

**LAREDO INTERNATIONAL AIRPORT
SIGNATORY AIR CARGO OPERATOR AGREEMENT**

This Signatory Air Cargo Operating Agreement hereinafter called "**AGREEMENT**", made and entered into this _____, by and between the City of Laredo, Texas, a political subdivision of the State of Texas, hereinafter called "**CITY**", and _____, hereinafter called "**AIRLINE**".

W I T N E S S E T H:

WHEREAS, CITY recognizes commercial air cargo service is critical to the local community and economic development of Laredo; and

WHEREAS, AIRLINE desires to conduct air cargo operations, use certain facilities at the Airport, and acquire certain rights and privileges from CITY in connection with its use of the Airport and CITY is willing grant same to AIRLINE under terms and conditions hereinafter stated.

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants and considerations herein contained, CITY and AIRLINE agree as follows:

DEFINITIONS:

- (A) "**Air Transportation**" shall mean the carriage of property, cargo, and mail by aircraft.
- (B) "**Airport**" shall mean the Laredo International Airport, located at 5210 Bob Bullock Loop, as it now exists or as it may hereafter be modified, changed or developed from time-to-time.
- (C) "**Commercial aircraft**" shall mean any aircraft operated either for passenger or cargo purposes on scheduled or non-scheduled flights, by a scheduled air carrier, an air feeder line, a supplemental air carrier, a charter service or an air taxi service.
- (D) "**Fee Landings**" (in the singular, or in the plural form) the actual landings of aircraft by the Airline at Airport, whether such be in revenue, or non-revenue service, except those which return to Airport prior to landing at another airport for weather, mechanical, or emergency reasons.
- (E) "**Maximum Certificated Gross Landing Weight**" shall mean the maximum landing weight approved by the Federal Aviation Administration, or its successor in duties, for landing that aircraft at Airport.
- (F) "**Signatory Airlines**" shall mean those airlines, including code sharing or affiliates of such airlines, providing Air Transportation to and from the Airport that have executed this agreement with Airport and who maintain a current FAA certification under FAR Parts 121, 125, 129, and 135.
- (G) "**Non-Signatory Tenant Airlines**" shall mean those airlines, including code sharing or

affiliates of such airlines, providing Air Transportation to and from the Airport that do not have an executed agreement with Airport with respect to paying and reporting landing activity and lease or sub-lease space at Airport.

- (H) **“Non-Signatory Non-Tenant Airline”** shall mean those airlines, including code sharing or affiliates of such airlines, providing Air Transportation to and from the Airport that do not have an executed agreement with Airport with respect to paying and reporting landing activity and do not lease or sub-lease space at Airport.

1. TERM

This agreement shall become effective on the date this agreement is executed by CITY and AIRLINE and shall remain in effect until this agreement is terminated by City, or unless otherwise early terminated as described herein.

2. SPECIFIC RIGHTS OF AIRLINE AT THE AIRPORT

AIRLINE shall have the right, in addition to all rights elsewhere granted in this Agreement, but subject to the Rules and Regulations and Resolutions of CITY to use the Airport for the following purposes: The operation of an Air Transportation business by aircraft for the carriage of property, cargo, and mail, including all activities reasonably necessary to such operation to include the landing, taking off, flying over, taxiing, pushing, towing, loading, unloading, repairing, maintaining, conditioning, servicing, parking, storing, and testing of aircraft or other equipment of, or operated by, AIRLINE.

3. LIMITATIONS ON USE BY AIRLINE

In connection with the exercise of its rights under this Agreement, AIRLINE shall not:

- (A) Do, or permit to be done, anything within its control at or about the Airport that may interfere with the effectiveness or accessibility of the drainage and sewage system, water system, electrical system, fire protection system or fire hydrants and hoses, if any, installed or located on or within the premises of the Airport.
- (B) Do, or permit to be done, upon the Airport any act or thing within its control that will invalidate or conflict with any fire or other casualty insurance policies covering the Airport or any part thereof.
- (C) Dispose of, or permit any other person within its control (including service contractors) to dispose of, any waste material taken from, or products used (whether liquid or solid) with respect to, its aircraft into the sanitary or storm sewers at the Airport.

- (D) Do, or permit to be done, upon the Airport any act or thing within its control that will be in conflict with Federal Aviation Regulations Part 139 or with the Airport's operating certificate.
- (E) To the extent within AIRLINE'S control, do or permit to be done any act, or let any condition exist, which is in conflict with Environmental Protection Agency rules, regulations or directives, Texas Commission on Environmental Quality (TCEQ) rules and regulations, City of Laredo rules and regulations or state or federal laws.

4. AIRPORT SECURITY

AIRLINE covenants and agrees that it will at all times maintain the integrity of the Airport Security Plan and Federal Aviation Regulation Part 1542, as amended from time to time. Should AIRLINE, through a negligent act of its own, allow access to the secure areas of the airport to include the Security Identification Display Area and Air Operations areas to an unauthorized person or persons, and the CITY should be cited a civil penalty for the AIRLINE'S breach of security, AIRLINE agrees to reimburse CITY for any monetary civil penalty which may be imposed upon CITY by the Federal Aviation Administration and or the Transportation Security Administration. .

5. CONSIDERATION

Airline shall pay to CITY monthly Landing Fees determined by multiplying the Land Fee Rate times the total number of thousand pounds of maximum certificated gross landing weight of Airline's aircraft making Fee Landings at Airport.

The Landing Fee Rate for Signatory Airlines shall be \$0.75 (seventy-five cents) per thousand (1,000) pounds and will be so until the Landing Fee Ordinance is amended by CITY.

The Landing Fee Rate for Non-Signatory Tenant Airlines shall be \$0.90 (ninety cents) per thousand (1,000) pounds and will be so until the Landing Fee Ordinance is amended by CITY.

The Landing Fee Rate for Non-Signatory Non-Tenant Airlines shall be \$1.20 (one dollar and twenty-cents) per thousand (1,000) pounds and will be so until the Landing Fee Ordinance is amended by CITY.

Airline shall pay to Airport the Landing Fees due for the preceding month within twenty (20) days of the succeeding month without notice, demand, counterclaim, set off, deduction or defense and without abatement, suspension, deferment or diminution or reduction. In this regard, the CITY is not required to issue an invoice to AIRLINE for Airline to process payment. The CITY will, if requested by AIRLINE, issue a receipt to AIRLINE confirming receipt of payment.

The acceptance by CITY of any AIRLINE payment shall not preclude CITY from verifying the

accuracy of AIRLINE'S reports on which AIRLINE'S fees, and charges are based, and shall not be construed as a waiver of late payment penalty due on full or partial underpayment, if any.

6. LATE PAYMENTS

If Airline fails to pay said Landing Fees when due and payable as stated, herein, then Airline shall pay interest to Airport, calculated at the rate of one and one half percent per month, calculated on a daily basis.

7. MONTHLY INFORMATION TO BE SUPPLIED BY AIRLINE

Airline shall furnish to Airport on or before, the fifteenth (15th) day of each month, a written report, in a form approved by Airport, showing Airline's Fee Landings at Airport during the preceding month; such report shall include the number and the type of aircraft and the maximum certificated gross landing weight thereof and to include the net cargo landed and enplaned at Airport. See Exhibit "A" for copy of suggested monthly activity report.

8. FUEL FLOWAGE FEE

Signatory and Non-Signatory Airlines shall not be exempt from paying Fuel Flowage Fees on fuel purchased at AIRPORT.

9. INDEMNIFICATION

AIRLINE shall indemnify, defend, and hold harmless the CITY, its council members, managers, officers, agents and employees, individually or collectively, from and against all claims, actions, damages, loss and liability, together with all reasonable expenses, including attorney fees, incidental to the investigation and defense thereof by reason of injury or damage to persons or property sustained in whole or in part as a result of an act, omission or negligence of AIRLINE, its officers, agents or employees, subtenants, contractors of AIRLINE arising out of, or incident to, this Agreement. The provisions of this paragraph shall exclude claims or actions arising out of the negligence or willful act of the CITY, council members, officers, agents or employees. The CITY shall give the AIRLINE prompt and reasonable notice of any claims or actions, and AIRLINE shall have the right to investigate and compromise said claims or actions. The provisions of this paragraph shall survive the expiration or earlier termination of this Agreement.

10. AIRLINE INSURANCE

A. AIRLINE shall maintain liability insurance for the protection of AIRLINE and the CITY as herein provided its managers, officers, agents, and employees, insuring against damages because of bodily injury, death, property damage, and arising out of any operations of AIRLINE in connection with this Agreement. Coverage shall provide limits per occurrence to a combined single limit in amounts not less than those set forth below:

1. Liability Insurance and Comprehensive General Liability Insurance:

Limits of liability for AIRLINE shall be determined by the Gross Landed Weight of the aircraft in AIRLINE'S fleet as follows:

- a. Not less than forty million dollars (\$40,000,000) per occurrence for airlines operating aircraft of Gross Landed Weight of two hundred thousand (200,000) pounds or more;
- b. Not less than twenty million dollars (\$20,000,000) per occurrence for airlines operating aircraft of between one hundred thousand (100,000) pounds and one hundred ninety-nine thousand (199,999) pounds;
- c. Not less than five million dollars (\$5,000,000) per occurrence for Airlines operating aircraft of ninety nine thousand (99,999) pounds or less;

B. AIRLINE shall furnish the CITY, no later than thirty (30) days following the execution of this Agreement, a certificate(s) of insurance as evidence that the then required amounts and types of such insurance are in force. The CITY reserves the right to require a certified copy of such certificates upon request. AIRLINE shall name the CITY as an additional insured on such insurance policy or policies to the extent of AIRLINE'S indemnification obligations herein. Said policies shall be in a form, content and for a term generally used by Air Carriers similar to - AIRLINE in their routine operations and shall provide for thirty (30) days' written notice to the CITY prior to the cancellation of, or any material change in such policies.

11. RULES AND REGULATIONS

AIRLINE shall observe and obey all resolutions and Rules and Regulations governing conduct on and operations at the Airport and use of its facilities. CITY agrees that all Rules and Regulations so promulgated shall not be inconsistent with any legally authorized rule or regulation of the FAA, or any other federal or state agency, which is binding in law on AIRLINE, as the same now are or may from time-to-time be amended or supplemented. Except, as so expressly limited, CITY'S authority to promulgate or amend Rules and Regulations shall not be affected by this Agreement.

12 EVENTS OF DEFAULT

If AIRLINE fails to:

- A. Pay landing fees or make any other payment past due hereunder within fifteen (15) days after receipt of written notice of nonpayment; or
- B. commence immediately to keep and perform any of its covenants and agreements hereunder within fifteen (15) days after receipt of written notice, or
- C. Failure to provide monthly activity reports to AIRPORT for activity conducted at AIRPORT.

In such events, the CITY may terminate this agreement upon giving thirty (30) days written notice upon which such termination shall take effect and CITY shall have all additional rights and remedies as may be provided to it by law. AIRLINE may cure the cause of such termination within said (30) day period.

13. EVENTS PERMITTING TERMINATION OF AGREEMENT BY AIRLINE

AIRLINE may terminate this Agreement and all of its future obligations hereunder at any time.

14. GOVERNING LAW

Agreement and all disputes arising here under shall be governed by the laws of the State of Texas.

15. QUIET ENJOYMENT

AIRLINE shall, upon timely payment of the landing fees and providing monthly cargo activity reports herein required, and subject to performance and compliance by AIRLINE of the covenants, conditions, and agreements on the part of AIRLINE to be performed and complied with hereunder, peaceably have and enjoy the rights, uses, and privileges of the Airport, its appurtenances, and facilities as granted hereby.

16. SUBORDINATION

This Agreement is subject and subordinate to the provisions of any agreements heretofore or hereafter made between CITY and the United States, relative to the operation or maintenance of the Airport, or to the expenditure of Federal funds for the improvement or development of the Airport, including the expenditure of Federal funds for the development of the Airport in accordance with the provisions of the Federal Aviation Act of 1958, the Federal Aid to Airport Act, the Airport and Airway Development Act of 1970, and the Airport and Airway Improvement Act of 1982, as such acts have been amended or replaced from time-to-time. In the event that the FAA requires, as a condition precedent to the granting of funds for the improvement of the Airport, modifications or changes to this Agreement, AIRLINE agrees to consent to such amendments, modifications, revisions, supplements, or deletions of any of the terms, conditions, or requirements of this Agreement as may be required to enable CITY to obtain such grant of funds.

17. NOTICES

Any notices which are required hereunder, or which either CITY or AIRLINE may desire to serve upon the other shall be in writing and shall be deemed served when deposited in the United States mail, postage prepaid, return receipt requested, or overnight express delivery addressed to AIRLINE as follows:

and to CITY: Office of the Airport Director
 Laredo International Airport
 5210 Bob Bullock Loop
 Laredo, Texas 78041

18. NONEXCLUSIVE RIGHTS

It is understood and agreed that nothing herein contained shall be construed to grant to AIRLINE any exclusive right or privilege.

19. REMOVAL OF DISABLED AIRCRAFT

AIRLINE shall promptly remove any of its disabled aircraft from any part of the Airport (including, without limitation, runways, taxiways, aprons, and gate positions) and place any such disabled aircraft in such temporary storage areas as may be designated by the Airport Director.

20. NATIONAL EMERGENCY

This Agreement and all the provisions hereof shall be subject to whatever right the U.S. Government now has, or in the future may have or acquire, affecting the control, operation, regulation, and taking over of said Airport or the exclusive or nonexclusive use of the Airport by the United States during the time of war or national emergency.

23. TIME IS OF THE ESSENCE

Time is of the essence in this Agreement.

24. ENTIRE AGREEMENT

This Agreement, together with Exhibit "A" attached hereto, constitutes the entire agreement between the parties hereto, and all other representations or statements heretofore made, verbal or written, are merged herein, and this Agreement may be amended or supplemented only in writing, and executed by duly authorized representatives of the parties hereto.

EXECUTED ON THIS _____ DAY OF _____, 20_____.

CITY:
CITY OF LAREDO
A municipal corporation

By: _____
CARLOS VILLARREAL
CITY MANAGER

ATTEST:

GUSTAVO GUEVARA, JR.
CITY SECRETARY

APPROVED AS TO FORM:
RAUL CASSO
CITY ATTORNEY

BY: _____
VALERIA M. ACEVEDO
ASSISTANT CITY ATTORNEY

BY: _____

PRINT NAME: _____

Print Title: _____

OPERATOR: _____

DATE: THIS DAY ___ OF _____, 20__.