A. During the term of this Agreement, DOT&PF will:

1. Retain FAA Airport certification;
2. Operate and maintain the Airport System in reasonable condition and repair, including the runways, taxiways, aprons, roadways, vehicle parking areas, public areas of the terminal buildings, and all appurtenances, facilities, and services, but excluding interiors and fixtures of leased premises, as listed on Exhibit "S";
3. Keep the public areas of the terminal buildings adequately and attractively equipped, furnished, and decorated, as well as clean and presentable. In the public view areas of the terminal buildings, DOT&PF will provide and supply directional and informational signs, heat, electricity, light, power, air conditioning, wastewater disposal, water, and janitorial services including rubbish removal. DOT&PF will also keep in good repair and condition the exterior and structural portions of the walls, exterior doors, roof, and floor of the Exclusive Use Premises, Preferential Use Premises, Airport Administered Premises, and Common Use Premises, as well as

all central electrical and mechanical distribution systems, as listed on Exhibit "S"; and

4. Maintain existing and future utility systems in the terminal buildings in reasonable condition and repair, including heat, electricity, fire alarm, sprinkler, air conditioning, baggage conveyors, and, if provided by the Airport, such infrastructure as a premises wiring distribution system, shared use passenger processing equipment, and closed circuit television, and any lines, pipes, mains, wires, conduits and equipment connected with or appurtenant to all those systems and that are not the responsibility of AIRLINE, as listed on Exhibit "S". DOT&PF may enter the Premises at all reasonable times to make any necessary repairs, alterations, and replacements to these systems.

B. DOT&PF will use its best efforts to restore service as soon as practical after any interruption in the services described in this Section. DOT&PF shall be deemed in compliance with paragraph A of this Section despite any such interruption so long as it diligently pursues restoration of the services.

#### Section 11.03. DOT&PF's Right to Inspect and Make Repairs

A. DOT&PF (or its representative) has the right, at reasonable times and with as little interruption of AIRLINE's operations as practical, to enter AIRLINE's Premises for the following purposes:

1. Inspections to verify AIRLINE's compliance with this Agreement; and
2. To do anything that DOT&PF has the right or obligation to do.

B. Except in the case of an emergency, reasonable notice must be given and DOT&PF will coordinate with AIRLINE in order to minimize interference with AIRLINE's activities.

C. If any damage at the Airport caused by fault or negligence of AIRLINE, its servants, contractors, agents, licensees, or employees, is not repaired in a timely manner, after reasonable advance written notice to AIRLINE to repair the damage DOT&PF may repair the damage and all costs and expenses incurred in the repair of the damage will be charged to AIRLINE as additional rent and will become due immediately.

#### Section 11.04. Alterations and Improvements

A. Before beginning construction or installation of any improvement or alteration, AIRLINE will first submit to the Airport Director an airport building permit application that includes:

1. Detailed drawings of the proposed improvement or alteration or a description of the same that the Director considers sufficient to determine any impact of the proposed improvement or alteration on Airport facilities; and

2. Written proof of approval of the proposed improvement or alteration from all appropriate agencies.

B. DOT&PF will review and approve or disapprove the proposed improvement or alteration in writing, electronically or otherwise, within forty-five (45) days after receipt of the construction drawings referred to in this Section 11.04. However, DOT&PF will not approve proposed installation or construction that does not comply with paragraph D of this Section. Neither approval by DOT&PF of any construction design, nor any other review or approval will be deemed to waive AIRLINE's legal responsibility to maintain and restore its Premises and to comply with all environmental laws and other applicable federal, state and local laws, regulations and ordinances relating to the construction, design, or operation of AIRLINE's business. Neither will such review or approval work a waiver of any liability of AIRLINE, or an estoppel of any claim of DOT&PF.

C. If AIRLINE constructs or installs any improvement or makes any alteration on the Premises before obtaining a written approved Airport building permit, or without obtaining any necessary federal, state or local agency approval, DOT&PF may, at its sole discretion, require AIRLINE to repair or alter the unauthorized improvements or alterations to meet agency requirements for approval, or to remove the unauthorized improvement or alteration and restore the Premises. DOT&PF may also, in its discretion, impose, and AIRLINE shall pay, an administrative fee of not more than fifteen percent (15%) of the value of the unauthorized installation, improvements or alterations.

D. Any construction or installation proposed and carried out by or on behalf of AIRLINE must be designed and performed so as to satisfy the following criteria:

1. Be consistent with this Agreement;
2. Not interfere with operation of the Airport or activities of other tenants;
3. Be compatible with the architecture and interior design of the terminal as determined by DOT&PF, with any applicable tenant design standard adopted for the Airport, and with any Airport-provided infrastructure systems;
4. Be performed in a safe, neat manner, and completed at no cost to DOT&PF; and
5. Comply with all applicable federal, state, and local building, fire, health and safety codes, generally accepted engineering principles, and generally accepted principles of sound Airport management.

E. In the event that the construction or installation of any improvement or alteration by AIRLINE is determined by DOT&PF to be in violation of the terms and conditions of this Agreement or not in accordance with the drawings, plans or specifications approved by

DOT&PF, then DOT&PF shall have the right to stop the construction or installation or, if the work has been completed, to order its immediate removal.

F. Within forty-five (45) days after completion of the construction of any alteration or improvement, AIRLINE will deliver to DOT&PF detailed copies of as-built drawings showing the location and dimensions of the alteration or improvement constructed, including structural, mechanical, and electrical systems.

G. In the event that any of AIRLINE's contractors, sub-contractors, vendors, employees or any other person directly or indirectly acting for, through or under any of them, files or causes to be filed a contractor's, mechanic's or materialman's lien or other claim or lien against the Premises or any part of or interest in them, or any improvements on them, or against any moneys due to any contractors, sub-contractors, vendors or employees, then AIRLINE agrees to cause such liens and claims to be satisfied, removed or discharged within thirty (30) days after they are filed. Upon the failure of AIRLINE to cause such liens and claims to be satisfied, removed or discharged, DOT&PF shall have the right to cause such liens and claims to be satisfied, removed or discharged. In addition to all other rights and remedies provided under this Agreement or by law, DOT&PF shall be entitled to collect from AIRLINE, and AIRLINE shall pay to DOT&PF as additional rent, any and all expenses DOT&PF incurs with respect to such liens and claims (including any legal fees and disbursements).

#### Section 11.05. DOT&PF Modification and Relocation

A. The Airport Director may relocate AIRLINE or modify any portion of its Premises if necessary to repair, renovate or modify the terminal building or apron or if required in order to accommodate a new entrant or expanding airline. Except in the case of withdrawal of Preferential Use Premises for failure to maintain the Minimum Utilization Rate under Section 4.04.D, if it is necessary to relocate AIRLINE in whole or in part to facilitate such objectives, DOT&PF will furnish AIRLINE written notice sixty (60) days in advance.

B. AIRLINE will vacate and surrender the affected Premises to DOT&PF at the time specified in the notice furnished by DOT&PF pursuant to this Section 11.05.

C. Except as provided in Section 4.04.F in the case of withdrawal of Preferential Use Premises for failure to maintain the Minimum Utilization Rate, if AIRLINE Premises are involuntarily modified or relocated by DOT&PF, DOT&PF will:

1. Reimburse AIRLINE for the unamortized cost of its approved improvements that are acquired, demolished, or not replaced in kind by DOT&PF at the new location. Reimbursement will be made on the basis of capital cost figures furnished by AIRLINE and subject to verification by the Controller;
2. In accordance with Exhibit "R", provide AIRLINE with substantially similar space so that AIRLINE operations are not unreasonably disrupted. In the event of

relocation, this Agreement will be modified to include AIRLINE's new assigned space;

3. Construct the demising walls and interior improvements to AIRLINE's new area. Interior improvements include wall coverings, floors, ceilings, doors, lighting, plumbing, electrical, heating units, air ventilation, requisite data and telecommunications lines, and fixtures. All material replacement will be similar in type and quality to those on the Premises being relocated; and

4. Offer to relocate AIRLINE's fixtures, furnishings, and equipment at DOT&PF expense.

## **ARTICLE 12**

### **Indemnification, Insurance, and Subrogation**

#### Section 12.01. Indemnification

A. AIRLINE will indemnify, save harmless, and defend DOT&PF, its officers, agents, and employees from and against any and all liabilities, losses, suits, administrative actions, claims, awards, judgments, fines, demands, damages, injunctive relief or penalties (specifically including civil penalties assessed by the FAA, TSA, U.S. Department of Transportation or any other federal agency), of any nature or kind, for property damage, personal injury, death, violation of any regulation or grant agreement, or any other injury or harm, including sums paid in settlement of claims, attorney fees, consultant fees, expert fees, or other costs and expenses, directly or indirectly arising from, connected to or on account of this Agreement as it relates to AIRLINE, AIRLINE's activities at or relating to the Airport System, or any act or omission by AIRLINE, or by any of its officers, employees, agents, contractors or sublessees.

B. The foregoing indemnity obligation shall apply to all matters subject to its terms, except that as between AIRLINE and DOT&PF, DOT&PF shall bear its own comparative fault for a liability, loss, suit, claim judgment, fine, demand, damage, or penalty the legal cause of which is negligence or willful misconduct of DOT&PF, its employees, agents, or contractors. If liability to a third party is subject to apportionment according to comparative fault under this provision, AIRLINE and DOT&PF shall seek in good faith to achieve non-judicial agreement as to apportionment of fault as between themselves.

C. AIRLINE shall give DOT&PF prompt notice of any suit, claim, action or other matter affecting DOT&PF to which paragraph A, above, may apply, together with a copy of any letter by an attorney on behalf of a complainant, any complaint filed in court, and any notice or complaint by any regulatory agency. AIRLINE shall also use counsel acceptable to DOT&PF and the Alaska Department of Law in carrying out its defense obligations under this paragraph. DOT&PF shall also have the right, at its option and expense, to participate cooperatively in the defense of and settlement negotiations regarding any such matter, without relieving AIRLINE of any of its obligations under this provision. These



indemnity obligations are in addition to, and not limited by AIRLINE's obligation to provide insurance, and shall survive the expiration or earlier termination of this Agreement.

#### Section 12.02. Insurance

A. DOT&PF will, during the term of this Agreement, procure and maintain property insurance for the Airport terminal building, and other DOT&PF facilities at the Airport in such amounts and for such insured coverages as may reasonably be required for the prudent operation of the Airport. AIRLINE acknowledges that DOT&PF is a governmental entity that has a program of self-insuring some or all of DOT&PF's risks of loss or damage. Therefore, some or all of the insurance requirements of this subsection may be satisfied through an equivalent self-insurance program.

B. AIRLINE will, during the term of this Agreement, procure and maintain liability insurance for public liability, aviation liability, the Premises, property damage, bodily injury and death, with contractual liability endorsements, insuring all of AIRLINE's operations under this Agreement, including its obligations under the indemnity clause in Section 12.01 of this Agreement. These policies must have a per occurrence dollar amount of coverage not less than that set forth below for the largest aircraft that AIRLINE operates at the Airports based upon the FAA-defined grouping of aircraft types which has six groups based on wingspan and tail height and are referred to below as Airplane Design Groups I, II, III, IV, V, and VI. The policy dollar amounts of coverage stated below are minimums only; DOT&PF shall be entitled to the full benefit and protection of any higher dollar amount of coverage stated in an insurance policy actually carried by AIRLINE. These policies and minimum dollar amounts of coverage will be consistently applied to all airlines with similar operations and will be consistent with prudent airport industry practices and this Agreement. The following shall be the minimum dollar amounts of coverage for third-party liability insurance or equivalent insurance and do not require any specified minimum sub-limits:

1. For airlines operating Airplane Design Group (ADG) I – Fifty Million dollars (\$50,000,000)
2. For airlines operating Airplane Design Group (ADG) II – One Hundred Million dollars (\$100,000,000)
3. For airlines operating Airplane Design Group (ADG) III – Five Hundred Million dollars (\$500,000,000)
4. For airlines operating Airplane Design Group (ADG) IV – Five Hundred Million dollars (\$500,000,000)
5. For airlines operating Airplane Design Group (ADG) V – Seven Hundred Fifty Million dollars (\$750,000,000)
6. For airlines operating Airplane Design Group (ADG) VI – Seven Hundred Fifty Million dollars (\$750,000,000)

C. Within thirty (30) days after signing this Agreement, AIRLINE will report to DOT&PF the Airplane Design Group of the largest aircraft operated by AIRLINE at the Airports. If

the largest aircraft operated by AIRLINE at the Airports is later increased beyond the largest Airplane Design Group previously reported to DOT&PF by AIRLINE, AIRLINE will report the change to DOT&PF and obtain any required additional insurance coverage before operating the aircraft at the Airport.

D. Each policy of insurance, which shall include AIRLINE's captive (if any), must be from a company reasonably satisfactory to DOT&PF, under policy forms no more restrictive than the standard form and satisfactory to DOT&PF. Each policy, except War Risk which shall be subject to standard market cancellation provisions, must provide that it may not be canceled or materially changed during its term without at least thirty (30) days advance written notice to DOT&PF. Each policy must state that it is primary, without any right to contribution from any other insurance, including self-insurance that may be carried by DOT&PF.

E. A certificate on forms prescribed by the State certifying coverage of required insurance, and a declarations page or other evidence of the types, limits, deductibles, exclusions, and endorsements must be delivered to DOT&PF within thirty (30) days of the effective date of this Agreement. The certificate must identify DOT&PF's reference number for this Agreement.

F. Where any such policy has a normal expiration during the term of this Agreement, AIRLINE will provide a certificate or satisfactory written evidence of continued coverage prior to such expiration. Within fifteen (15) days prior to the effective date of any cancellation or reduction in the amount or extent of insurance coverage, AIRLINE will deliver to DOT&PF a certificate or satisfactory written evidence certifying coverage that reinstates or otherwise provides at least the required insurance coverage.

G. The failure by either party at any time to enforce the provisions in this Section will not be construed as a waiver of these provisions and will not reduce either party's obligations under this Agreement.

H. DOT&PF reserves the right to modify the requirements of this Section 12.02 provided that such modifications are reasonable and appropriate.

#### Section 12.03. Waiver of Subrogation

DOT&PF and AIRLINE each agree to have all of its respective fire and extended coverage and material damage insurance carried with respect to the Airport, and AIRLINE's aircraft hull coverage, endorsed with a clause that waives all rights of subrogation that the insurer of one party might have against the other party. To that effect, DOT&PF and AIRLINE will cause their insurance companies to endorse the affected property (fire and extended, multiple peril and aircraft hull) coverage with the waiver of subrogation.

#### Section 12.04. Additional Insured

AIRLINE agrees that every insurance policy required under Section 12.02.B will include an endorsement naming DOT&PF as an additional insured. Each policy must provide protection for DOT&PF in the same manner as though a separate policy had been issued to DOT&PF. Each policy must contain, to the extent available, a waiver of subrogation as to DOT&PF and its employees and agents, and of all rights to set-off, counterclaim, or any other deduction to which DOT&PF or its employees or agents may be entitled, and that it may not be invalidated as to DOT&PF by any action or inaction of AIRLINE, including any breach by AIRLINE of any representation, declaration, condition, or warranty contained in the policy.

Section 12.05. Notice of Claim

Each party will give the other party prompt and reasonable notice of any suit, claim, or action to which the indemnity provisions of Section 12.01.A would apply or relating in any way to this Agreement.

Section 12.06. Insurance Rates

AIRLINE may not use the Airport in any manner that will increase DOT&PF's insurance rates. If AIRLINE's activities on the Airport result in increased insurance costs for DOT&PF, then DOT&PF may charge the increased cost to AIRLINE as additional rent.

**ARTICLE 13**  
**Assignment or Sublease; Ground-Handling Agreements**

Section 13.01. Assignment or Sublease

A. AIRLINE shall not assign all or any portion of this Agreement, nor shall it enter into any sublease of Premises under this Agreement, without the advance written approval of the Airport Director, and any attempted assignment or sublease without such advance written approval will be void and of no effect. The Airport Director will not unreasonably withhold such approval.

1. The Airport Director may approve a sublease of all or a portion of AIRLINE's Premises so long as AIRLINE is not in default of any obligation under this Agreement, and if:

a. In the Airport Director's opinion, the proposed sublease is in the best interest of the Airport's operation;

b. AIRLINE subleases the space for an amount not exceeding the rent DOT&PF charges for that space plus AIRLINE's maintenance and operation costs, a reasonable administrative processing fee per Section 5.03.C.3, and an additional allowance for amortization of AIRLINE's improvements; and

- c. The term of any sublease does not extend beyond the expiration of the term of this Agreement.
2. The Airport Director's consent to any sublease does not relieve AIRLINE of the necessity of obtaining the Airport Director's consent to any future sublease.
3. The Airport Director may approve an assignment of this Agreement so long as AIRLINE is not in default under this Agreement and if all of the following conditions are met:
  - a. In the Airport Director's opinion, the proposed assignment is in the best interest of the Airport System;
  - b. AIRLINE assigns this Agreement to an airline qualified under 17 AAC 42 to execute the Agreement and is capable of complying with all the requirements of this Agreement, and that qualified airline agrees in writing to assume all of AIRLINE's obligations and liabilities under this Agreement;
  - c. AIRLINE assigns this Agreement for an amount not exceeding the unamortized cost of AIRLINE's tenant improvements and personal property transferred as part of the assignment; and
  - d. AIRLINE follows all procedures and satisfies all requirements stated in 17 AAC 42.260 or 17 AAC 42.265, as applicable.

B. If this Agreement is assigned pursuant to the bankruptcy code, 11 U.S.C. § 101 et seq., any consideration for the assignment greater than the amount permitted under Section 13.01.A.3.c is the exclusive property of DOT&PF and is not the property of AIRLINE or AIRLINE's estate under the Bankruptcy Code.

#### Section 13.02. Merger

This Article does not prevent the assignment of this Agreement, through a merger, consolidation, or succession to the business, of AIRLINE and an airline qualified under 17 AAC 42 to execute this Agreement where qualified airline is capable of complying with all the requirements of this Agreement, and the qualified airline agrees in writing to assume all of AIRLINE's obligations and liabilities under this Agreement, so long as AIRLINE is not in default under this Agreement, to any corporation or business entity that merges, consolidates, or succeeds to the business of AIRLINE, so long as the successor corporation or business entity assumes the rights and obligations of this Agreement and written documentation of the assignment and acceptance of obligations is given to the Airport Director within thirty (30) days after the effective date of the merger, consolidation, or succession.

#### Section 13.03. Ground-Handling Services

So long as AIRLINE is not in default under this Agreement, it or its wholly owned subsidiary or its Affiliated Airline may perform for AIRLINE or another airline that conducts Designated Signatory Airline Activity or Affiliated Airline Activity for AIRLINE at an Airport, all or a portion of the functions that it may perform for itself under the provisions of Article 3 of this Agreement (“Ground-Handling Services”) without a separate fee so long as AIRLINE is itself actively engaged in providing Commercial Air Transportation at that Airport.

## **ARTICLE 14**

### **Default and Termination**

#### Section 14.01. Suspension of Privileges and Right to Reenter and Re-let After Default

A. Without terminating this Agreement and time being of the essence, AIRLINE will be in default, and all of AIRLINE’s rights and privileges, but not its responsibilities and obligations, as a Signatory Airline under this Agreement, other than use and occupancy of its Premises and Airport facilities, will be automatically suspended without further notice, upon the occurrence of any of the following events of default:

1. AIRLINE fails to pay any rent or fees or any other charge as provided for in this Agreement, including interest, within thirty (30) days after the date it is due;
2. AIRLINE violates any provision of, or fails timely to perform any of its obligations under this Agreement; or
3. AIRLINE fails to continue to perform any obligation of this Agreement after performance is commenced.

B. Without terminating this Agreement and time being of the essence, DOT&PF may immediately reenter, renovate, and re-let all or part of the Premises to others and reassign any associated Preferential Use Privilege for any Adjacent Aircraft Parking Position to others for the account of AIRLINE if AIRLINE either:

1. Fails to pay any rent or fee or any other charge provided for in this Agreement, including interest, within thirty (30) days after receipt of written notice of default;
2. Fails to immediately cure a default in performance of any obligation under this Agreement within thirty (30) days after receipt of written notice of default. If the nature of the default is such that it cannot be cured within thirty (30) days after the written notice of default by DOT&PF to AIRLINE, AIRLINE will be deemed to have cured the default if it commences to cure the default within the thirty (30) day period and thereafter diligently continues the cure to completion;
3. Fails to continue to perform any obligation of this Agreement after performance is commenced; or

4. If any petition, proceeding, or action by, for, or against AIRLINE is filed under any insolvency, bankruptcy, reorganization, relief of debtors, or receivership law and is not dismissed by the court within sixty (60) days of the petition, proceeding, or action.

C. In the event of reentry, DOT&PF will charge AIRLINE renovation costs necessary to restore the Premises to the condition of the Premises as of AIRLINE's first occupancy, plus a fifteen percent (15%) administrative fee for all re-let sublease rent received by DOT&PF for AIRLINE's re-let space. AIRLINE will reimburse DOT&PF for any deficiency in rents or fees received for the reentered or re-let space. A deficiency is the difference between AIRLINE's rent and the re-let rent before considering the fifteen percent (15%) administrative fee.

D. Subject to Section 14.04 of this Agreement, before or after a reentry and re-letting as provided in this Section, DOT&PF may terminate all of AIRLINE's rights under this Agreement, and cancel all rights and privileges granted to AIRLINE without any restriction on recovery by DOT&PF for past due rents and fees owed by AIRLINE.

E. Any default under paragraphs A.1 or B.1 of this Section shall continue until DOT&PF has received from AIRLINE all payments due and owing to DOT&PF through the date AIRLINE next timely submits the CAR and payment described in Section 11.01.C of this Agreement.

F. DOT&PF has any and all additional rights and remedies as provided by law.

#### Section 14.02. Partial Termination Due to Damage or Destruction

A. If any Premises, terminal buildings, structures, or any portions of them are damaged by fire or other casualty, DOT&PF will notify AIRLINE within ninety (90) days of the damage whether the damaged space is to be repaired. If the damaged space is to be repaired, DOT&PF will repair the damage with due diligence and will abate the rent, fees, and charges allocated to the building, room, or other portion of the space rendered untenable for the period from the occurrence of the damage to the completion of the repairs. DOT&PF will do its best to provide AIRLINE with any available temporary substitute space at the rent deemed reasonable by DOT&PF until the repairs are completed.

B. If DOT&PF fails to notify AIRLINE within ninety (90) days after destruction that DOT&PF will repair the damaged space, AIRLINE may elect within one hundred twenty (120) days after destruction to terminate this Agreement as to the space damaged or destroyed, or as to all of the Premises if AIRLINE is unable to reasonably conduct its operations with that portion of the Premises remaining, effective on the date of the damage.

#### Section 14.03. Events Permitting Termination by AIRLINE

AIRLINE may terminate this Agreement if:

1. AIRLINE is prohibited by lawful authority from using the Airport because of any deficiency or unsafe operating condition at the Airport for a period exceeding sixty (60) days. AIRLINE may terminate this Agreement after the sixty (60) days by giving DOT&PF thirty (30) days advance written notice; or
2. DOT&PF does not perform any material covenant in this Agreement for a period of sixty (60) days after written notice of default to DOT&PF by AIRLINE. DOT&PF will be deemed to have cured the default if DOT&PF commences to cure the default within the sixty (60) day period and diligently continues the cure to completion.

#### Section 14.04. Events Permitting Termination by DOT&PF

Time being of the essence, DOT&PF may cancel or terminate this Agreement immediately and exercise all rights of entry and reentry upon the Premises after the occurrence of any of the following events:

1. AIRLINE fails to provide Commercial Air Transportation;
2. AIRLINE fails to pay any rent, fee, or other charge due as provided for in this Agreement, including interest, within thirty (30) days after AIRLINE's receipt of written notice of default from DOT&PF;
3. AIRLINE does not perform any other material provision in this Agreement for a period of sixty (60) days after receipt of written notice of default from DOT&PF. If the nature of the default is such that it cannot be cured within sixty (60) days after written notice of default by DOT&PF to AIRLINE, AIRLINE will be deemed to have cured the default if it commences to cure the default within the sixty (60) day period and diligently continues the cure to completion;
4. AIRLINE or its creditors file a request for AIRLINE's relief under any state or federal insolvency, bankruptcy, reorganization, relief of debtors, or receivership statute and any resulting proceeding is not dismissed by the court within sixty (60) days of the request; or
5. A custodian, trustee, receiver, or agent, or any similar person is appointed or authorized to take charge of a substantial part of AIRLINE's property on the Airport.

#### Section 14.05. Surrender of the Premises and Removal of Property

Upon the expiration or termination of this Agreement, and upon a vacation, authorized or required under this Agreement, of all or any portion of the Premises, including vacation by reason of a notice under Section 4.04.D, AIRLINE agrees to surrender the affected Premises peaceably and in good condition, except for (i) reasonable wear and tear, (ii)

loss or damage by fire or other casualty if such loss or damage is fully covered by insurance with respect to which DOT&PF is a named insured or loss payee, (iii) damage resulting from any act of DOT&PF, its employees, agents, contractors, invitees, licensees and guests, (iv) damage caused by any airline, its agents, contractors, invitees, and guests, to which DOT&PF granted shared use rights with respect to AIRLINE's Preferential or Exclusive Use Premises and with respect to which use AIRLINE had no written agreement with that airline, (v) any changes occasioned by condemnation, and (vi) alterations that DOT&PF approved in writing as not subject to restoration under this Section. Except to the extent the Airport Director requests or consents otherwise, and except as provided under Section 4.04.D, AIRLINE shall, within ten (10) days after expiration or termination, remove from the affected Premises all of its furniture, fixtures, equipment, improvements that can be removed without causing damage to the Premises, any other of its improvements that the Airport Director requires to be removed with repair of any resulting damage, including wiring if requested by DOT&PF, trash, and any other item for which AIRLINE is responsible, and except to the extent that DOT&PF requests or consents otherwise, restore the affected Premises as nearly as possible to pre-occupancy condition to the satisfaction of DOT&PF. DOT&PF reserves the right to more fully restore the Premises to its satisfaction and to charge AIRLINE for such restoration, which charge AIRLINE agrees to pay as additional rent.

#### Section 14.06. Ownership of Improvements

A. The ownership of furniture, furnishings, fixtures and equipment that are constructed or installed on the Premises by AIRLINE is as follows:

1. Title to all such furniture, furnishings, fixtures, or equipment that are removable without causing damage to the Premises, remains vested in AIRLINE at all times during the term of this Agreement, provided, however, that in the event any such removable furniture, furnishings, fixtures, or equipment are financed with the proceeds of tax-exempt bonds, title to such improvements shall vest in the DOT&PF immediately upon their installation. Unless the Airport Director consents otherwise, and except as provided under Section 4.04.D, within thirty (30) days after the expiration or termination of this Agreement, or after any notice given to AIRLINE under this Agreement to vacate all or any portion of the Premises, including any such notice under Section 4.04.D, all removable furniture, furnishings, fixtures, and equipment remaining on the Premises will, at the discretion of DOT&PF, become the property of DOT&PF. Alternatively, DOT&PF may sell, modify, destroy, or otherwise dispose of such unremoved property as it sees fit. AIRLINE shall reimburse DOT&PF within thirty (30) days after invoicing for any net cost DOT&PF may incur in removing and disposing of such property.

2. Title to any structure or other improvement that cannot be removed without causing damage to the Premises, in the reasonable determination of the Airport Director, vests in DOT&PF upon the expiration or termination of this Agreement unless provided otherwise in a successor agreement. These improvements include



interior walls, ceilings, carpeting, finished flooring, electrical wiring, air conditioning ducts and equipment, furnishings, interior decoration, or finishing.

B. AIRLINE shall not abandon any property on the Premises or elsewhere on the Airport without the advance written consent of the Airport Director. At its sole expense, AIRLINE will restore all damaged DOT&PF property to its previous condition or reimburse DOT&PF for the expense to repair any property damage.

## **ARTICLE 15**

### **Compliance with Law, Taxes, Policies, Rules and Regulations; Non-Discrimination**

#### Section 15.01. Compliance With Law

AIRLINE will comply with all present and future statutes, regulations, and ordinances of all federal, state, or local governments that apply to or affect AIRLINE or its operations under this Agreement. DOT&PF will comply with all applicable laws governing its operations under this Agreement.

#### Section 15.02. Taxes

A. AIRLINE will pay, but payment may not be considered part of Airport System Revenue, all taxes (including any possessory interest tax, assessment, or similar charge) that at any time during this Agreement are levied or liened against AIRLINE.

B. AIRLINE will indemnify and defend DOT&PF from all costs that result directly or indirectly from any tax or assessment for which AIRLINE is liable, including taxes, penalties, expenses, and reasonable attorneys' fees incurred by DOT&PF.

C. At its own expense, AIRLINE may contest the amount or validity of any tax or assessment or similar charge, or contest the inclusion of the space leased under this Agreement as taxable or assessable property, directly with the taxing or assessing authority. AIRLINE will indemnify DOT&PF for all taxes, penalties, costs, expenses, and reasonable attorneys' fees incurred by DOT&PF resulting directly or indirectly from any such tax contest.

D. Upon termination or expiration of this Agreement, AIRLINE will promptly pay in full all due and payable taxes and liens.

#### Section 15.03. Policies

A. AIRLINE will comply with all applicable provisions of each Airport Certification Manual and Airport Security Program and with all Airport Directives as set forth by the Airport Director.

B. Unless required by law, DOT&PF agrees not to promulgate any regulations, policies and procedures, or local Airport Directives governing use of the Airport facilities or AIRLINE's operations under this Agreement that are contradictory to:

This Agreement,

Any applicable regulation of the FAA or TSA; or

Any government agency regulation that is binding upon AIRLINE.

C. DOT&PF will give AIRLINE an opportunity to review and comment in advance on any proposed DOT&PF regulations, policies and procedures, and Airport Directives that may reasonably be expected to affect AIRLINE's operations under this Agreement, other than those regulations, policies and procedures or Airport Directives issued on an emergency basis.

#### Section 15.04. Violations

A. AIRLINE shall coordinate any Airport security matter with DOT&PF and shall follow all applicable requirements of the Airport's Security Program, Certification Manual, Operations Orders, and Emergency Program, including all provisions that are regulated under 49 CFR part 1540 (civil aviation security), 49 CFR Part 1542 (airport security) and 14 CFR Part 139 (airport certification and operation), and any other applicable federal, state or local laws or regulations.

B. Any penalty imposed on DOT&PF that results from a violation of the Airport's Security Program, Certification Manual, Operational Orders, Emergency Program, or any applicable federal regulation caused by AIRLINE or by any of AIRLINE's agents or personnel, including any officer or employee, or anyone else acting by, on behalf of, or under the authority of AIRLINE, will, as between DOT&PF and AIRLINE, be the sole responsibility of AIRLINE, and will be reimbursed to DOT&PF within thirty (30) days of written demand if DOT&PF pays the penalty.

#### Section 15.05. GENERAL CIVIL RIGHTS PROVISIONS

A. AIRLINE agrees to comply with pertinent statutes, Executive Orders and such rules as are promulgated to ensure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance. If AIRLINE transfers its obligation to another, the transferee is obligated in the same manner as AIRLINE.

B. This provision obligates AIRLINE for the period during which the property is owned, used, or possessed by AIRLINE and the Airport remains obligated to the Federal Aviation Administration. This provision is in addition to that required by Title VI of the Civil Rights Act of 1964.

### C. Compliance with Nondiscrimination Requirements.

During the performance of this Agreement, AIRLINE, for itself, its assignees, and successors in interest, agrees as follows:

1. Compliance with Regulations: AIRLINE (for the purposes of this Section includes consultants) will comply with the Title VI List of Pertinent Nondiscrimination Acts and Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this Agreement.
2. Nondiscrimination: AIRLINE, with regard to the work performed by it during the Agreement, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. AIRLINE will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR part 21.
3. Solicitations for Subcontracts, including Procurements of Materials and Equipment: In all solicitations, either by competitive bidding or negotiation made by AIRLINE for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by AIRLINE of AIRLINE's obligations under this Agreement and the Nondiscrimination Acts and Authorities on the grounds of race, color, or national origin.
4. Information and Reports: AIRLINE will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the sponsor or the Federal Aviation Administration to be pertinent to ascertain compliance with such Nondiscrimination Acts and Authorities and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, AIRLINE will so certify to the sponsor or the Federal Aviation Administration, as appropriate, and will set forth what efforts it has made to obtain the information.
5. Sanctions for Noncompliance: In the event of AIRLINE'S noncompliance with the non-discrimination provisions of this Agreement, the Airport will impose such contract sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:
  - a. Withholding payments to AIRLINE under the Agreement until AIRLINE complies; and/or
  - b. Cancelling, terminating, or suspending this Agreement, in whole or in part.
6. Incorporation of Provisions: AIRLINE will include the provisions of paragraphs one through six in every subcontract, including procurements of materials and

leases of equipment, unless exempt by the Acts, the Regulations, and directives issued pursuant thereto. AIRLINE will take action with respect to any subcontract or procurement as the sponsor or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if AIRLINE becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, AIRLINE may request the Airport to enter into any litigation to protect the interests of the Airport. In addition, the AIRLINE may request the United States to enter into the litigation to protect the interests of the United States.

## **ARTICLE 16**

### **Environmental Provisions**

#### Section 16.01. Environmental Provisions

A. No Violation of Environmental Law: AIRLINE shall conduct its activities at the Airport in compliance with Environmental Law. AIRLINE shall not allow the Release on the Airport of any Hazardous Substance that is in violation of any Environmental Law, nor shall AIRLINE allow any such Hazardous Substance present at the Airport as a result of AIRLINE's activities to migrate onto or off the Airport or into the air, any surface or ground water, or onto land, regardless of ownership, in violation of any Environmental Law. If, as a result of its operations at the Airport, AIRLINE causes a violation of any Environmental Law regarding the presence, use, storage, discharge, disposal, Release, or threat of Release of any Hazardous Substance or any other Environmental Law (whether or not pertaining to Hazardous Substances), AIRLINE shall promptly take such action at AIRLINE's sole expense as is reasonably necessary to contain, clean up, repair, and remedy damages and restore the impacted area to the reasonable satisfaction of DOT&PF and any other governmental agency having jurisdiction over the Release, and take all other necessary steps to cure the violation. In addition to any other remedy provided in this Agreement or at law, DOT&PF shall be entitled to full reimbursement from AIRLINE whenever the Airport incurs any reasonable oversight or other costs directly attributable to AIRLINE's use, management, or Release of Hazardous Substances at the Airport that is in violation of Environmental Laws. Payment of such costs shall be due within thirty (30) days after an invoice is provided by DOT&PF to AIRLINE.

B. Duty to Notify: AIRLINE shall notify DOT&PF as soon as reasonably possible, in writing, should AIRLINE become aware of: (i) any Release or threatened Release by AIRLINE of a Hazardous Substance at the Airport or onto or into any air, lands, or water adjoining or in the vicinity of the Airport that is in violation of Environmental Laws or the occurrence of any other violation of Environmental Laws by AIRLINE at the Airport; (ii) any notice, complaint, claim, statement of violation, report, subpoena, order, or other communication given to AIRLINE from any third party (including any relevant governmental authority) with respect to any Release or threatened Release by AIRLINE of a Hazardous Substance at the Airport or other violation of Environmental Laws by AIRLINE at the Airport; or (iii) the commencement of any litigation or governmental

agency investigation or complaint, or any notice or information relating to any threat of litigation or other claim or complaint relating to any Release or threatened Release by AIRLINE of any Hazardous Substance at the Airport or other violation of Environmental Laws by AIRLINE with respect to the Airport or the adjoining or nearby lands or waters in the vicinity of the Airport. AIRLINE shall promptly provide DOT&PF with a copy of any written complaint, claim, notice, statement of violation, subpoena, report, order, or correspondence it receives from any third party relating to such a Release, threatened Release, or other violation of an Environmental Law, and AIRLINE's written response, if any. Subject to requirements of any other relevant governmental authorities with jurisdiction, AIRLINE shall cooperate and coordinate with DOT&PF in the investigation of any Hazardous Substance Release, threatened Release or other matter covered by the notification obligations above. AIRLINE's compliance with the notification requirements in this paragraph does not relieve it of its responsibility to report directly to and comply with all requirements of any other governmental agency with jurisdiction.

C. Right to Inspect and Correct: If AIRLINE, or the Premises, because of actions caused by AIRLINE is in violation of any Environmental Law concerning Hazardous Substances and AIRLINE does not act promptly to take such action as is reasonably necessary to remedy and cure the violation, DOT&PF has the right but not the obligation, to come onto the Premises, to act in place of AIRLINE and to take such action reasonably necessary to cure the violation. If DOT&PF has a reasonable belief that AIRLINE's actions or inactions present a threat of violation or a threat of damage to the Premises, DOT&PF reserves the right to enter onto the Premises and take such corrective or mitigating action as DOT&PF deems reasonably necessary. All reasonable expenses and costs (including consultants' fees, expert fees, attorneys' fees, costs, and other legal expenses) incurred or owing by DOT&PF in connection with actions taken under this paragraph shall be reimbursed by AIRLINE and become due and payable to DOT&PF within thirty (30) days after an invoice is provided to AIRLINE by DOT&PF.

D. Deicing Requirement: AIRLINE may apply deicing fluid to its aircraft but must do so in compliance with applicable Environmental Laws and permits issued to DOT&PF and/or to AIRLINE by relevant regulatory authorities, and subject to any additional restrictions or requirements developed by DOT&PF in coordination with AIRLINE to minimize or mitigate discharge, runoff or other environmental impacts which include deicing aircraft only at designated locations. AIRLINE is responsible for properly storing, transporting, using, managing, and disposing of deicing fluids to avoid Releases in violation of Environmental Laws. AIRLINE shall provide regular reports to DOT&PF and to any other governmental agency having authority over deicing fluids and operations, as required by the relevant authority.

E. Stormwater Provisions: AIRLINE acknowledges that Airport is subject to federal and state stormwater regulations and permits, which are applicable to all AIRLINE operations at the Airport. AIRLINE shall comply with all such stormwater regulations and permit requirements which apply to its activities at the Airport. To the extent AIRLINE obtains or maintains discharge-related permits for its specific activities at the Airport, it shall provide timely notice to and coordinate its permits with DOT&PF to ensure any such discharge

permits issued directly to AIRLINE do not restrict or otherwise interfere with Airport operations. Without limiting the applicability of any other stormwater requirements which may apply, AIRLINE agrees to take all reasonable measures to eliminate or minimize any exposure of stormwater to Hazardous Substances and other substances generated, stored, transported, handled, or otherwise used by AIRLINE to maintain compliance with applicable stormwater requirements and other Environmental Laws. DOT&PF and AIRLINE both acknowledge that close cooperation between them is necessary to ensure compliance with Airport stormwater discharge requirements and, as part of that process, to consider the operational requirements of the airlines. DOT&PF will inform AIRLINE of draft and final permits, permit conditions, or amendments to permits that affect AIRLINE's operations. AIRLINE agrees to cooperate and participate in a reasonable manner requested by DOT&PF, including as part of a work group or other committee, to coordinate stormwater activities and compliance at the Airport.

F. Duties Upon Vacation of Premises: Prior to vacating all or a portion of the Premises, or upon expiration or termination of this Agreement, in addition to the other requirements of this Agreement, AIRLINE shall remove and properly dispose of all Hazardous Substances placed or maintained on the Premises by AIRLINE during the term of the Agreement, or existing as a result of AIRLINE's use or occupancy of the Premises, in compliance with applicable Environmental Laws, and shall document the removal and proper disposal to DOT&PF's reasonable satisfaction. In the event AIRLINE fails to remove and dispose of all Hazardous Substances as required by this paragraph, DOT&PF may, but is not required to, take whatever corrective, clean up, remediation and mitigating actions it deems reasonably necessary in accordance with Environmental Laws. All reasonable costs and expenses incurred by DOT&PF in connection with any resolving actions taken under this paragraph shall be reimbursed by AIRLINE and become due and payable to DOT&PF within thirty (30) days after an invoice is provided to AIRLINE by DOT&PF.

G. List of Hazardous Substances: At the request of DOT&PF, AIRLINE shall provide to DOT&PF either Safety Data Sheets or a list of the Hazardous Substances and their chemical constituents, which are present on the Premises and not engaged in temporary transport, their approximate amounts and locations. This information shall include documentation of any Releases of Hazardous Substances that are in violation of Environmental Laws that have occurred or were discovered on the Premises utilized by AIRLINE. AIRLINE shall be responsible for the costs and expenses of any Hazardous Substance surveys or site assessments necessary to complete this reporting requirement.

H. Right to Perform Audits: DOT&PF shall have the right, but not the obligation, to conduct or cause to be conducted environmental audits ("Audits"), of the Premises to determine AIRLINE's compliance with Environmental Laws at any time during the term of this Agreement. Audits may include a review of relevant documents, on-site inspection of facilities, equipment or operations, and sampling, testing, or monitoring for the presence of Hazardous Substances. Absent a reasonable belief that AIRLINE is not in compliance with one or more Environmental Laws, an Audit shall not be conducted more frequently

than once every two years. Except in the case of an emergency, reasonable advance written notice of an environmental Audit must be provided to AIRLINE, and DOT&PF will coordinate with AIRLINE in order to minimize interference with AIRLINE's normal operations. If an Audit or other information received by DOT&PF demonstrates that a violation of an applicable Environmental Law caused by AIRLINE has occurred or is imminently threatened, DOT&PF shall provide a copy of the Audit to AIRLINE. At AIRLINE's request, DOT&PF will split samples with AIRLINE. AIRLINE shall promptly undertake all necessary corrective actions and required reporting to comply with Environmental Laws and the requirements of DOT&PF. In the event a violation of Environmental Law is found and requires resolving action, AIRLINE shall be responsible to reimburse all of DOT&PF's reasonable costs and expenses relating to the Audit and any subsequent oversight and other actions taken in relation to the violation and shall pay within thirty (30) days after an invoice is provided by DOT&PF to AIRLINE.

I. Survival of Environmental Obligations: Article 16 shall survive the termination or expiration of this Agreement.

J. Environmental Indemnity: Without limiting any other indemnities or remedies available to DOT&PF under this Agreement or at law, and except for Excluded Environmental Claims, as defined below, AIRLINE agrees to defend, indemnify and hold harmless DOT&PF, its employees, agents, contractors, and other representatives, from and against any and all claims, complaints, causes of action, regulatory agency actions, demands, liabilities, damages, fines, penalties, losses, and costs and expenses of any nature or kind, including, without limitation, all damages for personal injury, death, or property damage; containment, clean up, or other remedial or restoration costs; costs of inspection, site assessment, testing and monitoring; and legal expenses including reasonable consultants', experts', and attorneys' fees and other litigation costs and expenses (when incurred and whether incurred in defense of actual litigation or in reasonable anticipation of litigation) arising from the existence or discovery of any Hazardous Substance on the Premises or at the Airport, or the Release of any Hazardous Substance on or into the Premises or other Airport property or on or into the surrounding environment, or from any other violation of an Environmental Law, whether made, commenced or incurred during the term of this Agreement, or made, commenced or incurred after the expiration or termination of this Agreement, directly attributable to AIRLINE's actions during the Term or any holdover period. For purposes of this paragraph, "Excluded Environmental Claims" shall mean any claims, causes of action, demands, damages, liabilities, fines penalties, losses, and costs or expenses of any kind, to the extent caused by or arising from: (i) the migration of a Hazardous Substance Release, where the initial Release is not in any way attributable to AIRLINE or any of AIRLINE's activities on or in the vicinity of the Airport; or (ii) the movement of Hazardous Substances first released outside of AIRLINE's Premises onto or under AIRLINE's Premises due to leaching or the flow of groundwater, provided that AIRLINE is not otherwise responsible for any of the off-AIRLINE-Premises Release that introduced the migrating Hazardous Substances into the environment. DOT&PF will use best efforts to notify AIRLINE of any such claim it becomes aware of. The provisions of this paragraph shall survive the expiration or termination of this Agreement.

**ARTICLE 17**  
**Effect on Other Agreements**

Section 17.01. Agreement Not to Grant More Favorable Terms

A. Except as allowed in Sections 17.01.B and 17.02, DOT&PF agrees not to charge any airline lower rates, fees, or charges than are charged on a unit basis to AIRLINE under this Agreement and agrees not to violate the non-discrimination requirements of the Federal Aviation Act of 1958, as amended, and grant assurances given the FAA by the State. This Section 17.01 shall not apply to any airline that operates only aircraft with Certificated Maximum Gross Takeoff Weight(s) less than thirty thousand (30,000) pounds.

B. Subject to the requirements of 17 AAC 42, and after Consultation with the Signatory Airlines, DOT&PF may use its prerogative to negotiate more favorable Fairbanks terminal rent if DOT&PF makes a written determination that such Fairbanks terminal space is otherwise unmarketable.

Section 17.02. Inducements Permitted

DOT&PF reserves the right to take reasonable measures to induce new or expanded service at, or use of, an Airport, including the offering and provision of reasonable service and financial advantages of limited duration. DOT&PF will provide the Signatory Airlines an opportunity to review and comment on any and all proposed inducements before implementation.

**ARTICLE 18**  
**General Provisions**

Section 18.01. Delivery of Notices

A. Unless otherwise requested, all required notices, requests, consents, and approvals will be delivered by electronic mail (email) to the email address or addresses provided by the respective Parties. Each email communication or attached document will be considered delivered when it is dispatched by the sender to each of the email addresses specified by the recipient, unless the sender receives an automatic notification that the email has not been received within two hours of dispatch for all provided email addresses.

If automatic notification of email non-delivery is received by the sender for all provided email addresses, or the sender has a good faith belief that the emails are not being delivered, the sending party will first attempt to contact the receiving party by telephone and verify email addresses and delivery of the relevant notice. If the sending party cannot readily contact and verify delivery, the sending party will deliver the notice in writing and served personally, or send by registered or certified mail, or by a nationally or internationally recognized courier service (e.g., DHL, FedEx, UPS) and with proof of delivery.



Upon request from AIRLINE required notices, requests, consents, and approvals shall be delivered in writing and served personally, or sent by registered or certified mail, or by a nationally or internationally recognized courier service (e.g., DHL, FedEx, UPS) and with proof of delivery. Delivery of notices shall be to the following addresses:

DOT&PF: As applicable to each respective Airport:

Email Address: \_\_\_\_\_  
Ted Stevens Anchorage International Airport  
Leasing & Property Management  
P.O. Box 196960  
Anchorage, Alaska 99519-6960  
Facsimile number: 907-266-2458

Email Address: \_\_\_\_\_  
Fairbanks International Airport  
Leasing & Property Management  
6450 Airport Way, Suite 1  
Fairbanks, Alaska 99709  
Facsimile number: 907-474-2513

AIRLINE:

Email Address: \_\_\_\_\_

Email Address: \_\_\_\_\_

Email Address: \_\_\_\_\_

address:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

B. If notice is given in any other manner or at any other place, notice must also be given in writing at the place and in the manner specified in this Section in order to be effective under this Agreement. All notice periods begin on the date of receipt of written notice at the address listed in Section 18.01.A except as provided elsewhere in this Agreement.

C. Either party may change its contact information in this Section by written notice to the other party. AIRLINE may change its delivery method by written notice to DOT&PF.

#### Section 18.02. Severability

If any part of this Agreement is declared to be invalid by a court of competent jurisdiction, the other parts of the Agreement remain in full force.

#### Section 18.03. Officers, Agents, and Employees

No commissioner, director, officer, agent, employee, or other representative of either party may be charged personally nor held contractually liable by the other party for the enforcement, attempted enforcement, or breach of this Agreement if acting within the scope of their duties. This provision shall have no effect upon any liability of DOT&PF or AIRLINE for the acts of these persons that are within the scope of their duties.

#### Section 18.04. Subordination to Agreements with the U.S. Government and to Emergency Declarations

This Agreement is subject to any present or future agreement between DOT&PF and the United States of America concerning the operation or maintenance of the Airport System. AIRLINE may not hold DOT&PF liable for any failure to perform any part of this Agreement as a result of any national emergency declared by the federal government or any state of emergency declared by the State.

#### Section 18.05. Incorporation of Required Provisions

The parties agree to incorporate into this Agreement any provision required by any governmental agency, including DOT&PF acting in its nonproprietary capacity, now or in the future.

#### Section 18.06. Non-waiver of Rights

No failure to enforce any provision of this Agreement shall be construed to be a waiver of that provision, except as stated in writing. No waiver of default of any part of this Agreement by either party shall operate as a waiver of any subsequent default of any part of this Agreement that is to be performed by the other party. No instance of consent or notice by either party shall be construed to be consent or notice of any independent matter or event.

#### Section 18.07. Force Majeure

Neither DOT&PF nor AIRLINE shall be deemed to be in violation of this Agreement if it is prevented from performing any of the obligations imposed under this Agreement by reason of Force Majeure; provided, however, that this Section shall not excuse AIRLINE from paying the rentals, fees, and charges specified in this Agreement. DOT&PF shall be under no obligation to furnish any service or supply any utility if and to the extent and during any period that the furnishing of any such service or the supplying of any such

utility, or the use of any device or component necessary therefore, shall be prohibited or rationed by any federal or state law, rule, regulation, requirement, order, or directive.

In the event of a Force Majeure DOT&PF and AIRLINE shall use best efforts to resume performance as soon as practicable under the circumstances.

#### Section 18.08. Contract Interpretation

The headings of articles and sections are used only for convenience and reference and may not be used to define or interpret the scope or intent of this Agreement. Words denoting the singular shall include the plural and vice versa. The language in all parts of this Agreement must be construed according to its fair meaning and not strictly for or against either DOT&PF or AIRLINE.

#### Section 18.09. Contract Amendment

Other than the self-effective supplements described Section 4.04, this Agreement may only be amended in writing through a supplement that is signed by the authorized representatives of both Parties. A master supplement that has been executed by DOT&PF and not less than an Airline Majority not then in default under this Agreement may become a self-effective supplement as to all Signatory Airlines upon written notice by DOT&PF. A self-effective supplement under the previous sentence may not modify AIRLINE's Exclusive Use or Preferential Use Premises under this Agreement.

#### Section 18.10. Federal Aviation Act, Section 308

Nothing in this Agreement shall be deemed to grant to AIRLINE any exclusive right or privilege within the meaning of Section 308 of the Federal Aviation Act of 1958, as amended, for the conduct of any activity at the Airport.

#### Section 18.11. Radio Interference

At DOT&PF's request, AIRLINE will stop using any machine or device that interferes with any government operated transmitter, receiver, or navigation aid until the cause of the interference is eliminated.

#### Section 18.12. Obtaining Federal and State Funds

DOT&PF will use its best efforts to obtain maximum grants from federal, state, or other sources when consistent with prudent management of the Airport System.

#### Section 18.13. Management Audits

DOT&PF will conduct periodic management and operation audits of the Airport System and the IARF. DOT&PF will use its best efforts to implement the reasonable recommendations of the audits.

#### Section 18.14. Project Management

DOT&PF will use its best efforts to implement Capital Projects with efficient and responsive project management.

#### Section 18.15. PFCs

DOT&PF reserves the right to institute and to adjust a PFC in accordance with 49 U.S.C. § 40117 and applicable implementing regulations adopted by the FAA, 14 CFR Part 158, as they may be amended from time to time (the "PFC Regulations"), if DOT&PF desires and if the FAA approves. If a PFC is instituted, its proceeds will, for the purposes of this Agreement, not be included in Revenue but will be dedicated to funding, directly or indirectly, Airport System Capital Projects. Proceeds of such a charge collected by AIRLINE from passengers or third-party ticket sellers by AIRLINE and other passenger airlines serving the Airport System will be deemed the property of DOT&PF, held in trust for the State pending remittance to DOT&PF.

#### Section 18.16. Governing Law

This Agreement is governed by the laws of the State of Alaska. Legal actions filed, if any, shall be filed in the Third Judicial District at Anchorage unless DOT&PF requests or consents in writing to venue in the Fourth Judicial District at Fairbanks.

#### Section 18.17. Dispute Resolution

Unless otherwise governed by federal law, questions or disputes relating to the interpretation, implementation, or enforcement of this Agreement shall be jointly negotiated between AIRLINE and the Airport Director. Final decisions of the Airport Director are subject to the protest and appeal provisions of 17 AAC 42.

#### Section 18.18. Inspection of Books and Records

At its own expense and upon reasonable notice, each party has the right from time-to-time to inspect the books, records, or other data of the other party relating to this Agreement. Inspections must be conducted during regular business hours.

#### Section 18.19. Generally Accepted Accounting Principles

Any report or disclosure referred to in this Agreement that contains financial information must be prepared in accordance with applicable generally accepted accounting principles unless otherwise noted in this Agreement.

Section 18.20. Modification Necessary for Grant of FAA Funds

A. If the FAA requires that this Agreement be amended as a condition precedent to the granting of funds for the improvement of the Airport, AIRLINE agrees to consent to any amendment that is reasonably required in order to enable DOT&PF to obtain the grant of funds.

B. If any FAA required amendment impairs AIRLINE's rights under this Agreement or causes AIRLINE any unreasonable expense, AIRLINE may terminate this Agreement within sixty (60) days by notice to DOT&PF.

Section 18.21. Consent Not to be Unreasonably Withheld

Neither DOT&PF nor AIRLINE will unreasonably withhold any consent or approval required by this Agreement.

Section 18.22. Prudent Operations

DOT&PF will manage the Airport System in a prudent and reasonable manner.

Section 18.23. Independent Contractor

AIRLINE is neither an agent nor an employee of DOT&PF but is an independent contractor with respect to all AIRLINE's activities on the Airport, including any installation, construction, or service provided.

Section 18.24. Entire Agreement

Except as described in Section 18.27, this Agreement with all attached exhibits constitutes the entire agreement between DOT&PF and AIRLINE at the Airport. Statements previously made, verbal or written, are superseded by this Agreement.

Section 18.25. Condemnation

If any of AIRLINE's rights and privileges under this Agreement are condemned by any proper authority, including the State of Alaska, this Agreement terminates automatically on the date AIRLINE is required to surrender possession of the property. DOT&PF is entitled to all the condemnation proceeds except AIRLINE will be paid only the portion of the proceeds attributable to the fair market value of any improvements placed on the Premises by AIRLINE according to the provisions of 17 AAC 42.255 or as amended, and not any compensation for consequential or severance damages including business damage, lost profits, or leasehold advantage. Rent will be adjusted according to the provisions of 17 AAC 42.255 or as amended.

Section 18.26. Incorporation of Exhibits

Exhibits "A" through "T" are fully incorporated into and are a part of this Agreement. Any changes to Exhibits shall only be valid after consultation with the AAAC and subsequent notification per the notification procedures in Section 18.01.

Section 18.27. Preexisting Agreements

A. The following Former Agreements between AIRLINE and DOT&PF at the Airport are terminated by the execution and delivery of this Agreement:

<u>DOT&amp;PF FILE NO.</u>	<u>SPACE OR PROPERTY LEASED</u>
@_____	Per Agreement

B. AIRLINE and DOT&PF agree that the only agreements in existence at the Airport between AIRLINE and DOT&PF on the effective date of this Agreement are this Agreement and those listed below:

<u>DOT&amp;PF FILE NO.</u>	<u>SPACE OR PROPERTY LEASED</u>
@_____	Per Agreement

Section 18.28. Electronic Funds Transfers

DOT&PF reserves the right to require by written notice that AIRLINE make all payments of a specified amount or greater by electronic funds transfer, and AIRLINE agrees to make all payments subject to that requirement in the manner directed in the notice. For payment to be submitted with a CAR under Section 11.01.C.3, a copy of a receipt or other evidence of the fund transfer request must accompany the submittal of the report.

Section 18.29. Designation of Authorized Representative

AIRLINE shall appoint and designate a representative to act on its behalf with respect to all matters required or permitted under this Agreement to be approved or undertaken by the Signatory Airlines or an Airline Majority, and with respect to all other matters arising under this Agreement. AIRLINE shall notify DOT&PF as to AIRLINE's designation, and as to any change in designation, by written notice under Section 18.01 of this Agreement. The person so designated shall be AIRLINE's authorized representative on the AAAC.

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## Exhibits

- Exhibit "A" Property drawing of ANC showing boundaries and essential facilities, and Lake Hood Airport Complex.
- Exhibit "B" Property drawing of FAI showing boundaries and essential facilities.
- Exhibit "C" Five Year Capital Improvement Program, including project descriptions, cost estimates, and scheduling.
- Exhibit "D" Minimum Utilization Rate minimum criteria for ANC and FAI.
- Exhibit "E" Description of uses applicable to and a description of any space for Exclusive, Preferential, Common, and Preferential Use Aircraft Parking Position(s) specific to AIRLINE at ANC.
- Exhibit "F" Description of uses applicable to and a description of any space for Exclusive, Preferential, Common Use Premises, and Preferential Use Aircraft Parking Position(s) specific to AIRLINE at FAI.
- Exhibit "G" Intentionally Left Blank
- Exhibit "H" Intentionally Left Blank
- Exhibit "I" Drawing showing all Aircraft Parking Positions and any Preferential Use Aircraft Parking Position(s) specific to AIRLINE at ANC.
- Exhibit "J" Drawing showing all Aircraft Parking Positions and any Preferential Use Aircraft Parking Position(s) specific to AIRLINE at FAI.
- Exhibit "K" Drawing showing any space for Exclusive, Preferential, and Common Use Premises specific to AIRLINE at ANC.
- Exhibit "L" Drawing showing any space for Exclusive, Preferential, and Common Use Premises specific to AIRLINE at FAI.
- Exhibit "M" Cost Allocation Methodology.
- Exhibit "N" General Category Projects Allowances Descriptions, Pre-Balloting, Project Nomination Form and Sample Capital Project Ballot
- Exhibit "O" North Terminal Common Use Premises – ANC
- Exhibit "P" South Terminal Common Use Premises – ANC
- Exhibit "Q" FAI Common Use Exhibit.
- Exhibit "R" DOT&PF Modification and Relocation Terms and Responsibilities
- Exhibit "S" AIRLINE and DOT&PF Maintenance Responsibilities Matrix

Exhibit "T" Gate and Parking Management Protocols



The Parties have executed this Agreement on the dates below:

@ \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

STATE OF \_\_\_\_\_ )  
\_\_\_\_\_) ss.  
\_\_\_\_\_) )  
(Judicial District or County)

Signature: \_\_\_\_\_

THIS IS TO CERTIFY that on this \_\_\_\_ day of \_\_\_\_\_, 2023, before me, the undersigned, a Notary Public in and for the State of \_\_\_\_\_, duly commissioned and sworn, personally appeared \_\_\_\_\_, known to me and to me known to be the \_\_\_\_\_ of and for AIRLINE, a party named in the foregoing instrument, and who acknowledged to me that the same was freely and voluntarily executed and entered into on behalf of AIRLINE with full knowledge of its contents, for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year above written.

Notary Public in and for: \_\_\_\_\_

My Commission Expires: \_\_\_\_\_

Entered into on behalf of the State of Alaska, Department of Transportation and Public Facilities.

By: \_\_\_\_\_

Title: \_\_\_\_\_

STATE OF ALASKA )  
\_\_\_\_\_) ss.  
3<sup>rd</sup> JUDICIAL DISTRICT )

Signature: \_\_\_\_\_

THIS IS TO CERTIFY that on this \_\_\_\_\_ day of \_\_\_\_\_, 2023, before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned \_\_\_\_\_ and \_\_\_\_\_ sworn, \_\_\_\_\_ personally appeared \_\_\_\_\_, known to me and to me known to be the \_\_\_\_\_ of and for the Department of Transportation and Public Facilities, State of Alaska, a party named in the foregoing instrument and who acknowledged to me that the same was freely and voluntarily executed on behalf of the State of Alaska, Department of Transportation and Public Facilities, for the uses and purposes therein set forth and who is authorized by said State of Alaska so to do.

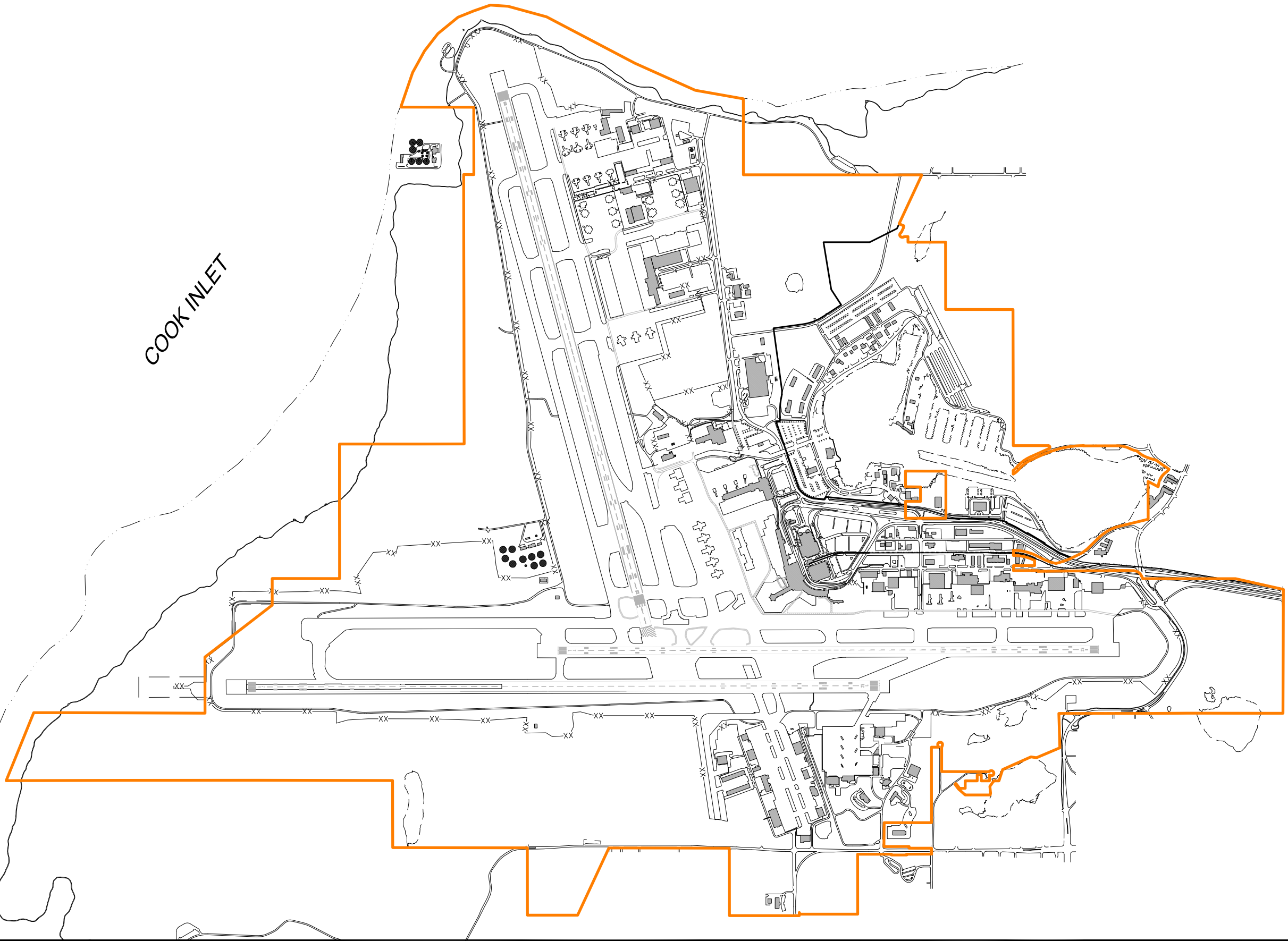
IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal, the day and year written above.

Notary Public in and for Alaska

My Commission Expires: \_\_\_\_\_



COOK INLET



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SCALE IN FEET

AIRPORT ENGINEERING

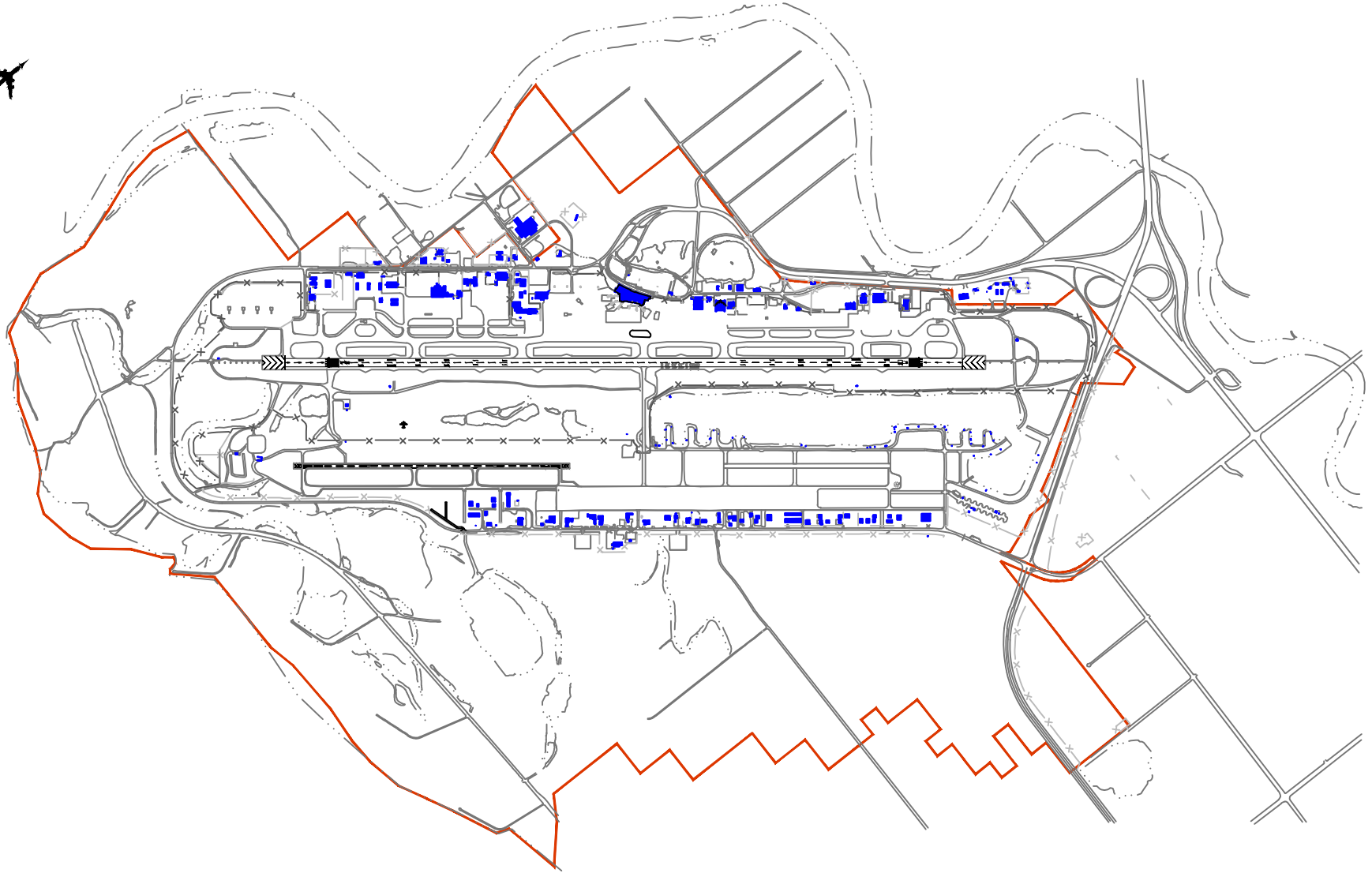
STATE OF ALASKA  
DEPARTMENT OF TRANSPORTATION  
AND PUBLIC FACILITIES



DATED: July 1, 2023

**EXHIBIT A**  
ANC Property Drawing  
2023 OAPT

R:\ENGINEERING\Drawings\FAI LEASING\0A 2013\Property and cost center-Exhibit B-Property Fri, Jan/27/23 02:35pm



AIRPORT LEASING

STATE OF ALASKA  
 DEPARTMENT OF TRANSPORTATION  
 AND PUBLIC FACILITIES

Fairbanks  
 International Airport  
 AeroNexus®

**EXHIBIT B**  
 FAI Property Boundary  
 2023 OAPTL

Dated: July 1, 2023 - Revision 0

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**EXHIBIT C1**  
**AIAS General Categories Projects (GCP) Allowances Descriptions**

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**ANC Airfield Pavement Reconstruction and Maintenance**

Reconstruct airfield pavement, including runways, taxiways, taxilanes, aircraft parking aprons, as it reaches the end of its useful life and perform maintenance work such as crack filling and sealing and spot repairs. The rehabilitation consists of excavating the existing structural section and replacing with a structural section that is designed for the current aircraft mix that use the pavement, including possible widening, as well as disposal of any contaminated soils, repaving, lighting, striping, signage, and storm drainage.

**ANC Equipment**

Purchase equipment (primarily heavy airfield maintenance equipment, miscellaneous airport vehicles, etc.) to replace equipment that has reached or will reach the end of its useful life and additional equipment and vehicles as necessary to meet the operational and support needs of the Airport.

**ANC Environmental Projects**

This project consists of capital projects associated with ensuring ANC maintains compliance with all local, state, and federal environmental laws. This would cover projects such as contaminated sites needing remediation, installing treatment and mitigation measures for storm water, monitoring of storm water from the Airport and prevention of deicing fluids from entering the storm water system, maintaining spill prevention and response equipment for ANC tanks, upgrade and maintain UST as they relate to environmental requirements, air quality monitoring and mitigation to comply with state and federal Clean Air Act requirements, hazardous waste monitoring and compliance, and necessary specialized environmental consulting and construction services to meet the changing and updated environmental laws and regulatory response actions to environmental compliance investigations.

**ANC Information Technology Improvements**

Install new/updated technologies and replace aging or no longer supported hardware on a regular basis to increase the likelihood that airport operations are not hindered by delays in data, information transmission and access.

**ANC Facility Improvements, Renovations and Upgrades**

Provide miscellaneous facility improvements, renovations, and upgrades associated with normal deterioration, equipment failures, mechanical upgrades, changing operational needs, changing security requirements, enhanced aesthetics, and other modifications at any of the airport owned building-type facilities. Examples of the types of projects that may be undertaken include replacement of automatic and overhead doors, lighting fixtures, escalators and elevators, HVAC/mechanical, telecommunications, security, roofing, and access systems.

### **ANC Annual Improvements**

Miscellaneous non-building-related improvements, replacements, and repairs, such as paving, signing, site work, landscaping, and drainage and other utilities. Typical projects result from weather damage, new security requirements, Federal requirements, changed operating requirements by the airlines, minor changes to airport operating procedures, and general airport deficiencies not previously identified.

### **ANC Advanced Project Design and Planning**

Provides planning analysis, financing plans, preliminary engineering, environmental, surveying, geotechnical investigation, cost estimating, feasibility analysis, and design of potential future capital improvement projects. This is needed to do advance work on projects to better define their need, scope, cost and benefit prior to initiation of the design and construction.

### **FAI Airfield Pavement Reconstruction and Maintenance**

Reconstruct airfield pavement, including runways, taxiways, taxilanes, aircraft parking aprons, as it reaches the end of its useful life and perform maintenance work such as crack filling and sealing and spot repairs. The rehabilitation consists of excavating the existing structural section and replacing with a structural section that is designed for the current aircraft mix that use the pavement, including possible widening, as well as disposal of any contaminated soils, repaving, lighting, striping, signage, and storm drainage.

### **FAI Equipment**

Purchase airport equipment (primarily heavy airfield maintenance equipment, miscellaneous airport vehicles, etc.) to replace equipment that has reached or will reach the end of its useful life and and additional equipment and vehicles as necessary to meet the operational and support needs of the Airport.

### **FAI Environmental Projects**

This project consists of capital projects associated with ensuring FAI maintains compliance with all local, state, and federal environmental laws. This would cover projects such as contaminated sites needing remediation, installing treatment and mitigation measures for storm water, monitoring of storm water from the Airport and prevention of deicing fluids from entering the storm water system, maintaining spill prevention and response equipment for FAI tanks, upgrade and maintain UST as they relate to environmental requirements, air quality monitoring and mitigation to comply with state and federal Clean Air Act requirements, hazardous waste monitoring and compliance, and necessary specialized environmental consulting and construction services to meet the changing and updated environmental laws and regulatory response actions to environmental compliance investigations..

### **FAI Information Technology Improvements**

Install new/updated technologies and replace aging or no longer supported hardware on a planned basis to increase the likelihood that airport operations are not hindered by delays in data, information transmission and access.

### **FAI Facility Improvements, Renovations, and Upgrades**

Provide miscellaneous facility improvements, renovations, and upgrades associated with normal deterioration, equipment failures, mechanical upgrades, changing operational needs, changing security requirements, enhanced aesthetics, and other modifications at any of the airport owned building-type facilities. Examples of the types of projects that may be undertaken include replacement of automatic and overhead doors, lighting fixtures, escalators and elevators, HVAC/mechanical, telecommunications, security, roofing, and access systems.

### **FAI Annual Improvements**

Miscellaneous non-building-related improvements, replacements, and repairs, such as paving, signing, site work, landscaping, fencing, drainage, and other utilities. Typical projects result from weather damage, new security requirements, Federal requirements, changed operating requirements by the airlines, minor changes to airport operating procedures, and general airport deficiencies not previously identified.

### **FAI Advanced Project Design and Planning**

Provides planning analysis, financing plans, preliminary engineering, environmental, surveying, geotechnical investigation, cost estimating, feasibility analysis, and design of potential future capital improvement projects. This is needed to do advance work on projects to better define their need, scope, cost and benefit prior to initiation of the design and construction.

**EXHIBIT C2**  
**GENERAL CATEGORIES PROJECTS ALLOWANCE SCHEDULE**  
**2023-2033 OAPTL**  
7/1/2023 - Revision 0

ANC CIP													
PNF	Description	2024			2025			2026			2027		
		AIP	Rate Based	Total	AIP	Rate Based	Total	AIP	Rate Based	Total	AIP	Rate Based	Total
	ANC Airfield Pavement Reconstruction and Maintenance	\$41,640,728	\$7,231,138	\$48,871,866	\$44,555,579	\$7,737,318	\$52,292,897	\$47,674,469	\$8,278,930	\$55,953,399	\$51,011,682	\$8,858,455	\$59,870,137
	ANC Equipment	\$1,856,124	\$2,643,876	\$4,500,000	\$1,986,053	\$2,828,947	\$4,815,000	\$2,125,076	\$3,026,974	\$5,152,050	\$2,273,832	\$3,238,862	\$5,512,694
	ANC Environmental Projects	\$0	\$200,000	\$200,000	\$0	\$214,000	\$214,000	\$0	\$228,980	\$228,980	\$0	\$245,009	\$245,009
	ANC Information Technology Improvements	\$0	\$2,000,000	\$2,000,000	\$0	\$2,140,000	\$2,140,000	\$0	\$2,289,800	\$2,289,800	\$0	\$2,450,086	\$2,450,086
	ANC Facility Improvements, Renovations and Upgrades	\$0	\$2,673,419	\$2,673,419	\$0	\$2,860,558	\$2,860,558	\$0	\$3,060,797	\$3,060,797	\$0	\$3,275,053	\$3,275,053
	ANC Annual Improvements	\$0	\$2,468,230	\$2,468,230	\$0	\$2,641,006	\$2,641,006	\$0	\$2,825,877	\$2,825,877	\$0	\$3,023,688	\$3,023,688
	ANC Advanced Project Design and Planning	\$0	\$1,500,000	\$1,500,000	\$0	\$1,605,000	\$1,605,000	\$0	\$1,717,350	\$1,717,350	\$0	\$1,837,565	\$1,837,565
	<b>ANC 2024-2033 CIP TOTALS</b>	<b>\$43,496,852</b>	<b>\$18,716,663</b>	<b>\$62,213,515</b>	<b>\$46,541,632</b>	<b>\$20,026,829</b>	<b>\$66,568,461</b>	<b>\$49,799,546</b>	<b>\$21,428,707</b>	<b>\$71,228,253</b>	<b>\$53,285,514</b>	<b>\$22,928,717</b>	<b>\$76,214,231</b>

FAI CIP													
PNF	Description	2024			2025			2026			2027		
		AIP	Rate Based	Total	AIP	Rate Based	Total	AIP	Rate Based	Total	AIP	Rate Based	Total
	FAI Airfield Pavement Reconstruction and Maintenance	\$281,250	\$18,750	\$300,000	\$300,938	\$20,063	\$321,000	\$322,003	\$21,467	\$343,470	\$344,543	\$22,970	\$367,513
	FAI Equipment	\$862,500	\$1,193,500	\$2,056,000	\$3,184,421	\$661,694	\$3,846,115	\$2,698,406	\$1,071,204	\$3,769,610	\$3,189,938	\$1,259,123	\$4,449,060
	FAI Environmental Projects	\$0	\$300,000	\$300,000	\$0	\$321,000	\$321,000	\$0	\$343,470	\$343,470	\$0	\$367,513	\$367,513
	FAI Information Technology Improvements	\$0	\$200,000	\$200,000	\$0	\$214,000	\$214,000	\$0	\$228,980	\$228,980	\$0	\$245,009	\$245,009
	FAI Facility Improvements, Renovations and Upgrades	\$0	\$300,000	\$300,000	\$0	\$321,000	\$321,000	\$0	\$343,470	\$343,470	\$0	\$367,513	\$367,513
	FAI Annual Improvements	\$0	\$469,577	\$469,577	\$0	\$502,447	\$502,447	\$0	\$537,619	\$537,619	\$0	\$575,252	\$575,252
	FAI Advanced Project Design and Planning	\$0	\$200,000	\$200,000	\$0	\$214,000	\$214,000	\$0	\$228,980	\$228,980	\$0	\$245,009	\$245,009
	<b>FAI 2024-2033 CIP TOTALS</b>	<b>\$1,143,750</b>	<b>\$2,681,827</b>	<b>\$3,825,577</b>	<b>\$3,485,358</b>	<b>\$2,254,204</b>	<b>\$5,739,562</b>	<b>\$3,020,409</b>	<b>\$2,775,189</b>	<b>\$5,795,599</b>	<b>\$3,534,481</b>	<b>\$3,082,387</b>	<b>\$6,616,868</b>

	<b>AIAS 2024-2033 CIP TOTALS</b>	<b>\$44,640,602</b>	<b>\$21,398,490</b>	<b>\$66,039,092</b>	<b>\$50,026,990</b>	<b>\$22,281,034</b>	<b>\$72,308,023</b>	<b>\$52,819,955</b>	<b>\$24,203,897</b>	<b>\$77,023,852</b>	<b>\$56,819,995</b>	<b>\$26,011,104</b>	<b>\$82,831,099</b>
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**EXHIBIT C2**  
**GENERAL CATEGORIES PROJECTS A**  
**2023-2033 OAI**  
7/1/2023 - Revisi

ANC CIP													
PNF	Description	2028			2029			2030			2031		
		AIP	Rate Based	Total	AIP	Rate Based	Total	AIP	Rate Based	Total	AIP	Rate Based	Total
	ANC Airfield Pavement Reconstruction and Maintenance	\$54,582,500	\$9,478,547	\$64,061,047	\$58,403,275	\$10,142,045	\$68,545,320	\$62,491,504	\$10,851,988	\$73,343,493	\$66,865,910	\$11,611,627	\$78,477,537
	ANC Equipment	\$2,433,000	\$3,465,582	\$5,898,582	\$2,603,310	\$3,708,173	\$6,311,483	\$2,785,542	\$3,967,745	\$6,753,287	\$2,980,530	\$4,245,487	\$7,226,017
	ANC Environmental Projects	\$0	\$262,159	\$262,159	\$0	\$280,510	\$280,510	\$0	\$300,146	\$300,146	\$0	\$321,156	\$321,156
	ANC Information Technology Improvements	\$0	\$2,621,592	\$2,621,592	\$0	\$2,805,103	\$2,805,103	\$0	\$3,001,461	\$3,001,461	\$0	\$3,211,563	\$3,211,563
	ANC Facility Improvements, Renovations and Upgrades	\$0	\$3,504,307	\$3,504,307	\$0	\$3,749,608	\$3,749,608	\$0	\$4,012,081	\$4,012,081	\$0	\$4,292,927	\$4,292,927
	ANC Annual Improvements	\$0	\$3,235,346	\$3,235,346	\$0	\$3,461,820	\$3,461,820	\$0	\$3,704,148	\$3,704,148	\$0	\$3,963,438	\$3,963,438
	ANC Advanced Project Design and Planning	\$0	\$1,966,194	\$1,966,194	\$0	\$2,103,828	\$2,103,828	\$0	\$2,251,096	\$2,251,096	\$0	\$2,408,672	\$2,408,672
	<b>ANC 2024-2033 CIP TOTALS</b>	<b>\$57,015,500</b>	<b>\$24,533,727</b>	<b>\$81,549,227</b>	<b>\$61,006,585</b>	<b>\$26,251,088</b>	<b>\$87,257,673</b>	<b>\$65,277,046</b>	<b>\$28,088,664</b>	<b>\$93,365,710</b>	<b>\$69,846,439</b>	<b>\$30,054,871</b>	<b>\$99,901,310</b>

FAI CIP													
PNF	Description	2028			2029			2030			2031		
		AIP	Rate Based	Total	AIP	Rate Based	Total	AIP	Rate Based	Total	AIP	Rate Based	Total
	FAI Airfield Pavement Reconstruction and Maintenance	\$368,661	\$24,577	\$393,239	\$394,468	\$26,298	\$420,766	\$422,080	\$28,139	\$450,219	\$451,626	\$30,108	\$481,734
	FAI Equipment	\$1,082,372	\$2,500,203	\$3,582,575	\$1,553,840	\$496,279	\$2,050,119	\$2,260,041	\$428,870	\$2,688,911	\$802,500	\$2,035,140	\$2,837,640
	FAI Environmental Projects	\$0	\$393,239	\$393,239	\$0	\$420,766	\$420,766	\$0	\$450,219	\$450,219	\$0	\$481,734	\$481,734
	FAI Information Technology Improvements	\$0	\$262,159	\$262,159	\$0	\$280,510	\$280,510	\$0	\$300,146	\$300,146	\$0	\$321,156	\$321,156
	FAI Facility Improvements, Renovations and Upgrades	\$0	\$393,239	\$393,239	\$0	\$420,766	\$420,766	\$0	\$450,219	\$450,219	\$0	\$481,734	\$481,734
	FAI Annual Improvements	\$0	\$615,520	\$615,520	\$0	\$658,606	\$658,606	\$0	\$704,708	\$704,708	\$0	\$754,038	\$754,038
	FAI Advanced Project Design and Planning	\$0	\$262,159	\$262,159	\$0	\$280,510	\$280,510	\$0	\$300,146	\$300,146	\$0	\$321,156	\$321,156
	<b>FAI 2024-2033 CIP TOTALS</b>	<b>\$1,451,034</b>	<b>\$4,451,096</b>	<b>\$5,902,130</b>	<b>\$1,948,308</b>	<b>\$2,583,734</b>	<b>\$4,532,042</b>	<b>\$2,682,122</b>	<b>\$2,662,447</b>	<b>\$5,344,569</b>	<b>\$1,254,126</b>	<b>\$4,425,068</b>	<b>\$5,679,194</b>

	<b>AIAS 2024-2033 CIP TOTALS</b>	<b>\$58,466,534</b>	<b>\$28,984,823</b>	<b>\$87,451,357</b>	<b>\$62,954,893</b>	<b>\$28,834,823</b>	<b>\$91,789,715</b>	<b>\$67,959,168</b>	<b>\$30,751,112</b>	<b>\$98,710,279</b>	<b>\$71,100,565</b>	<b>\$34,479,939</b>	<b>\$105,580,504</b>
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**EXHIBIT C2**  
**GENERAL CATEGORIES PROJECTS A**  
**2023-2033 OAF**  
7/1/2023 - Revisi

ANC CIP											
PNF	Description	2032			2033			Total			
		AIP	Rate Based	Total	AIP	Rate Based	Total	AIP	Rate Based	Total	% AIP
	ANC Airfield Pavement Reconstruction and Maintenance	\$71,546,523	\$12,424,441	\$83,970,965	\$76,554,780	\$13,294,152	\$89,848,932	\$575,326,951	\$99,908,642	\$675,235,593	0.85
	ANC Equipment	\$3,189,167	\$4,542,671	\$7,731,838	\$3,412,408	\$4,860,658	\$8,273,066	\$25,645,041	\$36,528,975	\$62,174,016	0.41
	ANC Environmental Projects	\$0	\$343,637	\$343,637	\$0	\$367,692	\$367,692	\$0	\$2,763,290	\$2,763,290	0.00
	ANC Information Technology Improvements	\$0	\$3,436,372	\$3,436,372	\$0	\$3,676,918	\$3,676,918	\$0	\$27,632,896	\$27,632,896	0.00
	ANC Facility Improvements, Renovations and Upgrades	\$0	\$4,593,432	\$4,593,432	\$0	\$4,914,972	\$4,914,972	\$0	\$36,937,154	\$36,937,154	0.00
	ANC Annual Improvements	\$0	\$4,240,879	\$4,240,879	\$0	\$4,537,740	\$4,537,740	\$0	\$34,102,171	\$34,102,171	0.00
	ANC Advanced Project Design and Planning	\$0	\$2,577,279	\$2,577,279	\$0	\$2,757,689	\$2,757,689	\$0	\$20,724,672	\$20,724,672	0.00
	<b>ANC 2024-2033 CIP TOTALS</b>	<b>\$74,735,690</b>	<b>\$32,158,712</b>	<b>\$106,894,402</b>	<b>\$79,967,188</b>	<b>\$34,409,822</b>	<b>\$114,377,010</b>	<b>\$600,971,992</b>	<b>\$258,597,800</b>	<b>\$859,569,792</b>	<b>0.70</b>

FAI CIP											
PNF	Description	2032			2033			Total			
		AIP	Rate Based	Total	AIP	Rate Based	Total	AIP	Rate Based	Total	% AIP
	FAI Airfield Pavement Reconstruction and Maintenance	\$483,240	\$32,216	\$515,456	\$517,067	\$34,471	\$551,538	\$3,885,876	\$259,058	\$4,144,934	0.94
	FAI Equipment	\$1,785,563	\$1,072,515	\$2,858,077	\$2,603,110	\$2,989,780	\$5,592,890	\$20,022,690	\$13,708,307	\$33,730,997	0.59
	FAI Environmental Projects	\$0	\$515,456	\$515,456	\$0	\$551,538	\$551,538	\$0	\$4,144,934	\$4,144,934	0.00
	FAI Information Technology Improvements	\$0	\$343,637	\$343,637	\$0	\$367,692	\$367,692	\$0	\$2,763,290	\$2,763,290	0.00
	FAI Facility Improvements, Renovations and Upgrades	\$0	\$515,456	\$515,456	\$0	\$551,538	\$551,538	\$0	\$4,144,934	\$4,144,934	0.00
	FAI Annual Improvements	\$0	\$806,821	\$806,821	\$0	\$863,298	\$863,298	\$0	\$6,487,886	\$6,487,886	0.00
	FAI Advanced Project Design and Planning	\$0	\$343,637	\$343,637	\$0	\$367,692	\$367,692	\$0	\$2,763,290	\$2,763,290	0.00
	<b>FAI 2024-2033 CIP TOTALS</b>	<b>\$2,268,802</b>	<b>\$3,629,737</b>	<b>\$5,898,540</b>	<b>\$3,120,177</b>	<b>\$5,726,009</b>	<b>\$8,846,185</b>	<b>\$23,908,566</b>	<b>\$34,271,699</b>	<b>\$58,180,266</b>	<b>0.41</b>

	<b>AIAS 2024-2033 CIP TOTALS</b>	<b>\$77,004,492</b>	<b>\$35,788,449</b>	<b>\$112,792,941</b>	<b>\$83,087,365</b>	<b>\$40,135,830</b>	<b>\$123,223,195</b>	<b>\$624,880,559</b>	<b>\$292,869,500</b>	<b>\$917,750,058</b>	<b>0.68</b>
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**EXHIBIT D  
MINIMUM UTILIZATION RATE SCHEDULE**

<b>TED STEVENS ANCHORAGE INTERNATIONAL AIRPORT</b>		
Percentage of Airport Administered A.A.P.P. to Total A.A.P.P.	Regional Aircraft Parking Position	Narrow Body or Larger Aircraft Parking Position
	Annual Seats Per A.A.P.P.	Annual Seats Per A.A.P.P.
20% or more:	25,000	50,000
Less than 20%, but more than 10%:	35,000	75,000
10% or less:	45,000	100,000

<b>FAIRBANKS INTERNATIONAL AIRPORT</b>		
Percentage of Airport Administered A.A.P.P. to Total A.A.P.P.	Regional Aircraft Parking Position	Narrow Body or Larger Aircraft Parking Position
	Annual Seats Per A.A.P.P.	Annual Seats Per A.A.P.P.
35% or more:	15,000	50,000
Less than 35%, but more than 20%:	15,000	100,000
20%:	15,000	150,000
Less than 20%, but more than 10%:	20,000	150,000
10% or less:	25,000	150,000

A.A.P.P. = Adjacent Aircraft Parking Positions

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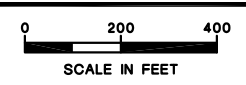
REMOTE PARKING POSITIONS			
POSITION NUMBER	AREA SQ. FT.	DESIGNATION	DESIGN AIRCRAFT
R2	53,490	AIRPORT ADMINISTERED	747-400
R3	64,140	AIRPORT ADMINISTERED	747-400
R4	60,470	AIRPORT ADMINISTERED	747-400
R7	62,820	AIRPORT ADMINISTERED	747-400
R8	68,380	AIRPORT ADMINISTERED	747-8
R9	68,380	AIRPORT ADMINISTERED	747-8
R10	68,380	AIRPORT ADMINISTERED	747-8
R11	64,960	AIRPORT ADMINISTERED	747-8
R12	64,960	AIRPORT ADMINISTERED	747-8
R13	68,380	AIRPORT ADMINISTERED	747-8
R14	64,960	AIRPORT ADMINISTERED	747-8



NORTH TERMINAL PARKING POSITIONS			
POSITION NUMBER	AREA SQ. FT.	DESIGNATION	DESIGN AIRCRAFT
N1	69,900	AIRPORT ADMINISTERED	747-300
N2	32,840	AIRPORT ADMINISTERED	737-900
N3	53,820	AIRPORT ADMINISTERED	747-300
N4	57,520	AIRPORT ADMINISTERED	747-400
N5	53,820	AIRPORT ADMINISTERED	747-300
N6	53,250	AIRPORT ADMINISTERED	747-400
N7	57,270	AIRPORT ADMINISTERED	747-300
N8	51,580	AIRPORT ADMINISTERED	747-400

SOUTH TERMINAL PARKING POSITIONS			
POSITION NUMBER	AREA SQ. FT.	DESIGNATION	DESIGN AIRCRAFT
B1 *	25,000	AIRPORT ADMINISTERED	737-900
B3 *	46,950	AIRPORT ADMINISTERED	767-400
B4 *	32,950	AIRPORT ADMINISTERED	757-300
B5	35,590		757-300
B6	40,830		767-400
B7 *	32,160		757-200
B8 *	41,740		A330-300
B9 *	37,720	AIRPORT ADMINISTERED	767-300
B10 *	35,150	AIRPORT ADMINISTERED	757-300
C1	30,440		737-900
C2	32,030		737-900
C3	33,140		737-900
C4	33,010		737-900
C5	36,880		737-900
C6	35,300		737-900
C7	32,570		737-900
C8	32,320		737-900
C9	32,810		737-900
L1	48,060		
L2-E1	16,040		
L2-E2	16,020	AIRPORT ADMINISTERED	
A11	16,100	AIRPORT ADMINISTERED	
A12	20,650		
A13	19,580		
A14	20,300		
A15	19,580		
A16	20,840		

\* DENOTES GATE EQUIPPED WITH CUPPS

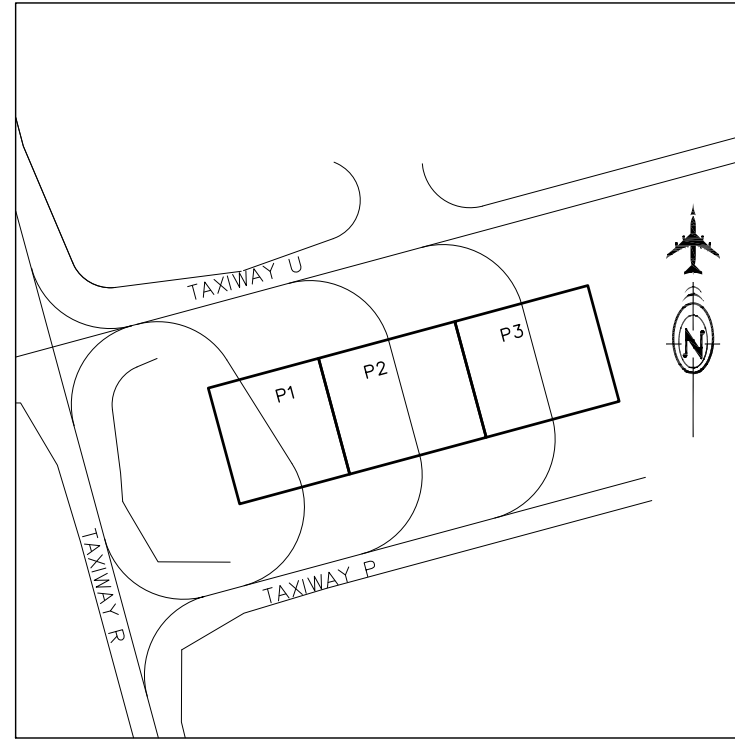
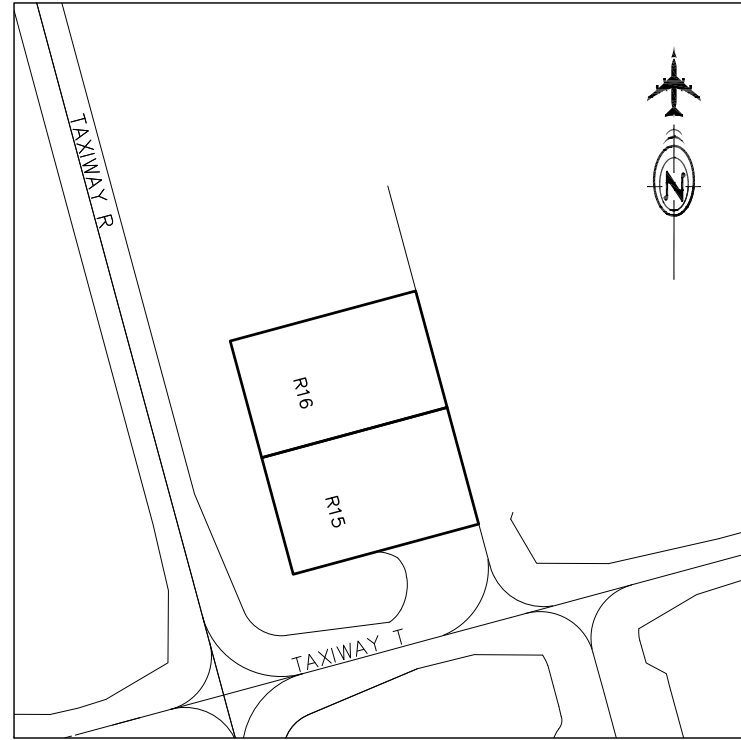


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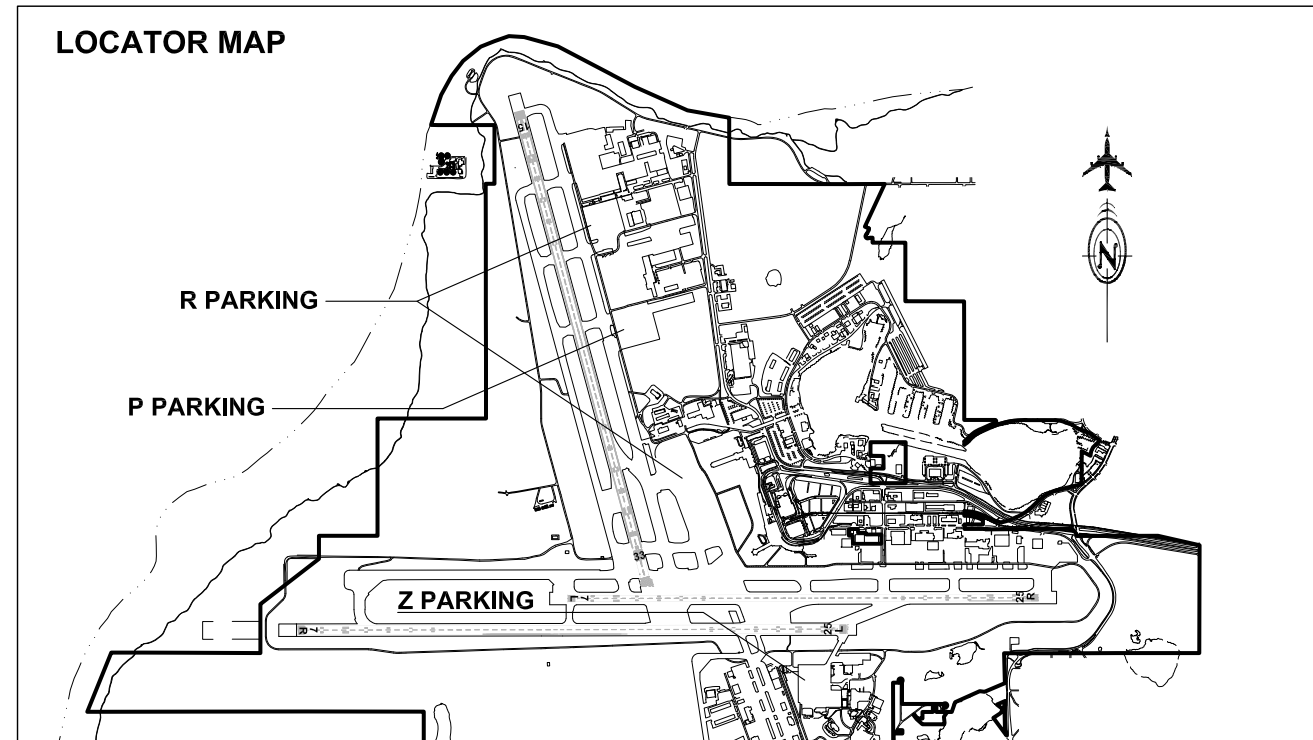
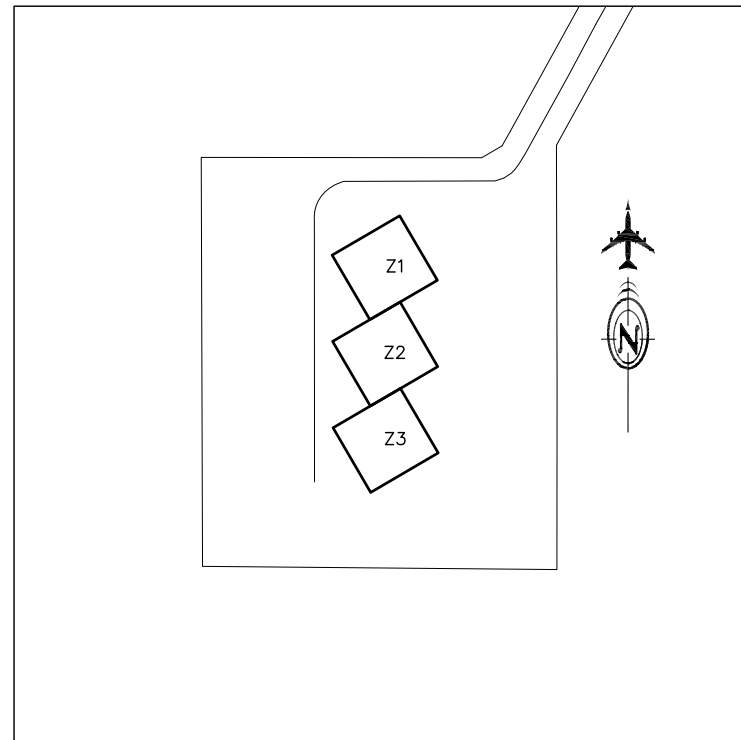


**EXHIBIT I**  
ANC Aircraft Parking Positions  
2023 OAPTL  
DATED: July 1, 2023

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of  
**2**



REMOTE PARKING POSITIONS			
POSITION NUMBER	AREA SQ. FT.	DESIGNATION	DESIGN AIRCRAFT
R15	100,670		747-400
R16	100,670		747-400
P1	59,440	AIRPORT ADMINISTERED	747-400
P2	73,610	AIRPORT ADMINISTERED	A380-800
P3	71,710	AIRPORT ADMINISTERED	A380-800
Z1	25,350	AIRPORT ADMINISTERED	C130
Z2	25,350	AIRPORT ADMINISTERED	C130
Z3	25,350	AIRPORT ADMINISTERED	C130



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AIRPORT LEASING

STATE OF ALASKA  
DEPARTMENT OF TRANSPORTATION  
AND PUBLIC FACILITIES

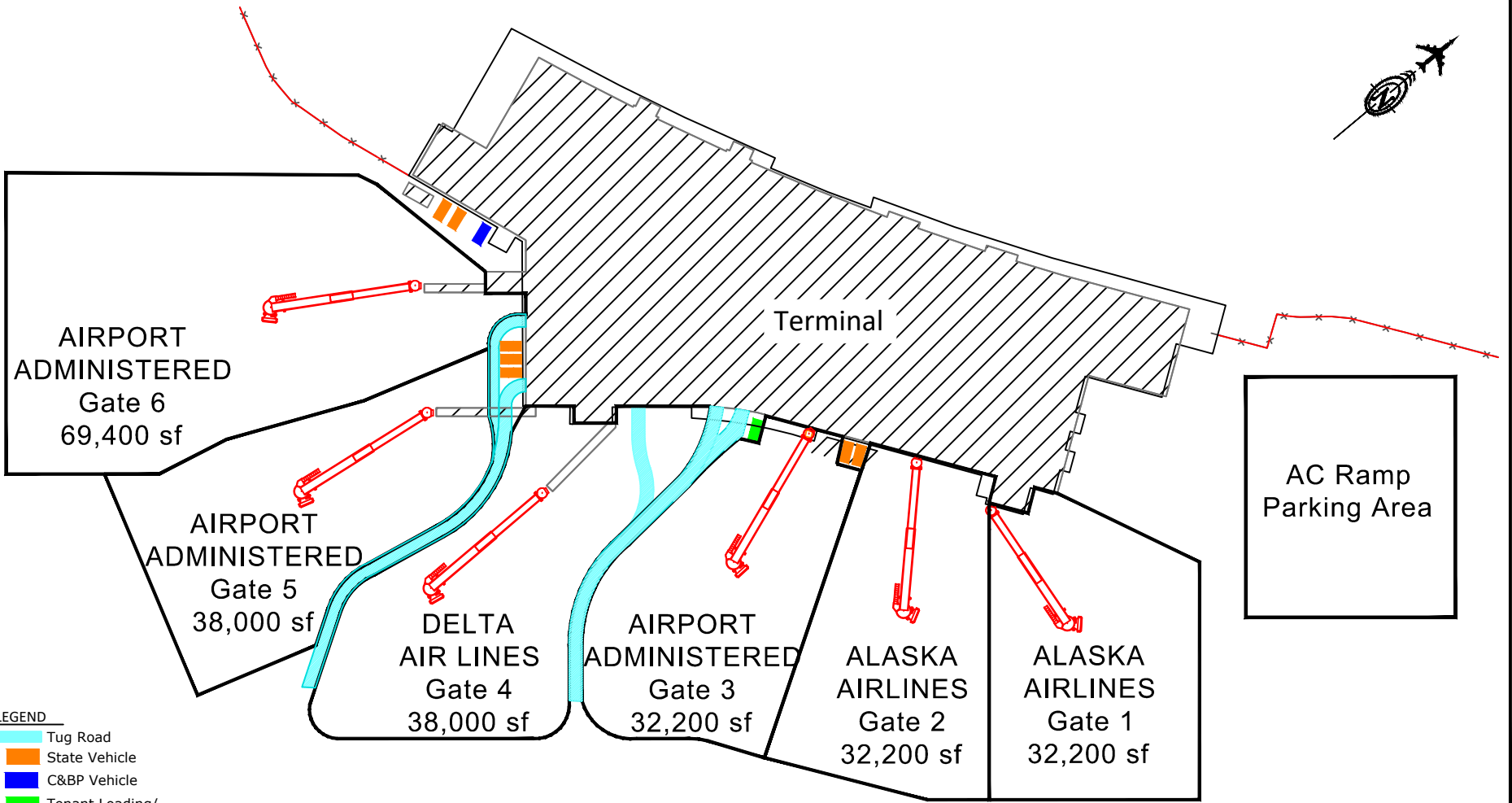


**EXHIBIT I**  
ANC Aircraft Parking Positions  
2023 OAPTL

DATED: July 1, 2023

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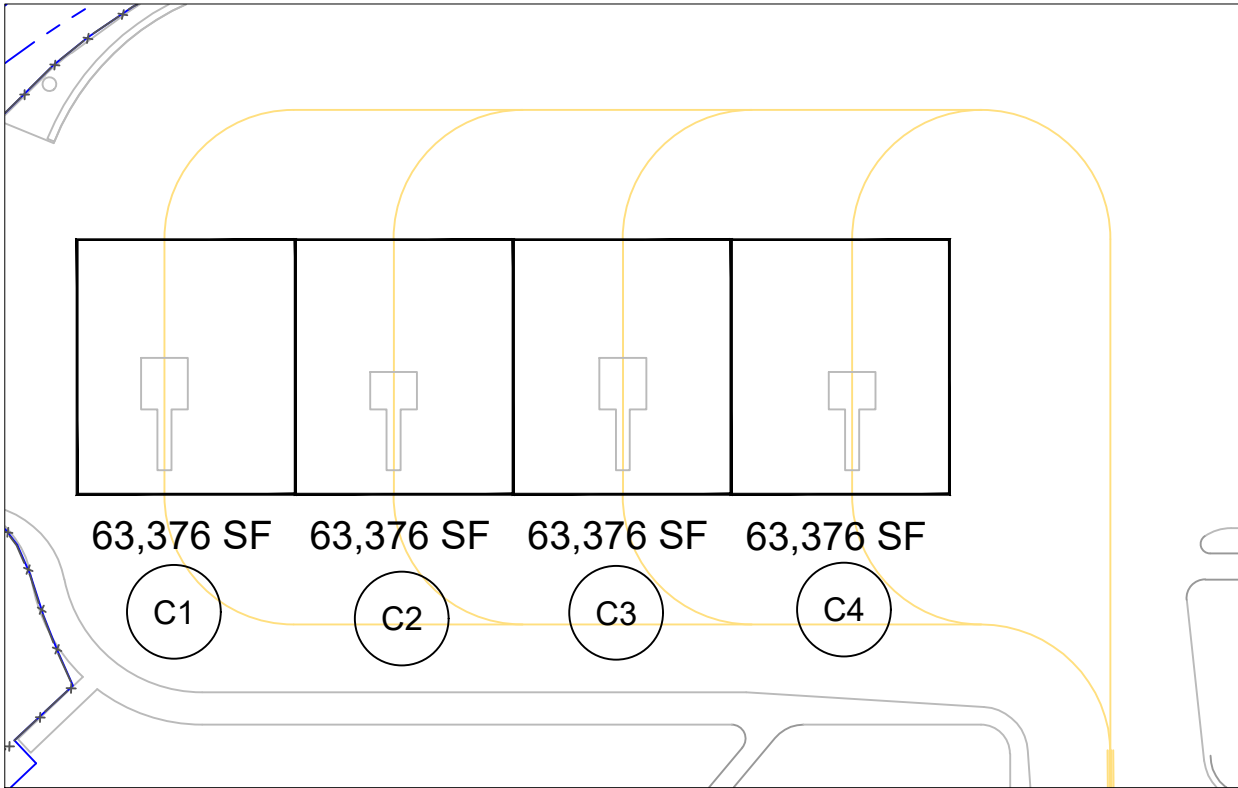


- LEGEND**
- Tug Road
  - State Vehicle
  - C&BP Vehicle
  - Tenant Loading/Unloading Vehicle

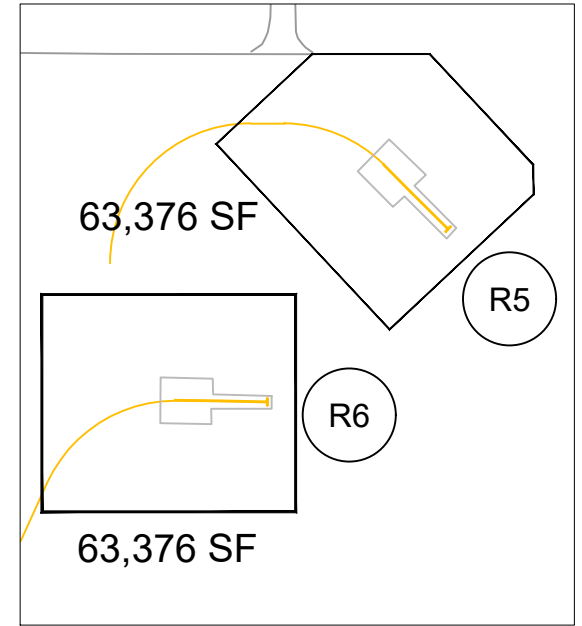
Future pavement improvements TBD  
 Airport Administered square footage TBD based on future improvements.

 AIRPORT LEASING	STATE OF ALASKA DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES  AeroNexus®	<b>EXHIBIT J1</b> FAI Airfield Parking - Aircraft 2023 OAPTL Dated: July 1, 2023 - Revision 0	SHEET 1 / of 2
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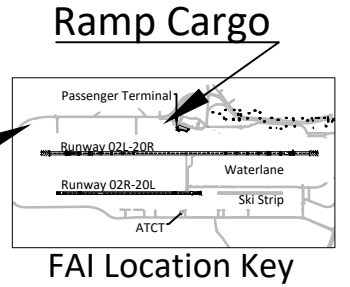
Heavy Cargo Apron



Ramp Cargo



Heavy Cargo Apron



FAI Location Key



**EXHIBIT J2**  
 FAI Airfield Parking - Aircraft  
 2023 OAPTL  
 Dated: July 1, 2023 - Revision 0

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**EXHIBIT M**  
**AIAS COST ALLOCATION METHODOLOGY**

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**A. Annual Debt Service and Debt Service Coverage**

Unless provided otherwise in this Agreement, Annual Debt Service and Debt Service Coverage will be allocated to the cost centers established pursuant to this Agreement that contain Capital Projects financed by Bonds in the same proportion that the construction cost of such Capital Projects bears to the total construction cost of Capital Projects financed by Bonds. Annual Debt Service and Debt Service Coverage that is properly attributable to more than one cost center (other than the Aircraft Ramp Cost Center) will be allocated based on the proportion the Annual Debt Service and Debt Service Coverage directly charged to each cost center bears to the total of Annual Debt Service and Debt Service Coverage directly charged to all cost centers in that Fiscal Year.

**B. Fund Deposit Requirements**

Fund Deposit Requirements, wherever possible, will be charged directly to the cost centers established pursuant to this Agreement (other than Aircraft Ramp Cost Center) for which the obligations have been or will be incurred. Fund Deposit Requirements that cannot be directly charged to cost centers shall be allocated among cost centers on the same basis as indirect M&O Expenses are allocated as described in C.1.

**C. M&O Expenses Associated with Multiple Cost Centers**

1. M&O Expenses (including DOT&PF's administrative overhead) will be charged to budgetary components for each airport comprising the Airports System: Administration; Operations; Safety; Facilities; Field and Equipment; and Environmental budgetary components, and then allocated, among the cost centers (other than the Aircraft Ramp Cost Center) in accordance with historic State custom and practice. Wherever possible, unless provided otherwise in this Agreement, M&O Expenses will be directly charged to the cost centers for which services are or will be rendered. When it is not practicable to accurately charge such expenses directly, or in the case of M&O Expenses that cannot be charged to specific cost centers, an allocation will be made, as described in Paragraph B hereof.

2. The cost of fringe benefits that are related to the cost of DOT&PF personnel assigned exclusively to the Airports System, as well as the cost of DOT&PF's administrative overhead (including general supervisory costs and expenses of services to the Airports System provided by non-DOT&PF State personnel) and expenses attributable to multiple cost centers, shall be allocated among the cost centers (other than the Aircraft Ramp Cost Center) in the same proportion by which direct expenses are charged, or in such reasonable alternative proportion as DOT&PF may determine.



**EXHIBIT N1**  
**AIAS PRE-BALLOTING PROCESS**

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**Pre-balloting Process**

The Alaska International Airport System (AIAS) and the Signatory Airlines wish to establish a process to promote mutual communication, transparency, and understanding prior to the initiation of the Signatory Airline Vote process described in Section 6.03 of the Agreement. Toward those objectives the parties have agreed to the framework as described in this Exhibit N1, subject to future modification by the AIAS in consultation with the AAAC.

It is the intent and expectation that throughout the process, the AIAS will provide sufficient information to allow the Signatory Airlines to gain a good understanding of the project scope, timing, justification, and impact on airline rates and fees. It is the intent and expectation that throughout the process the AAAC through their designees will provide prompt identification of issues and continue ongoing formal and informal dialogue as necessary to gain an understanding of the project before the balloting process begins.

It is expected that the AIAS will consider and balance the implications for rates and fees, long-term cost implications, condition of AIAS assets, and impact on service levels, when determining the phasing of capital projects including projects funded within the General Categories Projects (GCP) Allowances. Each year during the budget process, Airport Directors, the AIAS Controller and the Department of Transportation & Public Facilities Deputy Commissioner will review the projects that have been planned for the current and upcoming fiscal year considering activity, need, and other industry, market, and economic factors.

Generally, the process and timeframes will be:

1. AIAS drafts a Project Nomination Form (PNF) as presented within this Exhibit N then emails the draft PNF to the AAAC Airline Technical Representative (ATR)
2. AAAC ATR Review and Response (14 days)
  - a. Comments
  - b. Requests clarification
  - c. Requests additional information
3. AIAS Response (7 days)
  - a. Responds to all comments and requests
  - b. Provides a revised draft PNF
4. AAAC ATR Final Comments (7 days)
  - a. Provides second-round of final comments, requests for clarification, and/or requests for additional information, if necessary

- b. Second-round comments or requests will be directly related to the AIAS initial responses only
- 5. AIAS Response (7 days)
  - a. Responds to all second-round comments and requests
  - b. Provides a revised PNF
- 6. AIAS Presentation to AAAC
  - a. At a Quarterly AAAC Meeting, AIAS presents the proposed project to the Signatory Airlines and answers any questions
  - b. AIAS may skip Step 6.a. when unexpected/unforeseen needs arise requiring urgent action
  - c. Ballot is distributed in accordance with Section 6.03.

<b>EXHIBIT N2 AIAS Project Nomination Form</b>			DATE	BALLOT (B) OR NOTIFICATION (N) PROJECT
AIRPORT / PROJECT TITLE				
TOTAL PROJECT COST (\$000) \$	GRANTS (\$000) \$	RATE-BASED (\$000) \$	PFC (\$000) \$	COST CENTER
CONSTRUCTION YEAR	ACIP CODES	ACIP RANK	PROJECT SPONSOR	

**DESCRIPTION OF PROPOSED WORK:**

**PROJECT JUSTIFICATION:**

**BUSINESS CASE:**

**BENEFICIARY:**

**IMPACTS TO OTHER AIAS PROJECTS AND DEPARTMENTS:**

**M&O EXPENSE:**

**COST ESTIMATE:**

\$XX,000,000 (\$XX,XXX,XXX Grants, \$X,XXX,XXX Rate-based) \$XXX,XXX ineligible federal costs are included in the Rate-based share to cover...

**IMPACT TO FEES:**

To be determined by AIAS Controller.

**ADDITIONAL INFORMATION:**

**PREPARED BY:**

**EXHIBIT N3  
AIAS Project Ballot Form**

Distribution Date: \_\_\_\_\_

In accordance with Article 6, Section 6.03, of the Alaska International Airports System Airline (AIAS) Operating Agreement and Passenger Terminal Lease, first effective, July 1, 2023 (“Agreement”), each eligible Signatory Airline is entitled to vote to approve or to disapprove a Capital Project, as defined in the Agreement, that is neither pre-approved under the Agreement nor exempt under Section 6.03 of the Agreement.

By close of business on the second business day after the close of the 30-day voting period, the AIAS Controller (Controller) or designee will provide by email to the AAAC Chairperson(s) a written certification of the vote including copies of the eligible Signatory Airlines’ receipt-marked ballots reflecting such vote. The AAAC Chairperson(s) shall confirm ballot results by email to the Controller within two days of receipt of certification.

To be counted, a marked ballot signed by an authorized representative of a Signatory Airline must be submitted to the Controller or his designee within thirty (30) days of ballot Distribution Date by hand delivery or email. A proposed Capital Project is deemed approved unless certified and confirmed balloting results show that an eligible Airline Majority, as defined in the Operating Agreement and as of the ballot Distribution Date, has timely voted disapproval of that Capital Project.

AIRPORT	PROJECT	ESTIMATED COST (USD in \$1,000's) BY FUND SOURCE					TOTAL	APPROVE	DISAPPROVE
		AIP	PFC	IARF	GARB	OTHER			
ANC		\$					\$		
ANC		\$					\$		
ANC		\$					\$		
ANC		\$					\$		
ANC		\$					\$		
	<b>ANC TOTAL</b>	\$	\$	\$	\$	\$	\$		
FAI		\$					\$		
FAI		\$					\$		
FAI		\$					\$		
FAI		\$					\$		
FAI		\$					\$		
	<b>FAI TOTAL</b>	\$	\$	\$	\$	\$	\$		
	<b>AIAS TOTAL</b>								

**SIGNATORY AIRLINE NAME** \_\_\_\_\_

**SIGNATURE OF AUTHORIZED REPRESENTATIVE** \_\_\_\_\_

**TITLE** \_\_\_\_\_

**DATE** \_\_\_\_\_

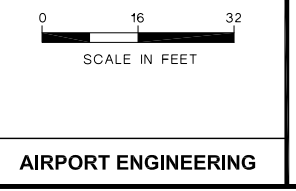
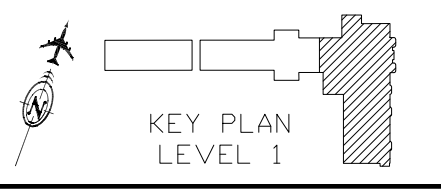
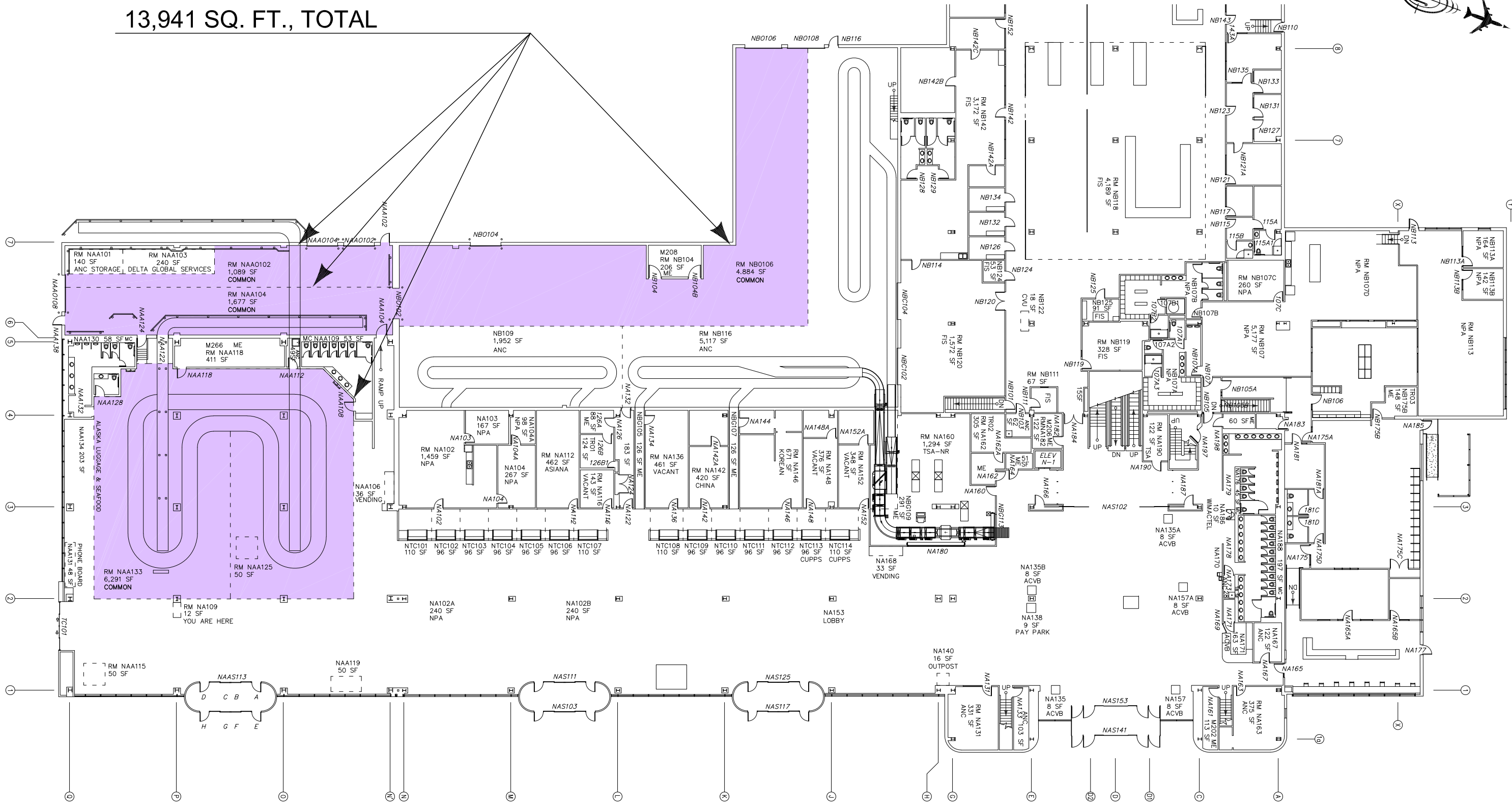
**TO BE COUNTED, THIS BALLOT MUST BE RETURNED, MARKED AND SIGNED, TO** \_\_\_\_\_,

**AT** \_\_\_\_\_, **BY** \_\_\_\_\_

- AIP – Airport Improvement Program (Federal Funds)
- PFC – Passenger Facilities Charges
- IARF – International Airport Revenue Funds
- GARB – General Airport Revenue Bonds

# NORTH TERMINAL COMMON

## 13,941 SQ. FT., TOTAL



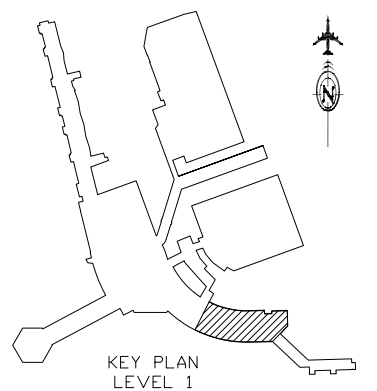
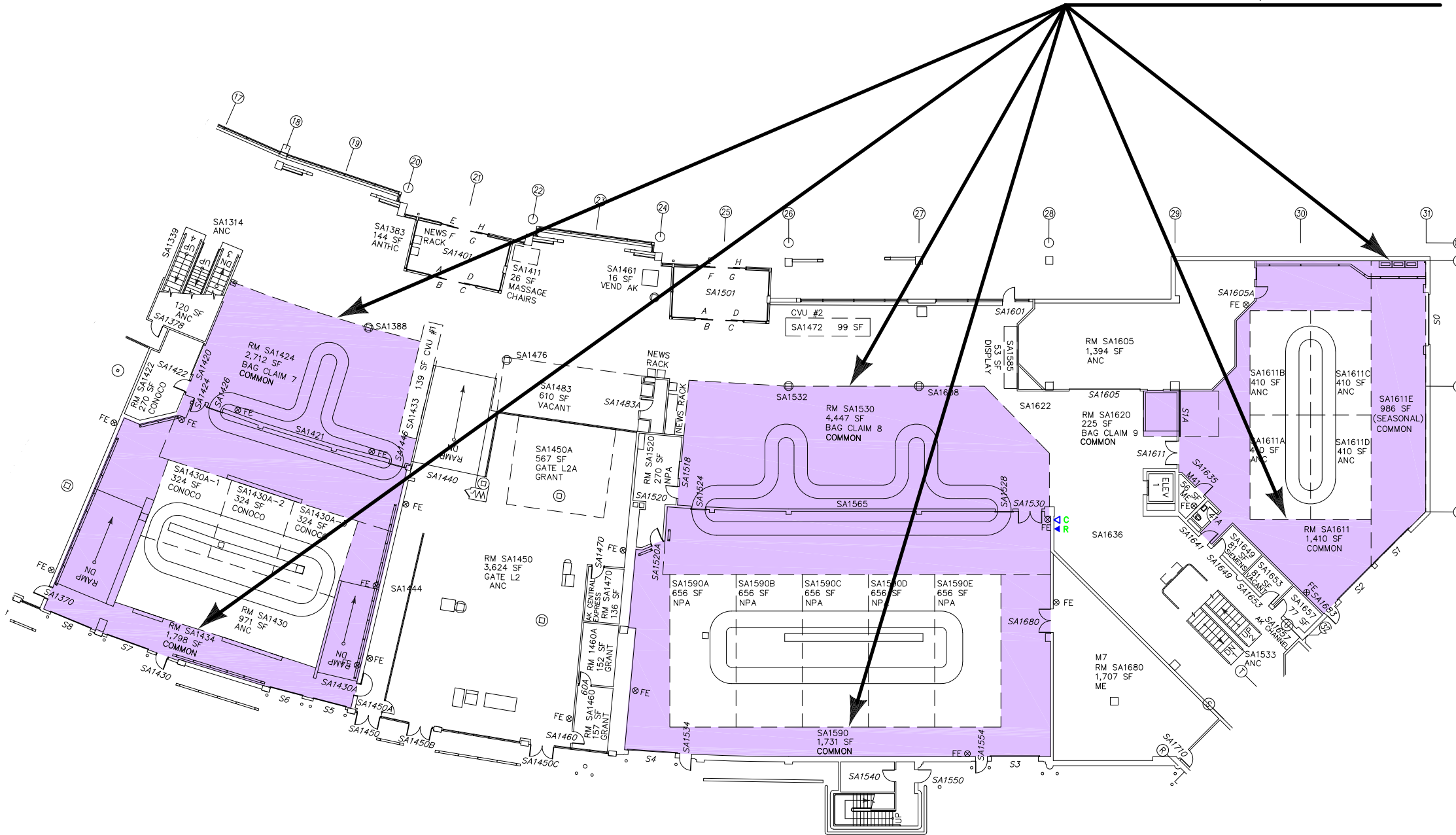
STATE OF ALASKA  
DEPARTMENT OF TRANSPORTATION  
AND PUBLIC FACILITIES

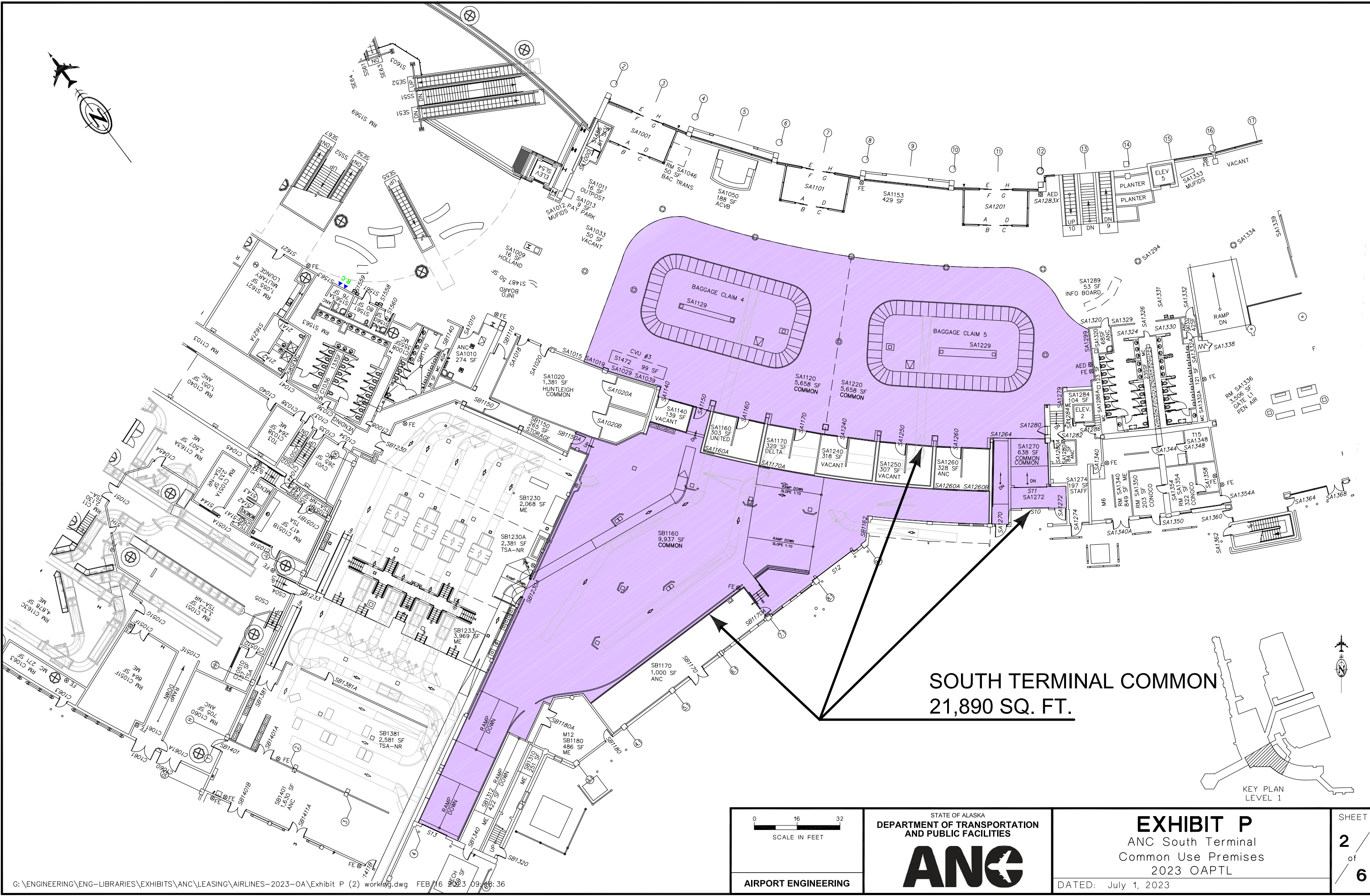
**EXHIBIT O**  
ANC North Terminal  
Common Use Premises  
2023 OAPT

DATED: July 1, 2023

SHEET  
1  
of  
1

**SOUTH TERMINAL COMMON**  
**75,902 SQ. FT., TOTAL**  
**13,309 SQ. FT.**





**SOUTH TERMINAL COMMON**  
**21,890 SQ. FT.**

0 16 32  
 SCALE IN FEET

**AIRPORT ENGINEERING**

STATE OF ALASKA  
 DEPARTMENT OF TRANSPORTATION  
 AND PUBLIC FACILITIES

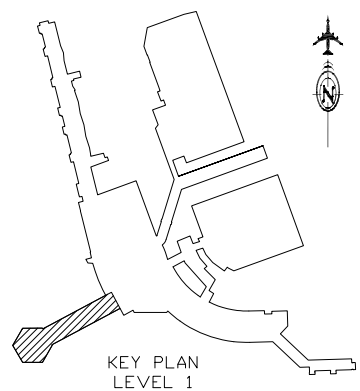
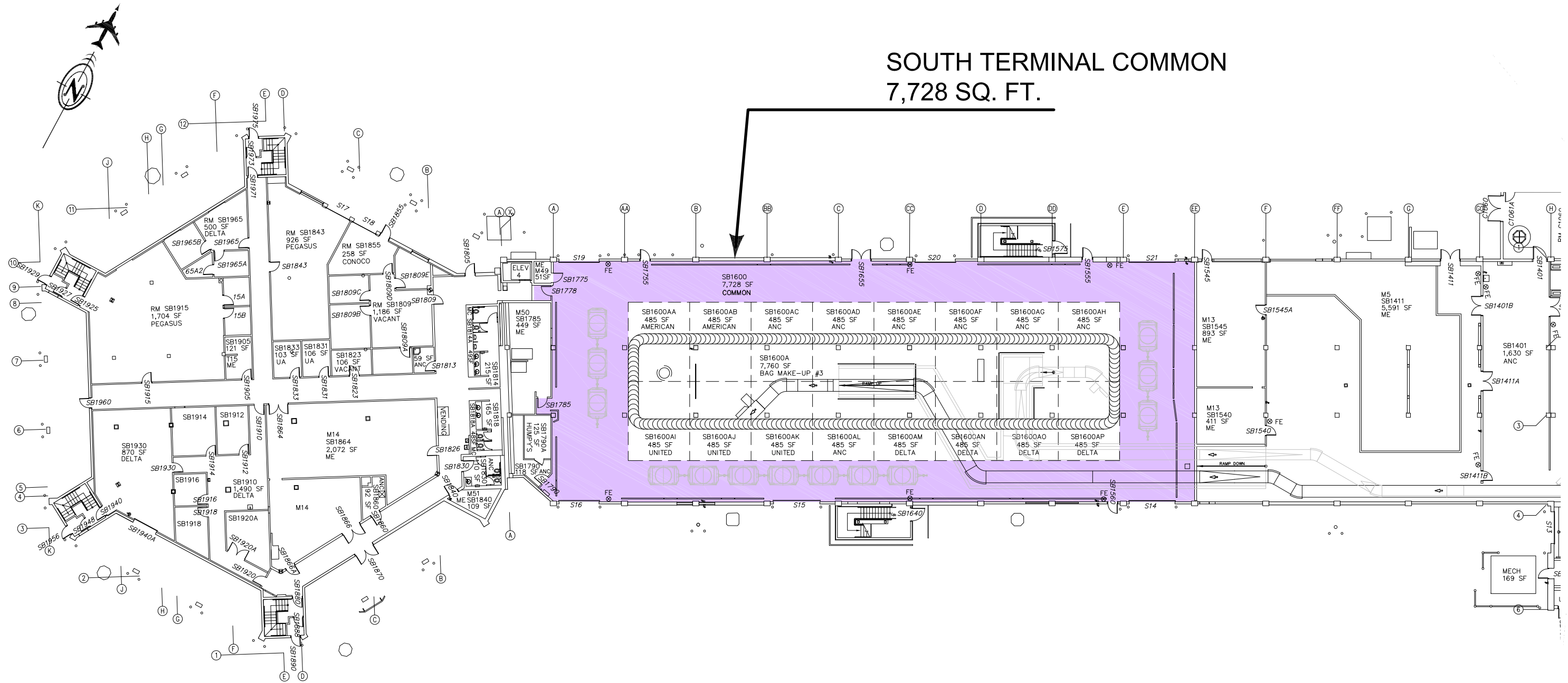
**ANC**

**EXHIBIT P**  
 ANC South Terminal  
 Common Use Premises  
 2023 OAPT

DATED: July 1, 2023

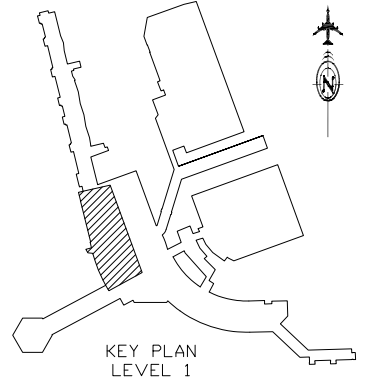
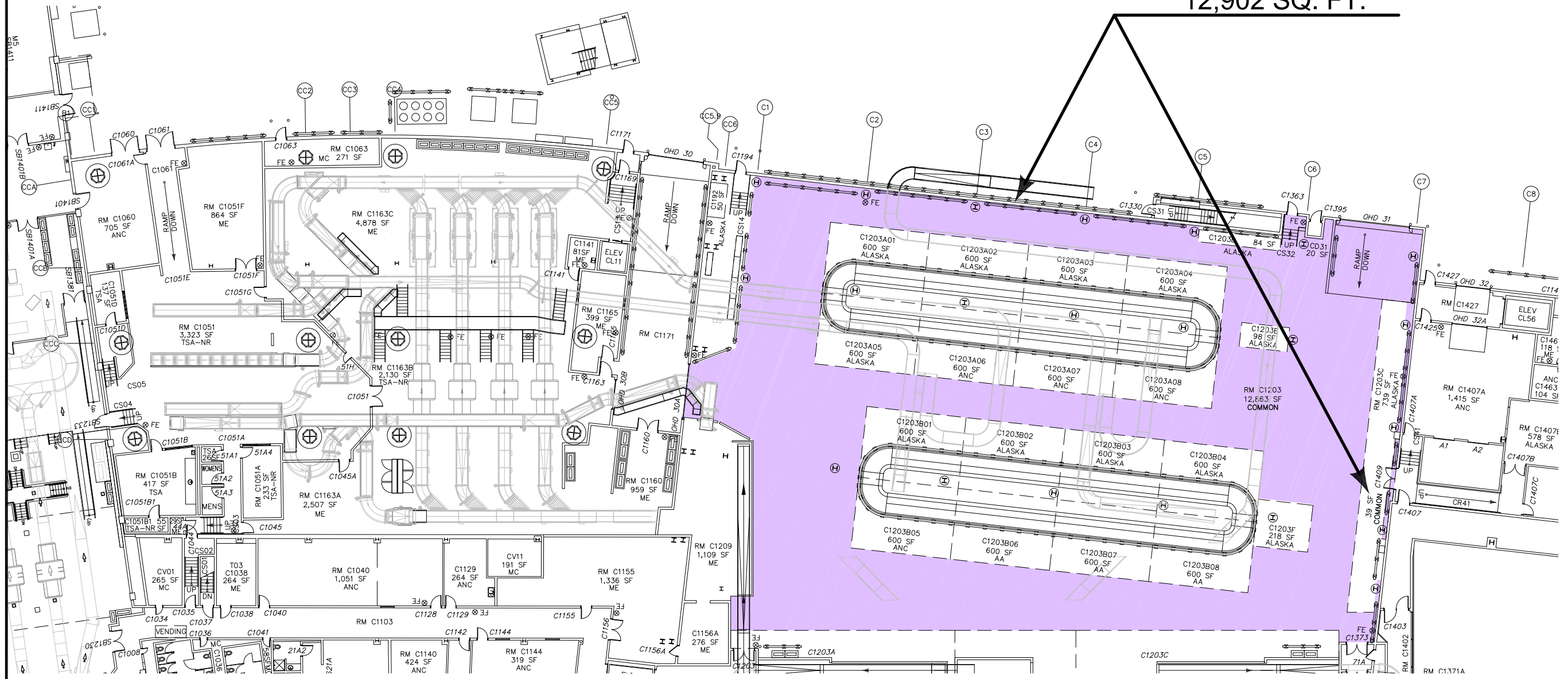
SHEET  
**2**  
 of  
**6**

# SOUTH TERMINAL COMMON 7,728 SQ. FT.





# SOUTH TERMINAL COMMON 12,902 SQ. FT.



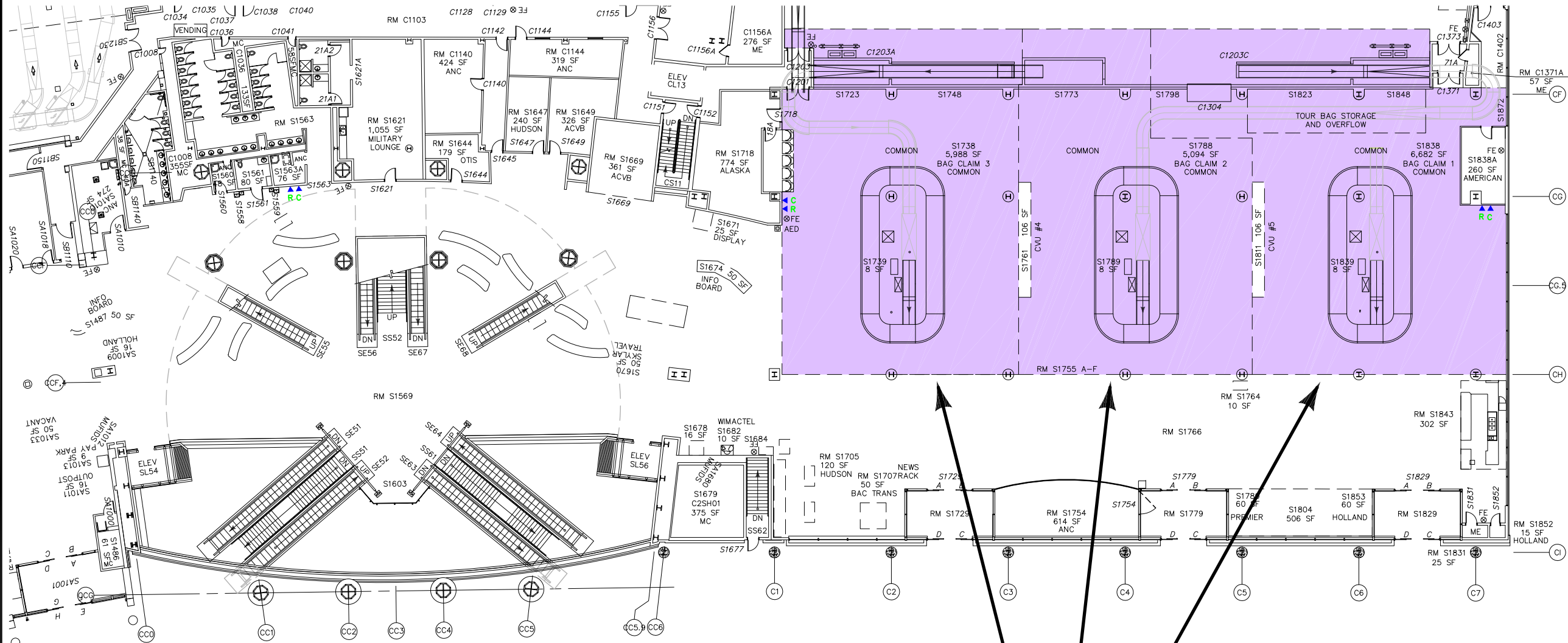
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AIRPORT ENGINEERING

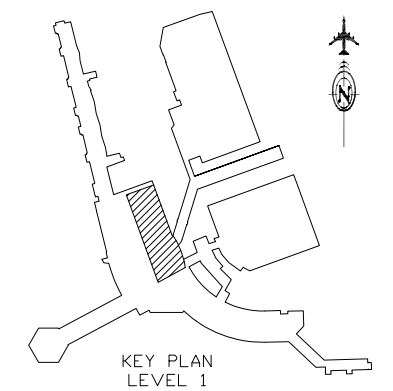
STATE OF ALASKA  
DEPARTMENT OF TRANSPORTATION  
AND PUBLIC FACILITIES

**EXHIBIT P**  
ANC South Terminal  
Common Use Premises  
2023 OAPT

DATED: July 1, 2023

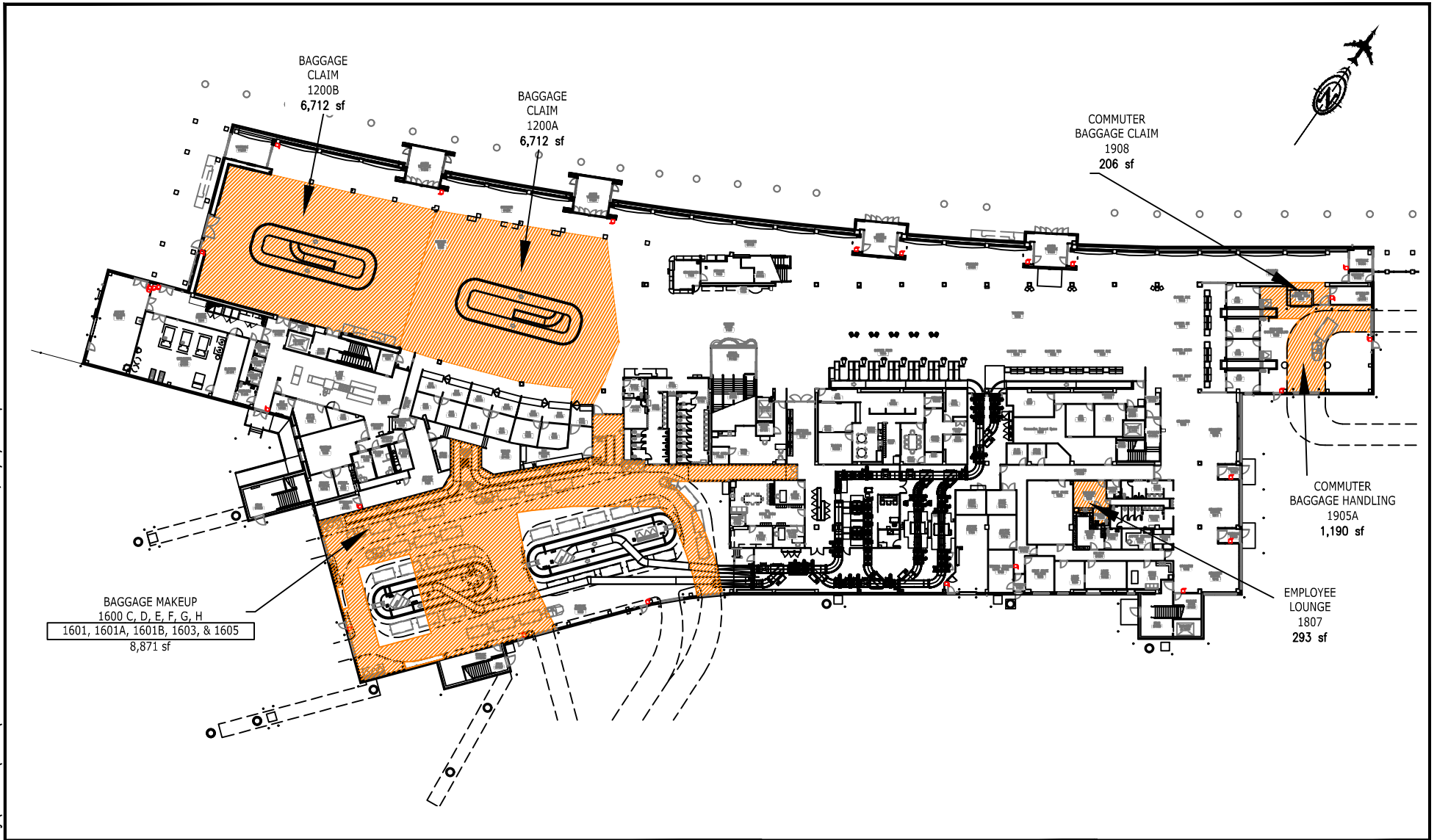


**SOUTH TERMINAL COMMON**  
**17,805 SQ. FT.**





R:\ENGINEERING\Drawings\FAI LEASING\0A exhibits-Common Use Premise 1st Floor Wed, Feb/01/23 04:20pm



SCALE IN FEET  
0 10 20 40

AIRPORT LEASING

STATE OF ALASKA  
DEPARTMENT OF TRANSPORTATION  
AND PUBLIC FACILITIES



**EXHIBIT Q**  
Common Use Premises - Level 1  
2023 OAPTL

Dated: July 1, 2023 - Revision 0

SHEET

1 / 1

**EXHIBIT R**  
**AIAS Modification and Relocation Terms and Responsibilities**

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If there is a conflict between this Exhibit “R” and Section 11.05 of the Agreement, Section 11.05 governs.

**Definitions**

“Post-project Space” means Preferential or Exclusive Use Premises AIRLINE will occupy after completion of a Terminal Project.

“Existing Space” means Preferential or Exclusive Use Premises occupied by AIRLINE per the Agreement prior to the beginning of a Terminal Project and deleted from AIRLINE’s Premises.

“Temporary Space” means Preferential or Exclusive Use Premises substituted for AIRLINE’s Existing Space to accommodate construction during a Terminal Project.

“Terminal Project” means any construction project in an Airport terminal that displaces a Signatory Airline from its Preferential or Exclusive Use Premises.

**A. Preferential Use and Exclusive Use Premises**

1. DOT&PF shall pay for all reasonable and necessary costs associated with the relocation of AIRLINE to any Temporary or Post-Project Space during project construction.
2. At the time of relocation DOT&PF shall relocate, in kind, all the affected Existing Space, or provide equivalent accommodations. AIRLINE shall be made complete and whole to the maximum extent practical using the concept of “substantially similar space.”
3. Unless additional space is requested by AIRLINE, AIRLINE shall not incur additional rent for Temporary Space if required to occupy space greater than Existing Space. If AIRLINE is required to occupy space less than Existing Space, then AIRLINE shall receive the benefit of reduced rent for the period that the Temporary Space is occupied.
4. DOT&PF shall, to the maximum extent practical, comply with all AIRLINE corporate standards and guidelines and/or levels of finish currently implemented in AIRLINE’s Existing Space, including but not limited to, finishes, signage, apron markings, infrastructure, equipment, branding, etc. unless AIRLINE approves alternate provisions.
5. For all Temporary Space, DOT&PF shall provide the following:
  - a. New floor coverings, if the floor covering is beyond normal wear and tear of AIRLINE’s Existing Space.

- b. New painted walls, if the finishes are beyond normal wear and tear of AIRLINE's Existing Space.
6. For all Post-Project Space, DOT&PF shall provide the following:
- a. New floor coverings, unless AIRLINE is returning to its Existing Space and the existing floor coverings are in the same condition as when vacated.
  - b. Newly painted walls, unless AIRLINE is returning to its Existing Space and the existing walls are in the same condition as when vacated.
7. For both Temporary and Post-Project Space DOT&PF shall accommodate AIRLINE's existing ticket counter and gate equipment, including but not limited to millwork (corporate or DOT&PF provided), kiosks, and scales, and bag drops; and make other necessary modifications as agreed between DOT&PF and AIRLINE. If AIRLINE elects to provide new millwork or advanced check-in kiosks at its cost to replace existing millwork and kiosks, DOT&PF agrees to install the new millwork and kiosks in lieu of existing millwork at DOT&PF's cost. If AIRLINE elects to install additional millwork, kiosks, or other equipment, DOT&PF agrees to install the additional millwork, kiosks, or equipment and AIRLINE agrees to reimburse DOT&PF for such installation, including labor and materials.
8. For relocations into Temporary or Post-Project Space, AIRLINE agrees to connect to DOT&PF's Premise Wiring Distribution System (PWDS), if available. For relocations, DOT&PF agrees, at its cost, to connect existing AIRLINE infrastructure to the PWDS.
9. For both Temporary and Post-Project Space, DOT&PF will coordinate all scope definition, planning, design, construction, and move related efforts with AIRLINE.
10. DOT&PF will prepare construction documents for all relocations as follows:
- a. Construction documents shall depict all work associated with the relocation in one complete package, including identification of millwork, kiosks, furniture, equipment, etc. that is to be relocated or replaced as a part of the relocation.
  - b. DOT&PF will furnish the 60% and 100% construction documents to AIRLINE for review.
  - c. AIRLINE shall be provided a minimum of ten (10) working days to review the construction documents. Comments will be provided by AIRLINE to DOT&PF. If AIRLINE fails to comment within the ten (10) day timeframe, DOT&PF will assume AIRLINE has no comments and proceed with construction. To the extent practical, all AIRLINE comments are to be incorporated into the construction documents.
11. Except as provided in paragraph 12 below, DOT&PF shall provide all moving supplies and shall physically move and install, if applicable, all AIRLINE furnishings, equipment, and other items required by AIRLINE including the following items:
- a. corporate millwork associated with ticketing, gate, ATO space, operations space, and baggage service offices;
  - b. kiosks;

- c. corporate signage, regulatory and informational signage, and directional signage, if applicable; and
- d AIRLINE furnishings, equipment and miscellaneous property.

12. AIRLINE shall be responsible for the physical relocation of their existing computer equipment, communications systems including radios, and check-in counter scales. DOT&PF shall provide the conduit, cabling, power and other infrastructure necessary to support the relocation of these systems. AIRLINE labor (staff or contract, including expenses) associated with the relocation of computers, IT equipment and re-establishing its operational network shall be a reimbursable cost charged to DOT&PF. The cost of any new computers or network equipment or software upgrades elected by AIRLINE shall be borne by AIRLINE.

13. AIRLINE will be responsible for providing adequate staff to supervise the actual relocation. AIRLINE will also be responsible for packing and unpacking of all items. Should AIRLINE need to increase staff on site beyond normal operational levels during packing/unpacking and the relocation, AIRLINE shall be reimbursed by DOT&PF for all additional labor costs incurred.

14. DOT&PF shall be responsible for any loss and/or damage caused by DOT&PF staff or its contractors during any relocation process. AIRLINE shall similarly be responsible for any damage or loss caused by its staff and/or contractors.

## **B. Passenger Loading Bridge Relocations and/or Usage**

1. Prior to the initial relocation or transfer of a passenger loading bridge, DOT&PF and the affected AIRLINE will undertake a joint inspection of each loading bridge for purposes of verifying its current condition and determining any corrective actions that will be undertaken. A *Joint Inspection Report* (Inspection Report) will be prepared to memorialize the condition of each passenger loading bridge and to clearly assign responsibility for corrective action to the appropriate party. Additional joint inspections will be performed and updated Inspection Reports will be prepared at the following intervals to track the condition of the bridges:

- a. Upon completion of bridge relocation work and prior to usage by either party;
- b. Prior to subsequent relocation of the bridge to its final gate location;
- c. Upon completion of final relocation; and
- d. Prior to final transfer of ownership or usage.

2. DOT&PF will maintain a *Passenger Loading Bridge Inspection Log* for each of the loading bridges consisting of the multiple Joint Inspection Reports.

3. DOT&PF shall be responsible for making modifications to passenger loading bridges that are to be relocated, as well as AIRLINE owned bridges that will temporarily be used by DOT&PF as an airport-controlled passenger loading bridge.

4. DOT&PF shall pay for the cost of required passenger loading bridge relocations, including any structural modifications, foundation improvements or fixed walkway extension, or any other modifications necessary to make the loading bridge operational in a functionally similar manner as in its originating location.

5. For relocated AIRLINE owned passenger loading bridges that will continue to be used by AIRLINE, correction of auxiliary operational features that were non-functional or deficient including interior/exterior finishes shall be AIRLINE'S responsibility.

6. For passenger loading bridges that will not be in service during project construction and require temporary storage and/or relocation to accommodate construction activities, DOT&PF shall be responsible only for the cost of temporary relocation, storage and return of the bridge to its previous location (including the repair of any damage caused by DOT&PF.) AIRLINE shall remain responsible for any and all other improvements or correction of deficiencies outlined in the Joint Inspection Reports.

7. For AIRLINE-owned passenger loading bridges being used by DOT&PF at Airport Administered Premises (airport-controlled) gates, DOT&PF shall perform routine and preventative maintenance in a manner similar to that of other DOT&PF passenger loading bridges.

8. For AIRLINE passenger loading bridges relocated by DOT&PF and operated by AIRLINE, AIRLINE shall be responsible for all maintenance.

9. These provisions apply to all passenger loading bridge relocations for both Temporary and Post-Project Space.

### **C. Directional Signage and Flight Information**

1. DOT&PF shall modify all interior and exterior signage to reflect AIRLINE relocations.

2. DOT&PF shall provide equal flight information for both the North and South Terminals at ANC and at FAI. Code share flights shall be displayed. Data input for flight information and code share information is the responsibility of AIRLINE.

3. AIRLINE shall be responsible for any direct notification to passengers regarding changes in the location of AIRLINE's operations.

### **D. AIRLINE Reimbursement**



1. For procurement of equipment and services over ten thousand dollars (\$10,000) in value, for which AIRLINE will be seeking reimbursement by DOT&PF, AIRLINE shall, to the maximum extent practical, use its normal competitive bidding processes.
2. For all AIRLINE expenses subject to reimbursement by DOT&PF, AIRLINE must provide notice to DOT&PF and receive approval from DOT&PF prior to incurring the expense. Such notice shall include the estimated cost and schedule of the proposed expenditure.
3. To be eligible for reimbursement, AIRLINE billings for reimbursable expenses shall be submitted to DOT&PF within ninety (90) days of construction completion and shall include copies of invoices, timesheets, and other appropriate supporting documentation. Billings for reimbursable expenses will not be accepted for payment prior to execution of a Lease Supplement between AIRLINE and DOT&PF which depicts the final locations.

#### **E. Limitation of DOT&PF's Cost Obligation**

AIRLINE and DOT&PF acknowledge that DOT&PF is legally prohibited from contracting for unlimited obligations or other obligations beyond duly appropriated funds. Accordingly, notwithstanding any other provision of this Exhibit "R", DOT&PF's obligation to pay costs of AIRLINE's relocation and any other cost under this Exhibit "R", including any reimbursement of AIRLINE's reimbursable expenses, is strictly conditioned upon and subject to the limits of a fully executed Memorandum of Agreement between AIRLINE and DOT&PF that sets forth the maximum total cost of AIRLINE relocation for which DOT&PF is responsible. To any extent that the stated maximum limitation is insufficient to cover all costs for which DOT&PF would be responsible but for the limitation, DOT&PF agrees to seek in good faith any additional expenditure authority necessary and, conditioned upon receipt of such authority, to amend the maximum limit to cover the outstanding balance.

**EXHIBIT S - Facility Maintenance Matrix**

Item	Exclusive Use Premises	Preferential Use Premises	Common Use Premises	Airport Administered Premises	Non-public Areas*	Public Areas*	Airfield*
Building Exteriors (9)	S	S	S	S	S	S	S
Building Interior Finishes (9)	A (1)	A (1) S	S	A (1) S	S	S	N/A
High Speed Apron Doors	A (1)	N/A	S	N/A	N/A	N/A	N/A
Loading Bridges	N/A	A (1,7) S	N/A	S	N/A	N/A	N/A
Landscaping	N/A	N/A	N/A	N/A	N/A	S	S
Roadways, Parking Lots, Sidewalks including Markings	N/A	N/A	N/A	N/A	N/A	S	S
Law Enforcement, Fire Protection, Emergency Medical Services buildings	N/A	N/A	N/A	N/A	S	N/A	N/A
Plumbing	A (1,2) S	S	S	A (1) S	S	S	S
Electrical and Lighting	A (1, 3) S	S	S	A (1) S	S	S	S
Fire Alarm Systems	S	S	S	S	S	S	N/A
Fire Sprinkler Systems	S	S	S	S	S	S	N/A
Furnishings	A (1)	A (1) S	S	A (1) S	A (1) S	A (1) S	N/A
HVAC (Heating, Ventilation, Air Conditioning)	S (4)	S	S	S	S	S	N/A
Glass Breakage (9)	A (1) S	S	S	A (1) S	S	S	N/A
FIDS/BIDS/GIDS	A (1) S	A (1) S	S	A (1) S	A (1) S	A (1) S	N/A
Communications Systems/Paging	A (1) S	A (1) S	A (1) S	A (1) S	A (1) S	A (1) S	A (1) S
Custodial Service/Window Cleaning	A	S	S	S	S	S	N/A
People Movers (elevators, escalators, moving walkways)	S	S	S	S	S	S	N/A
Pavement Maintenance	N/A	S	N/A	S	S	S	S
Signage	A (1)	A (1) S	S	A (1) S	S	A (1) S	S
Airfield Pavement Markings (11)	N/A	A	N/A	S	S	S	S
Snow Removal	N/A	A (5)	N/A	S	S	S	S
Trash/FOD/Sweeping	A	A	S	S	S	S	S
Triturators	N/A	N/A	N/A	N/A	S (6)	N/A	N/A
Snow Disposal Areas	N/A	N/A	S	N/A	A (8) S	S	S
Baggage Handling Systems	N/A	A (10) S	S	S	S	S	N/A
Bag Claim Carousel Equipment	N/A	N/A	S	N/A	N/A	S	N/A
Passenger Loading Bridges	A (1)	A (1)	S	S	A (1)	N/A	A (1)

Item	Exclusive Use Premises	Preferential Use Premises	Common Use Premises	Airport Administered Premises	Non-public Areas*	Public Areas*	Airfield*
		S			S		S

**Key: A = Airline, S = State**

Definitions:\*

Non-Public Areas: Those areas on the Airfield not associated with the maneuvering or parking of aircraft and those areas of the Terminals and landside area restricted to access by passengers, other tenants, and members of the public.

Public Areas: Those areas of the Terminals and landside area not restricted to members of the public (curbside, ticket lobby, concourses, hallways, restrooms, etc.)

Airfield: Those areas associated with the landing, taking off, taxiing, maneuvering and parking of aircraft, excluding areas within exclusive land lease premises.

1. Airline is responsible for maintenance, repair and replacement of Airline-owned devices, equipment, furnishings, and fixtures.
2. Airline is responsible for routine maintenance, including cleaning drains from inlet to tie in with main Airport infrastructure.
3. Airline is responsible for routine maintenance, including re-lamping. Spent bulbs must be properly disposed of as mandated by law. State provides electrical power to fixture.
4. State is responsible for building HVAC systems, including Airline-installed equipment that has been made part of the building system, according to the lease. Airline is responsible for all supplemental equipment that is not part of the building HVAC system.
5. Airline is responsible for cleaning and snow removal of leased aircraft parking ramp (from building to outer VSR), including emergency stairs on outside of building and jet bridge stairs.
6. Airlines collectively through the AOC are responsible for cleaning monthly.
7. Airline is responsible for replacing damaged Airport owned PC Air hoses, nozzles and hose handling systems; e.g. reels, baskets, trolleys.
8. Airlines and land lease tenants collectively are responsible for stacking the snow as needed and cleaning up the trash after the snow melts. The State will assist with stacking the snow as other priorities permit but should not be relied upon to keep the disposal site operational at all times.
9. State will maintain non-exclusive interiors and exterior; however, damage caused by tenants due to negligence or vandalism, will be repaired by State, but tenant will be charged for labor and materials.
10. Airport Facilities will maintain carousels and baggage handling system except for Pods in Alaska Airlines ticket lobby or behind preferentially leased ticket counters.
11. All airside pavement markings. These include lead-in lines, airline specific markings such as vehicle parking locations, aircraft safety envelopes, engine ingestion zones, etc.

## **EXHIBIT T**

### **Gate and Parking Management Protocols**

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#### **1. Airport Administered Aircraft Parking Position Protocols**

These Airport Administered Aircraft Parking Position Protocols provide the framework for the efficient and equitable management of the Airport Administered Aircraft Parking Positions at the Ted Stevens Anchorage International Airport (ANC) and the Fairbanks International Airport (FAI). These protocols have been developed by the Alaska International Airport System (AIAS) in consultation with the Signatory Airlines through the Airline Operating Committee (AOC) and the Airlines Airport Affairs Committee (AAAC). These protocols apply to the management of Aircraft Parking Positions for which no Signatory Airline has a Preferential Use Privilege (Airport Administered Aircraft Parking Positions). These protocols are subject to change in accordance with Section 18.26 Incorporation of Exhibits in the AIAS Operating Agreement and Passenger Terminal Lease (Agreement). All capitalized terms used but not defined in these protocols have the meanings provided in the Agreement.

Airport Administered Aircraft Parking Positions are assigned as either Adjacent Aircraft Parking Positions (Adjacent Positions) or Remote Aircraft Parking Positions (Remote Positions):

- Adjacent Positions – are requested and assigned as either Scheduled Use (see Section 1.A) or Ad Hoc Use (see Section 1.B).
- Remote Positions – are requested and assigned as Ad Hoc Use (see Section 1.B).

Scheduled Use applies to a recurring, pre-planned event for passenger processing during the same time of day over a specified period and is requested in advance in accordance with the Master Schedule process in Section 1.A.

Ad Hoc Use is a one-time event which may or may not be pre-planned and is generally requested with short notice ranging from weeks to an immediate need; this includes Irregular Operation (IROP) events and flights that are not on the Master Schedule described in Section 1.A.

Airport Operations may be Airport staff, a contractor, or other controlling entity mutually agreed upon by the AIAS and the Airlines.

## Section 1.A. Scheduled Use of Adjacent Positions

Two times per year Airport Operations will schedule, approve, and publish a Master Schedule of Scheduled Uses. Requests for Scheduled Uses are to be submitted to Airport Operations no later than:

March 1<sup>st</sup> for May 1<sup>st</sup> through September 30<sup>th</sup> schedules, and  
August 1<sup>st</sup> for October 1<sup>st</sup> through April 30<sup>th</sup> schedules.

The Airports will distribute to the stakeholders the final version of the Master Schedule within 14 days of the submission due dates noted above. Requests for Adjacent Positions made after the submission dates will be treated as Ad Hoc Uses and assigned in accordance with Section 1.B.

## Section 1.B. Ad Hoc Use of Adjacent or Remote Positions

Requests for Ad Hoc Use of Adjacent or Remote Positions may be made at any time. Requests for Ad Hoc Use of an Adjacent or Remote Position will be responded to by Airport Operations as soon as possible. Please use the following contacts:

### **ANC**

ANC Ops Gate Management  
907-266-2633  
dot.aia.ops.gatemanagement@alaska.gov

or

### **FAI**

FAI Operations  
907-474-2552  
fai.operations@alaska.gov

### 1. ANC Administered Aircraft Parking

- a. Assignment of ad hoc parking is first-come-first-served. Due to the limited number of aircraft parking spaces and the primary use of the airport by its carriers being for cargo technical stops or passenger flights, parking spots are intended for Short Term Parking--four hours or less. Long Term Parking—greater than four hours--is limited.
- b. The flow-through spots, designated R2-4, R7-14, and P1-3 are primarily used for providing technical stop service on a first-come-first-served basis. Quick turn service is facilitated in these locations by proximity to ground handling services. Generally, aircraft that plan to remain at ANC less than four hours are assigned to these locations. Parking assignments for these spots are made in real-time by ANC Operations in coordination with air carrier contracted ground handlers and air carriers.

- c. When space is not available in the flow-through spots or when aircraft are parking longer than four hours, parking is assigned on a space available basis to the following locations:
  - i. North Terminal Gates N1-8. These gates are push back locations and prioritized to aircraft that are processing passengers.
  - ii. South Terminal Gates B1,3,4,9,10. These gates are push back locations and prioritized to aircraft that are processing passengers. These parking spots are generally committed to passenger carriers during the summer months.
  - iii. Juliet. This area is primarily used for parking a hot load and accomplishing engine run-up but can be used for overflow parking.
  - iv. Kulis Air Park Z1-3. These three locations are generally used as overflow parking. These spots are size limited and accommodate MD-11 or smaller aircraft.
  - v. Juliet and Kulis Air Park Z1-3 are not ideal for parking due to the difficulty in moving ground support personnel and equipment the long distances to these spots, which may involve ANC Operations escorted runway crossings.
  
- d. When an Airline requests ad hoc parking for longer than 4 hours, Airport Operations will evaluate available space and, if space is available, provide a Prior Permission Required (PPR) number to the Airline and its contract ground handler and annotate in ANC's Resource Management System (RMS).
  - i. The PPR will specify how many hours are approved by Airport Operations for the designated aircraft to park. To facilitate the building of a coherent parking plan, a PPR must be requested at least 48 hours prior to the scheduled aircraft departure from the previous airport. A PPR will not be issued after that point.
  - ii. A PPR is valid for landings that occur plus or minus two hours of the land time listed on the PPR and, after landing, for the duration listed in the PPR.
  - iii. Generally, ANC can provide advance permission for three, simultaneous longer-than-four-hour parking times, assuming North Terminal spots are available.
  - iv. Airlines that regularly reserve PPR times and don't use them will temporarily be denied PPR issuances. Whether or not to suspend an airline from receiving PPR approvals and the duration of the suspension will be determined by ANC Operations.

- e. An aircraft with an unplanned delay shall not hinder the flow of technical stops or passenger processing, thus it may be required to be towed to an alternate location at the carrier's expense.
- f. Except as listed in paragraph B1h, when an Airline parks an aircraft at an airport administered space for longer than 4 hours without a PPR or the Airline's aircraft remains after the expiration of the period specified in the PPR and ANC is experiencing congested parking conditions as determined in paragraph B1g, the Airline is subject to the following fine without proration:

Time Period	Penalty	
	Signatory	Non-Signatory
4hrs to 24hrs with no PPR	No penalty	\$1,000.00
Each additional 12 hours over 24 hours with no PPR	\$1,000.00	\$1,000.00
Each additional 12 hours after expiration of PPR	\$1,000.00	\$1,000.00

All times are determined by what is displayed in the ANC RMS. This penalty does not apply to US government (non-charter) or foreign government aircraft.

When a violation occurs:

- i. the Airline and their local agent will be notified of a parking violation and fine by ANC Operations and will email a courtesy copy to the AIAS Controller's Office for billing; and
  - ii. the fine continues to accrue, regardless of a subsequent easing in parking congestion, until the aircraft departs ANC or is relocated to a non-airport administered location on the airport; and
  - iii. the parking violation is not to be reported on the Airline's monthly Certified Activity Report (CAR); however, the aircraft parking duration is reported on the CAR for payment of normal parking charges.
- g. For the purposes of assessing fines, ANC administered parking is considered congested when 90% or more of the available parking locations occupied. For congestion, there are 20 spaces in the ANC inventory considered; R2,3,4,7-14; P1-3; N1,3,5,7,8; Juliet. When 18 or more of

these spaces are occupied or unavailable, the penalty is applied. Parking spaces may be temporarily removed from the inventory due to unique circumstances, such as construction or snow storage, and be considered not available for parking.

- h. The following conditions exempt an Airline from the penalty listed in paragraph B1f:
  - i. Environmental events at ANC, e.g., earthquake, volcano, severe weather event; or
  - ii. Aircraft actively involved in pre-departure aircraft deicing operations; or
  - iii. ANC Field Maintenance snow clearing operations; or
  - iv. Air Traffic Control directed ground stoppage; or
  - v. Airport closure.

#### Section 1.C. Resolving Conflicting Use Requests

Competing requests for Scheduled and Ad Hoc Uses of Airport Administered Parking Positions shall be resolved using the following priorities (in descending order):

##### Remote Positions

1. Emergency operation including diversionary aircraft (determined by Airport Operations).
2. Scheduled Signatory Airline FIS flight on an international gate
3. Scheduled non-Signatory Airline FIS flight on an international gate
4. Scheduled Signatory Airline cargo flight
5. Scheduled non-Signatory Airline cargo flight
6. Scheduled Signatory Airline passenger flight
7. Scheduled non-Signatory Airline passenger flight
8. Ad Hoc Signatory Airline cargo flight
9. Ad Hoc non-Signatory Airline cargo flight
10. Ad Hoc Signatory Airline passenger flight
11. Ad Hoc non-Signatory Airline passenger flight

##### Adjacent Positions

1. Emergency operation including diversionary aircraft (determined by Airport Operations).
2. Scheduled Signatory Airline FIS flight on an international gate
3. Scheduled non-Signatory Airline FIS flight on an international gate
4. Scheduled Signatory Airline passenger flight



5. Scheduled non-Signatory Airline passenger flight
6. Ad Hoc Signatory Airline passenger flight
7. Ad Hoc non-Signatory Airline passenger flight
8. Scheduled Signatory Airline cargo flight
9. Scheduled non-Signatory Airline cargo flight
10. Ad Hoc Signatory Airline cargo flight
11. Ad Hoc non-Signatory Airline cargo flight

Competing requests within a given category for Scheduled Use time periods shall be resolved using the following priorities (in descending order):

1. Year-round scheduled service
2. Existing Scheduled Service
3. For Adjacent Positions, number of seats on aircraft
4. The chronological order of the request

Existing Scheduled Service is defined as a Scheduled Use from the prior scheduling period that has not changed by more than an hour for domestic service or by more than 6 hours for international service and does not conflict with any other Existing Scheduled Service.

Additional conflicts within a given category for Ad Hoc Use will be resolved based on the chronological order of the request. Airport Operations will be responsible for the resolution of conflicting assignments.

#### Section 1.D. Periods of Use for Adjacent Positions

##### 1. Periods of Use.

The maximum Periods of Use for which a flight may be scheduled to occupy:

- a. any Airport Administered Aircraft Parking Position IF it is determined by the Airport Director to be needed for an Airline to use on a per turn basis  
OR,
- b. Any Preferential Use Gate at the scheduling request of the Airport (see below),  
are as follows.

Maximum Periods of Use for a Full Turn

	<b>Domestic</b>	<b>FIS</b>	<b>FIS to Domestic</b>	<b>Domestic to FIS</b>
<b>&lt; 101 Seats</b>	75 Minutes	90 Minutes	90 Minutes	90 Minutes
<b>101 - 150 Seats</b>	75 Minutes	105 Minutes	95 Minutes	95 Minutes
<b>151 - 200 Seats</b>	105 Minutes	105 Minutes	120 Minutes	135 Minutes
<b>201 - 250 Seats</b>	115 Minutes	135 Minutes	135 Minutes	135 Minutes
<b>&gt; 250 Seats</b>	135 Minutes	195 Minutes	165 Minutes	195 Minutes

Maximum Periods of Use for an Arrival only or Departure only Flight

	<b>Domestic</b>	<b>FIS</b>
<b>&lt; 101 Seats</b>	40 Minutes	50 Minutes
<b>101 - 150 Seats</b>	40 Minutes	55 Minutes
<b>151 - 200 Seats</b>	55 Minutes	60 Minutes
<b>201 - 250 Seats</b>	60 Minutes	70 Minutes
<b>&gt;250 Seats</b>	70 Minutes	100 Minutes

2. Buffer Periods

The required buffer periods between flights on Adjacent Positions are outlined in the table below. Should the operational aircraft change within the buffer period, the longer buffer period prevails (example A330 arrival tow then 737 arrival = 60 minutes).

	<b>Domestic</b>	<b>International</b>	<b>International to Domestic</b>	<b>Domestic to International</b>
<b>&lt; 101 Seats</b>	30 Minutes	40 Minutes	40 Minutes	40 Minutes
<b>101 - 150 Seats</b>	30 Minutes	40 Minutes	40 Minutes	40 Minutes
<b>151 - 250 Seats</b>	40 Minutes	40 Minutes	40 Minutes	40 Minutes
<b>&gt; 250 Seats</b>	60 Minutes	60 Minutes	60 Minutes	60 Minutes

## Section 1.E. Additional Rules and Regulations

- Any Scheduled Use or Ad Hoc Use that cannot be accommodated at the assigned Adjacent Position will be requested to deplane at an alternate position and may be required to tow to a subsequent Adjacent Position.
- Scheduled Uses are not transferable or assignable between Airlines.
- Airlines operating a flight under a mutual handling agreement and Affiliate Airlines are considered the same way as is the Scheduled Use holder.
- A Scheduled Use not used a minimum of 80% during the preceding month may be revoked.
- Revoked Scheduled Uses cannot accrue historical precedence.
- Airport Operations shall be notified immediately of any use extending beyond a scheduled or PPR period. Airport Operations reserves the right to request an Airline to vacate an Airport Administered Parking Position, at airline's expense, if extended use will impact subsequent users.
- Airport Operations also reserves the right to request an Airline that is out of its scheduled or PPR period of use and that will impact other Scheduled Uses to deplane at an alternate position and may be required to tow to a subsequent Adjacent Position.

The fees for each Scheduled Use and Ad Hoc Use will be as specified in Section 7.01 B 9 of the Agreement – Aircraft Parking Charges. An assigned Scheduled Use or Ad Hoc Use outside of the Period of Use may result in additional fees if the parking position is needed.

## Section 1.F. Conflicting Operational Uses

To the greatest extent possible, given operational conditions, Airport Administered Parking Position assignments will be honored as originally granted. However, in the event of a conflict, Airport Operations will be responsible for the resolution of conflicting assignments.

Aircraft Parking Position conflicts will be resolved using the following priorities (in descending order):

1. Emergency operation (defined by Airport Operations).
2. Aircraft providing passenger service displacing a RON aircraft in an Adjacent Position if there are no alternative Adjacent Positions available.
3. FIS flight on an international gate if there are no alternative FIS gates available.
4. Scheduled Use within allocated period of use.
5. Ad Hoc flight – on schedule.

6. Scheduled Use outside of allocated period of use – and not impacting another Scheduled Use within its allocated period of use.
7. Ad Hoc flight off schedule and not impacting another Scheduled Use or Ad Hoc flight within its allocated period of use.

## **2. Preferential Use Gate Protocols**

An airline that has been assigned a Gate as part of its Preferential Use Premises in the Operating Agreement and Passenger Terminal Lease will have priority of use over all other users, subject to the provisions of the Operating Agreement and Passenger Terminal Lease.

### **Section 2.A. Airport Scheduling Rights at Preferential Use Gates**

Airport shall have the right, upon reasonable notice to AIRLINE, to schedule at a Preferential Use Gate arrivals and departures by another airline at all periods of time other than AIRLINE's Scheduled Use of that Preferential Use Gate. In accommodating Airport in its right to schedule such operations, AIRLINE shall allow and provide for use of its facilities or equipment, not including ground service equipment or other proprietary equipment, at the Preferential Use Gate or permit use of Airport System equipment and podiums as may be required for the efficient use of the Preferential Use Gate by another airline. Airport shall consider the availability of Airport Administered Aircraft Parking Positions before scheduling airline arrivals and departures at any Preferential Use Gate. If Airport determines that an airline's arrivals or departures need to be accommodated at any Preferential Use Gates, Airport may consider the need for hub connectivity and operational efficiency in selecting the specific Preferential Use Gate where accommodation will be required. Notwithstanding the foregoing and any other provision of these Gate and Parking Management Protocols, Airport shall have the right, upon reasonable notice to AIRLINE, to accommodate at a Preferential Use Gate arrivals and departures by an airline if AIRLINE is not utilizing the Preferential Use Gate during a Scheduled Use. If an arrival or departure of AIRLINE that would have utilized one of AIRLINE's Preferential Use Gates is early or late and AIRLINE is prevented from utilizing any of its Preferential Use Gates because they are already being utilized by another airline, Airport shall, whenever possible, accommodate AIRLINE's arrival or departure on an Airport Administered Adjacent Aircraft Parking Position at no additional charge to AIRLINE.

## Section 2.B. Preferential Use Premises Accommodation Conditions

As a condition of accommodation on any of AIRLINE'S Preferential Use Premises, the user of AIRLINE'S Preferential Use Premises shall have executed an agreement that is substantially in the form of the Operating Agreement and Passenger Terminal Lease or an Operating Permit, as applicable, through which the user is bound by insurance and indemnification obligations that are substantially similar to the obligations set forth in the Operating Agreement and Passenger Terminal Lease. These insurance and indemnification obligations shall inure to the benefit of the AIRLINE as a third-party beneficiary for any period of accommodation, and AIRLINE shall not be required to accommodate a user at its Preferential Use Premises if the user's insurance and indemnification obligations are not satisfied.



## Alaska International Airport System

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### SUMMARY OF MATERIAL CHANGES

The most significant change is the addition of Passenger Facility Charge (PFC) language to Article 6 Capital Projects which was a requirement in FAA's 2013 Competition Plan Approval letter. The 2023 OA represents a confirmation of the existing framework and retains the basic methodologies for calculating airline rates and fees. Retained in this new Agreement are the preferential assignment of gates and aircraft parking spaces, usage standards, and Airport Administered Premises. The Airport has retained control over decision-making for capital investments.

Throughout the new OAPTL, language referencing the AIAS was updated to reflect State of Alaska, Department of Transportation & Public Facilities, Alaska International Airport System. The 2023 OAPTL is largely a continuation of the 2014 Agreement. Below is the list of significant changes.

#### Article 1, Definitions

2. The definition for Affiliate Airline was updated for clarity.

22/24. The definition of the Capital Improvement Program was amended to include General Category Projects (GCP) Allowances.

23/25. The definition of Capital Project removed the reference to a project cost and leaves the language *"has an expected useful life greater than three years, and is purchased or constructed to improve, protect, maintain, or develop the Airport System."*

26/28. The definition for Commercial Air Transportation for the Certificated Maximum Gross Takeoff Weight (CMGTW) changed from 12,500 pounds to 6,000 pounds.

41/43. Force Majeure definition was updated to include pandemic and changed *"act of the public enemy"* to *"act of war or terrorism."*

47. Added a definition for "Gate."

45/48. Exhibit "T" has been added to reflect the Gate and Parking Management Protocols.

49/52 (k). M&O Expense has removed covering a portion of operating costs for the Sitka Airport from the Airport System. This action reduced the M&O expense from \$1,000,000 to \$680,000 for Cold Bay Alaska.

## Article 6, Capital Projects

Section 6.01(D) was amended to reflect that all projects except GCP Allowances can exceed the original airline authority by 15% without conducting another ballot provided the cumulative total does not exceed \$5,000,000.

Section 6.01(D), Section 6.03, and Section 6.04 were amended to include language relative to PFCs for projects that had not been incorporated in the 2013 OAPTL and was required per FAA's Competition Plan Approval letter. The specific language added is: *The imposition and use of PFCs, in connection with any cost increases undertaken in this Section 6.01.D, are excluded from the MII process.*

Section 6.01(E)(2) was revised to reflect the current capital improvement program (CIP). There is a pre-approved CIP as well as a continuation of the previous MII process for approving additional capital projects. The annual escalation rate was adjusted from 3 percent to 7 percent for the GCP Allowances scheduled in Exhibit C.

Section 6.01(E)(3) raised the GCP Allowances threshold for notification to the Signatory Airlines from \$500,000 to \$750,000.

Section 6.02(A)(7) adds the following PFC language: "Capital Projects to be financed by DOT&PF from sources that do not affect airline rentals, use fees, or Landing fees under this Agreement including PFCs"

Section 6.04 Mega Project Approval process added a definition of "Rate Specific Airline Majority."

## Article 7, Rents and Fees

Section 7.01, (B)(9)(C), Federal Inspection Services (FIS) added language to allow for a Mid-term Rate Adjustment.

Section 7.05, Non-Signatory Rates and Fees, Subsection A adjusts aircraft subject to the \$0.04 per gallon fuel flowage surcharge from 12,500 CMGTW to 6,000 CMGTW and refers readers to Section 7.01 Rents & Fees, Consideration regarding airport fees.

### Article 9, Calculation of Rental Rates, Fees, and Charges

Section 9.03 Terminal Rental Rate and Section 9.09(1)(j) removes the Supplemental Repair and Replacement Fund.

Section 9.05, FIS Fees and Section 9.08, Aircraft Parking Charge Multipliers are separated to show fees and multipliers for each Airport: ANC and FAI.

### Article 10, Bond Resolution; Establishment of Funds

Section 10.02 removes the Supplemental Repair and Replacement Fund and related Fund Deposit.

### Article 12, Indemnification, Insurance, and Subrogation

Section 12.02, Insurance changed the insurance requirements from aircraft with a “maximum design number of seats x .75 x \$1,000,000” to a list by Airplane Design Group.

### Article 15, Compliance with Law, Taxes, Policies, Rules, and Regulations; Non-Discrimination

Section 15.05 General Civil Rights Provisions is expanded to include the most recent federal regulations for Title VI and ADA Compliance on maintaining compliance, Solicitations for Subcontracts, Information and Reports, and Incorporation of Provisions.

### Article 18, General Provisions

Section 18.01(A) updates delivery options for all required notices, requests, consents, and approvals between the airlines and the airport(s).

Per Table W-4 from the AIP Handbook, Item d, CFR 49 USC 47107(a)(15) requires the Competition Plan to be Publicly Available. The AIAS will post the Competition Plan to <https://dot.alaska.gov/aias/index.shtml>.