



Kenai Airport Commission

Regular Meeting

March 13, 2025 - 6:00 PM

Kenai City Hall - Council Chambers

210 Fidalgo Ave., Kenai, AK 99611

Telephonic/Virtual Information on Page 2

Agenda

A. CALL TO ORDER

1. Pledge of Allegiance
2. Roll Call
3. Agenda Approval

B. SCHEDULED PUBLIC COMMENTS *(Public comments limited to ten (10) minutes per speaker)*

C. UNSCHEDULED PUBLIC COMMENT *(Public comments limited to three (3) minutes per speaker; thirty (30) minutes aggregated)*

D. APPROVAL OF MINUTES

1. February 13, 2025 Regular Meeting Minutes..... **Pg. 3**

E. UNFINISHED BUSINESS

F. NEW BUSINESS

1. **Discussion** – Airport Campground **Pg. 6**
2. **Discussion/Recommendation** – Recommending Council Authorization of a Memorandum of Agreement with Greatland Consulting and Training LLC for Use of the Alaska Regional Fire Training Facility. **Pg. 9**
3. **Discussion/Recommendation** – Authorizing the City Manager to enter into an Airline Operating Agreement and Terminal Area Lease with Aleutian Airways **Pg. 14**
4. **Discussion/Recommendation** – Recommending Council Award a Special Use Permit to Jeremy Mastre, DBA: River Rock Outdoors, LLC for Commercial Operations at the Float Plane Basin. **Pg. 80**
5. **Discussion/Recommendation** – Recommending Council Award a Special Use Permit to Jeremy Mastre, DBA: River Rock Outdoors, LLC for fuel tank storage at the Float Plane Basin. **Pg. 83**

G. REPORTS

1. Airport Manager
2. Commission Chair
3. City Council Liaison..... **Pg. 87**

H. ADDITIONAL PUBLIC COMMENTS *(Public comments limited to five (5) minutes per speaker)*

I. NEXT MEETING ATTENDANCE NOTIFICATION – April 10, 2025

J. **COMMISSIONER COMMENTS AND QUESTIONS**

K. **ADJOURNMENT**

L. **INFORMATION ITEMS**

1. Administrative Report **Pg. 93**

Registration is required to join the meeting remotely through Zoom. Please use the link below to register:

<https://us02web.zoom.us/join/0vpC06YaSHCQWYZt8fpY2Q>

The agenda and agenda items are posted on the City's website at www.kenai.city. Copies of the agenda items are available at the City Clerk's Office or outside of Council Chambers prior to the meeting. Please contact the Airport Manager at 907-283-7951 for additional details.

COMMISSIONERS, PLEASE CONTACT US IF YOU WILL NOT BE ABLE TO ATTEND THE MEETING

**KENAI AIRPORT COMMISSION – REGULAR MEETING
FEBRUARY 13, 2025 – 6:00 P.M.
KENAI CITY COUNCIL CHAMBERS
210 FIDALGO AVE., KENAI, AK 99611
CHAIR GLENDA FEEKEN, PRESIDING**

ACTION MINUTES

A. CALL TO ORDER

A Regular Meeting of the Airport Commission was held on February 13, 2025, in the Kenai City Council Chambers, Kenai, AK. Chair Feeken called the meeting to order at approximately 6:00 p.m.

1. Pledge of Allegiance

Chair Feeken led those assembled in the Pledge of Allegiance.

2. Roll Call

There were present:

Glenda Feeken, Chair
James Bielefeld
Dan Knesek

Paul Minelga, Vice Chair
Jacob Caldwell
Cody Whicker

A quorum was present.

Absent:

James Zirul

Also in attendance were:

Derek Ables, Airport Manager
Sarah Conley, Airport Administrative Assistant
Henry Knackstedt, City Council Liaison
**Joshua Bolling, Student Representative

3. Agenda Approval

MOTION:

Commissioner Caldwell **MOVED** to approve the agenda as presented. Commissioner Bielefeld **SECONDED** the motion.

VOTE: There being no objection; **SO ORDERED.**

B. SCHEDULED PUBLIC COMMENTS - None.

C. UNSCHEDULED PUBLIC COMMENTS - None.

D. APPROVAL OF MINUTES

1. January 9, 2025 Regular Meeting Minutes

MOTION:

Commissioner Caldwell **MOVED** to approve the January 9, 2025 Airport Commission minutes. Commissioner Bielefeld **SECONDED** the motion.

VOTE: There being no objection; **SO ORDERED.**

E. UNFINISHED BUSINESS – None.

F. NEW BUSINESS

1. **Discussion/Recommendation** - The City approve a lease application ENA, LLC for Lots 5A & 5B, FBO Subdivision No. 10 for the use of fuel service fixed-base operator

MOTION:

Commissioner Bielefeld **MOVED** to recommend approval of a lease application ENA, LLC for Lots 5A & 5B, FBO Subdivision No. 10 for the use of fuel service fixed-base operator. Commissioner Knesek **SECONDED** the motion.

Airport Manager Ables gave a staff report from information provided in the packet.

Vice Chair Minelga expressed support; Commissioner Caldwell expressed concern with the location in relation to the lot designated for a FBO by transient parking.

VOTE:

YEA: Feeken, Minelga, Bielefeld, Caldwell, Knesek, Whicker

NAY: None

ABSENT: Zirul

**Student Representative Bolling: Yea

MOTION PASSED WITHOUT OBJECTION.

2. **Discussion/Recommendation** – Accepting a Donation of a Taxidermy Polar and Brown Bear for display in the Airport Terminal.

MOTION:

Commissioner Bielefeld **MOVED** to recommend that the City Council approve accepting a donation of a taxidermy polar and brown bear for display in the Airport Terminal. Commissioner Caldwell **SECONDED** the motion.

Airport Manager Ables gave a staff report from information provided in the packet.

Commissioner Bielefeld spoke in support.

UNANIMOUS CONSENT was requested on the motion.

VOTE: There being no objection; **SO ORDERED.**

3. **Discussion/Recommendation** – First extension of security guard services

MOTION:

Commissioner Caldwell **MOVED** to recommend that the City Council approve the First extension of security guard services with Guardian Security Systems, Inc. Vice Chair Minelga **SECONDED** the motion.

Airport Manager Ables gave a staff report from information provided in the packet.

UNANIMOUS CONSENT was requested on the motion.

VOTE: There being no objection; **SO ORDERED.**

G. REPORTS

1. Airport Manager – Airport Manager Ables reported on the following:
 - Aleutian Airlines will be operating at the Airport from June to September.
 - Airport Master Plan Meeting occurred; next meeting will be in June.
 - Annual state and federal wildlife permits were updated.

- New restaurant hopes to open in the Airport Terminal in early March.
- 2. Commission Chair – Chair Feeken reported that she attended the first Airport Master Plan Meeting, and looks forward to seeing more commissioners attend the next meeting.
- 3. City Council Liaison – Council Member Knackstedt reported on recent actions of the City Council.

Vice Chair Minelga expressed concern about the lack of airport staff, and the underutilized space at the Civil Air Patrol.

Commissioner Caldwell noted he would like to see more general aviation parking for aircraft.

H. ADDITIONAL PUBLIC COMMENTS – None.

I. NEXT MEETING ATTENDANCE NOTIFICATION – March 13, 2025

J. COMMISSION QUESTIONS AND COMMENTS

Commissioner Caldwell noted that the Airline Operating Agreement for the Terminal will expire in June; asked about Commission involvement in the review process.

Vice Chair Minelga noted that the float pond campground is listed on the City's website as 4th Avenue Park; he visited the park and when he scanned the QR code on the park sign it only went to a photo; would like to see the QR code provide information.

Chair Feeken requested to have a discussion on the campground area on the next agenda.

K. ADJOURNMENT

L. INFORMATIONAL ITEMS

1. Administration Report

There being no further business before the Airport Commission, the meeting was adjourned at 6:42 p.m.

I certify the above represents accurate minutes of the Airport Commission meeting of February 13, 2025.

Meghan Thibodeau
Deputy City Clerk

*** The student representative may cast advisory votes on all matters except those subject to executive session discussion. Advisory votes shall be cast last in the roll call order and shall not affect the outcome of the official commission vote. Advisory votes shall be recorded in the minutes. A student representative may not move or second items during a commission meeting.*



"Serving the Greater Kenai Peninsula"

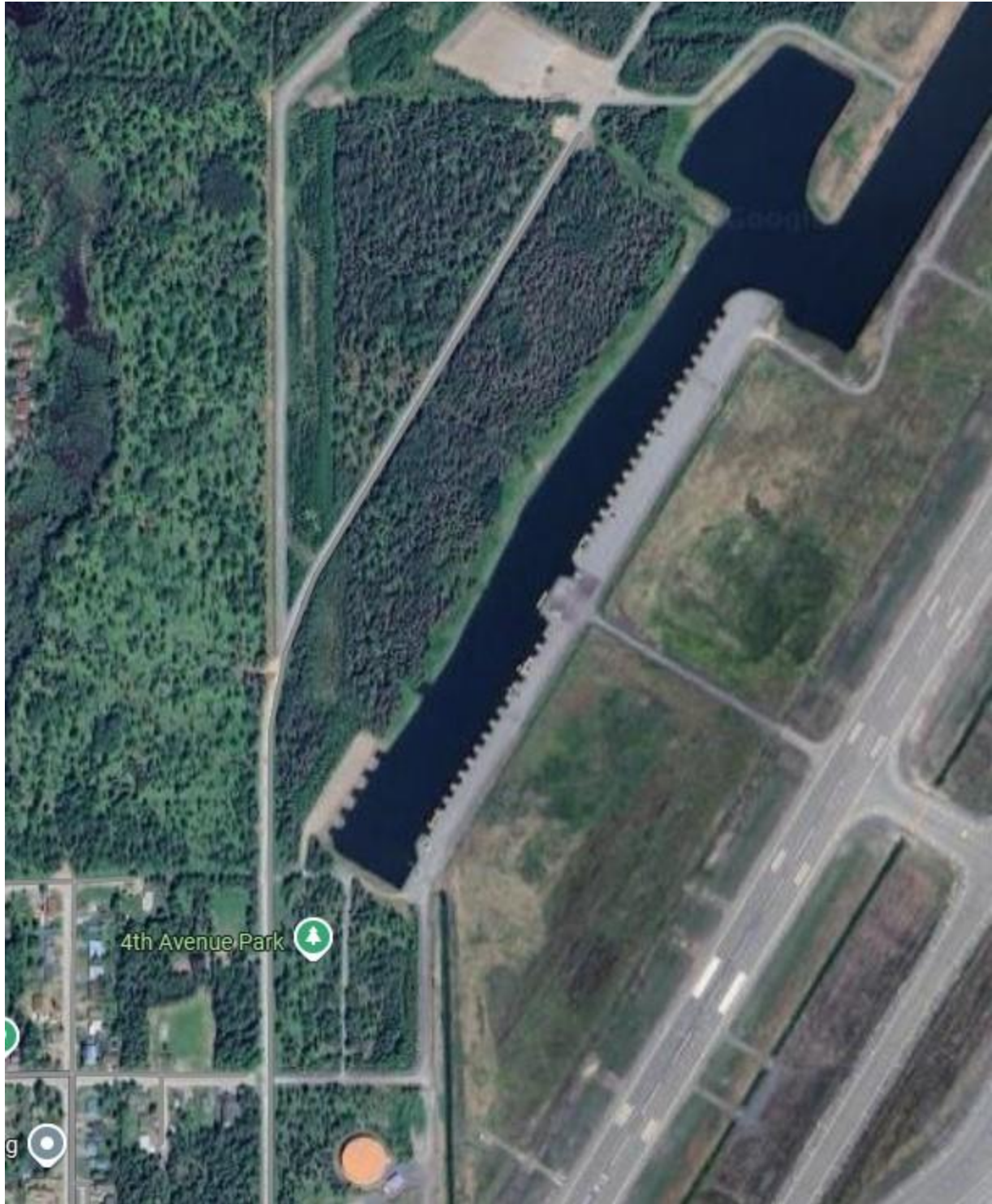
305 N. WILLOW ST. SUITE 200 KENAI, ALASKA 99611
TELEPHONE 907-283-7951

FAX 907-283-3737

Memo

To: Airport Commission
Through: Derek Ables - Airport Manager
Date: March 5, 2025
Subject: Use of the campground at the airport

The use of the campground at the airport will be discussed. Included is a map of Float Plane Basin and 4th Avenue park.



4th Avenue Park



This neighborhood park has a large open turf area suitable for throwing a frisbee, playing baseball, or kickball and other activities which require space. The covered shelter and barbeque also make this a great place for parties or gatherings. Adjacent to a residential area, park users are asked to display respect for surrounding property owners.

Amenities

basketball court, grass field with backstop, covered picnic shelter with charcoal grill (rentable), restroom (seasonal)

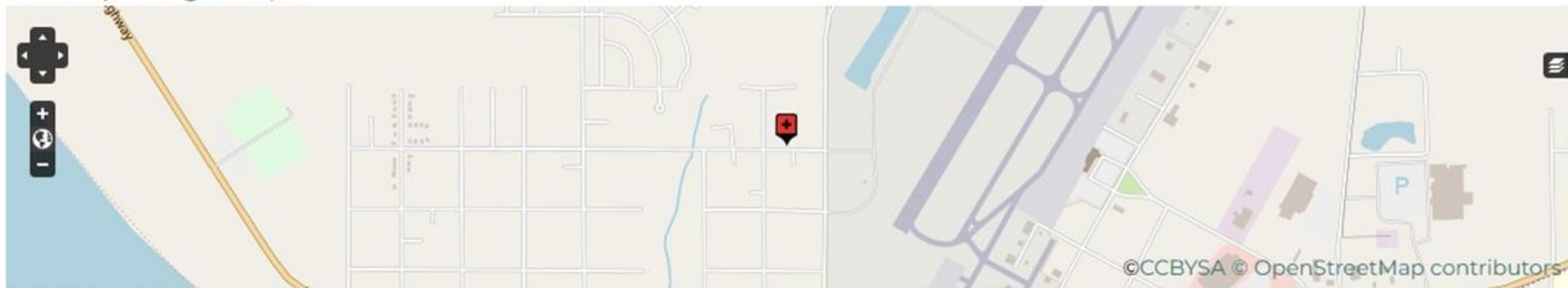
Directions

Fourth Avenue Park

1108 4th Avenue

Kenai, AK

See map: [Google Maps](#)





"Serving the Greater Kenai Peninsula"

305 N. WILLOW ST. SUITE 200 KENAI, ALASKA 99611
TELEPHONE 907-283-7951

FAX 907-283-3737

Memo

To: Airport Commission

Through: Derek Ables - Airport Manager

From: Sarah Conley - Administrative Assistant

Date: March 3, 2025

Subject: ***Memorandum of Agreement between the City of Kenai and Greatland Consulting and Training LLC at the Alaska Regional Fire Training Center.***

This memo recommends support of the Memorandum of Agreement between the City of Kenai and Greatland Consulting and Training LLC.

The purpose of the Alaska Regional Aircraft Fire Training Center is to provide the facilities required for certificated airports in Alaska to meet initial and annual recurrent training requirements under applicable Federal Aviation Regulations. It is mutually beneficial for the Airport and GCT to enter into a cooperative agreement that facilitates Aircraft Rescue Firefighting training at the Fire Training Center for the calendar year 2025.

Does Commission recommend Council approve the Memorandum of Agreement Between Greatland Consulting and Training LLC & the City of Kenai?

Attachment – Memorandum of Agreement

Memorandum of Agreement

between

The City of Kenai

And

Greatland Consulting and Training LLC
Anchorage, Alaska 99504

This Memorandum of Agreement between the City of Kenai (hereinafter referred to as the “Airport”), and Greatland Consulting and Training LLC (hereinafter referred to as “GCT”).

PURPOSE

The purpose of this agreement is to allow the Airport, and GCT to work cooperatively to ensure the Alaska Regional Aircraft Fire Training Center (Fire Training Center) remains viable to meet required Federal Aviation Regulations for Aircraft Rescue Firefighting at certificated airports in Alaska. The Airport is the owner of the Fire Training Center and is responsible for the operation and maintenance in accordance with FAA grant assurances.

OBJECTIVES

- Ensure certificated airports in Alaska are able to complete initial and annual recurrent ARFF training.
- Operate and maintain the Fire Training Center in accordance with FAA grant assurances.
- Formalize policies and procedures surrounding the use of the Fire Training Center.
- Establish rates and fees to ensure the operation of Fire Training Center is sustainable.
- Encourage other stakeholders to utilize the Fire Training Center in conjunction with GCT.

WITNESSETH:

WHEREAS, it is the purpose of the Alaska Regional Aircraft Fire Training Center to provide the facilities required for certificated airports in Alaska to meet initial and annual recurrent training requirements under applicable Federal Aviation Regulations; and,

WHEREAS, GCT has been awarded a contract by the State of Alaska, Statewide Aviation Division to provide Aircraft Rescue Firefighting training for the employees of State operated airports; and,

WHEREAS, it is mutually beneficial for the Airport and GCT to enter into a cooperative agreement that facilitates Aircraft Rescue Firefighting training at the Fire Training Center.

NOW THEREFORE. In consideration of the mutual benefits which will accrue to the Airport and GCT, the parties agree as follows:

- I. AUTHORIZATION: The Airport, and GCT agree to work cooperatively in operation of the Fire Training Center to facilitate ARFF training requirements set forth by Federal Regulations for certificated airports for the Calendar year 2025.
- II. AIRPORT, AND GCT RESPONSIBILITIES: For the periods set forth above, the
 - a. Airport will:
 - A. When no preexisting scheduling conflicts exist, provide GCT use of the Alaska Fire Training Center training room(s), ARFF training props, ARFF vehicles, ARFF training prop controls, and breathing air containment fill station.
 - B. Maintain the facility, including props in good working order. Airport is not responsible for any training delays or lost profits due to prop or other facility equipment breakdowns. GCT and Airport understand and acknowledge that prop repairs often require service from out-of-state personnel with limited availability.
 - C. Establish rates & fees for use of the Alaska Fire Training Center that ensure operation and maintenance of the Fire Training Center is sustainable.
 - b. GCT will:
 - A. Schedule use of the Fire Training Center with Airport Administration.
 - B. Provide for, or contract with qualified instructors approved by the Airport for ARFF training.
 - C. Provide prompt notice to the Airport of needed maintenance to the Alaska Fire Training Center facility, ARFF training props and controls, ARFF vehicles, and breathing air containment fill station.
 - D. Ensure all trainees are equipped with all necessary Personal Protection Equipment.
 - E. Assume responsibility for any damage to Fire Training Center property (real and personal), caused by its officers, employees, contractors, customers or agents, and that occurs during the course of training activities and notify the Airport of any damage as soon as practicably feasible.
 - F. Provide certified activity reports of all training activities on a form provided by the Airport with the payment of all rates and fees.
 - G. Pay established rates & fees for use of the Alaska Fire Training Center that ensure operation and maintenance of the Fire Training Center is sustainable no later than 30 days upon the completion of the training.
 - H. Pay for actual costs of all ARFF training consumables, to include but not limited to: propane, nitrogen, training smoke oil, vehicle fuel, etc. At the end of the training season the propane tank will be filled to same level as the start of the season. Propane used by the Kenai Fire Department will be subtracted from this total.

Season	Course	Min. # of Students	Rate per Student*
May - September	Annual Live Fire/Refresher	8	400.00
	40 hour Basic ARFF	8	600.00
	40 hour Advanced ARFF	8	600.00
October - April	Annual Live Fire/Refresher	12	400.00
	40 hour Basic ARFF	12	600.00
	40 hour Advanced ARFF	12	600.00

*Rate includes use of training classroom, ARFF training props, and ARFF vehicles. Rate excludes the cost of fuels and ancillary consumables required to operate training props and equipment (Propane, Nitrogen, Training Smoke Oil, Fuel, etc.)

III. PERIOD OF PERFORMANCE

The period of performance for this agreement is for the Calendar Year 2025. While the Airport and GCT reserve the right to terminate this Agreement, at any time upon thirty days written notice without the necessity of any legal process, the Airport and GCT agree to hold a meeting prior to termination discussing the reasons for termination.

IV. CONTACTS

- A. For the Airport: Derek Ables, Airport Manager, Kenai Municipal Airport, 305 N. Willow Street, Suite 200, Kenai, AK 99611, dables@kenai.city, 907.283.8282.
- B. For GCT: Bob Lee, Owner/Operator, Greatland Consulting and Training

V. SPECIAL PROVISIONS

- A. The scope and other terms of the agreement may be modified at any time by mutual consent of the signatory parties.
- B. Subject to Section II.(b)(E) above, the parties to this agreement agree to be responsible for damages to their own property and injuries to their own employees/volunteers, except for damages/injuries caused by the other party, their agents, contractors, or officers.
- C. This MOA may be modified or amended as necessary upon written consent of all parties or may be terminated by either party with a 30-day written notice to all other parties.

VI. INSURANCE

GCT, independently or through its contractors shall obtain and maintain insurance, in amounts not less than those listed below, by insurance companies with acceptable industry ratings, so long as such company is not barred from insuring City assets. All policies or endorsements shall, where possible, name the City as an additional insured or a loss payee as appropriate. Contractor may not commence to

perform under this Agreement until all required insurance is in full force and effect and approved by the City.

Contractor shall provide the City with certificates of insurance within thirty (30) days of the effective date of this Agreement. The insurance shall be provided by a carrier rated "A-" or better by A.M. Best. For worker's compensation insurance, general liability and automobile liability insurance must include a waiver of subrogation so that the insurer waives all rights of subrogation against the City for payments made under the policy. Provide the City notification at least 20 days before any termination, cancellation, or material change in insurance coverage.

Comprehensive general liability: combined single limit (death, bodily injury and property damage (rented or leased property coverage)) \$2 million

Professional liability: \$1 million

Worker's Compensation: statutory minimum

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum of Agreement to be executed as of the date of last signature below.

CITY OF KENAI

GREATLAND CONSULTING AND TRAINING LLC

Terry Eubank, City Manager

Bob Lee, Owner/Operator

DATE

DATE



"Serving the Greater Kenai Peninsula"

305 N. WILLOW ST. SUITE 200 KENAI, ALASKA 99611
TELEPHONE 907-283-7951

FAX 907-283-3737

Memo

To: Airport Commission

From: Derek Ables - Airport Manager

Date: March 5, 2025

Subject: - Authorizing the City Manager to enter into an Airline Operating Agreement and Terminal Area Lease with Aleutian Airways

Aleutian Airways is requesting to lease terminal space in May and start scheduled operations out of the Kenai Municipal Airport Building in June.

The Airport has grant assurances that it is required to comply with when accepting AIP funding.

Economic Nondiscrimination- It will make the airport available as an airport for public use on reasonable terms and without unjust discrimination to all types, kinds and classes of aeronautical activities, including commercial aeronautical activities offering services to the public at the airport. Each air carrier using such airport (whether as a tenant, non-tenant, or subtenant of another air carrier tenant) shall be subject to such nondiscriminatory and substantially comparable rules, regulations, conditions, rates, fees, rentals, and other charges with respect to facilities directly and substantially related to providing air transportation as are applicable to all such air carriers which make similar use of such airport and utilize similar facilities, subject to reasonable classifications such as tenants or non-tenants and signatory carriers and non-signatory carriers. Classification or status as tenant or signatory shall not be unreasonably withheld by any airport provided an air carrier assumes obligations substantially similar to those already imposed on air carriers in such classification or status.

Exclusive Rights-It will permit no exclusive right for the use of the airport by any person providing, or intending to provide, aeronautical services to the public.

Fee and Rental Structure. It will maintain a fee and rental structure for the facilities and services at the airport which will make the airport as self-sustaining as possible under the circumstances existing at the particular airport, taking into account such factors as the volume of traffic and economy of collection.

The Airport is required to offer the same opportunity without providing an unfair advantage to one airline. There is space available at the airport so it is recommended to enter into an agreement.

Does Commission recommend Council authorize the City Manager to enter into an Airline Operating Agreement and Terminal Area Lease with Aleutian Airways?

Attachment – Airline Operating Agreement, Exhibit A, B, C, D, E

CITY OF KENAI, ALASKA

KENAI MUNICIPAL AIRPORT

**Airline Operating Agreement
and Terminal Area Lease**

March 1, 2025

CITY OF KENAI, ALASKA

KENAI MUNICIPAL AIRPORT

**AIRLINE OPERATING AGREEMENT
AND TERMINAL AREA LEASE**

Table of Contents

	<u>Page</u>
ARTICLE 1 DEFINITIONS	2
Section 1.1 Definitions.....	2
Section 1.2 Cross-References	5
Section 1.3 Construction of Certain Words	5
ARTICLE 2 TERM	6
Section 2.1 Term.....	6
Section 2.2 Holding Over	6
ARTICLE 3 RIGHTS AND PRIVILEGES	7
Section 3.1 Use of the Airport	7
Section 3.2 Specific Rights of Airline at the Airport.....	7
Section 3.3 Limitations on Use by Airline.....	10
ARTICLE 4 LEASED PREMISES	12
Section 4.1 Terminal Area Leased Space	12
Section 4.2 Surrender of the Premises	12
Section 4.3 Accommodation of New and/or Existing Airlines.....	13
Section 4.4 Remodeling and New Construction	14
Section 4.5 Access	14

CITY OF KENAI, ALASKA

KENAI MUNICIPAL AIRPORT

**AIRLINE OPERATING AGREEMENT
AND TERMINAL AREA LEASE**

Table of Contents (Cont'd.)

	<u>Page</u>
ARTICLE 5 RENTALS, FEES AND CHARGES	16
Section 5.1 Consideration and Rate-Setting Basis	16
Section 5.2 Landing Fee Charges	16
Section 5.3 Rentals for Exclusive Use Space and Joint Use Space	16
Section 5.4 Rentals for Terminal Apron Aircraft Parking and GSE Space	17
Section 5.5 Other Charges	17
Section 5.6 Partial Month Charges	17
Section 5.7 Late Payments	18
Section 5.8 Overpayments	18
Section 5.9 Information to be Supplied by Airline	18
Section 5.10 Non-Signatory Rates	18
ARTICLE 6 MAINTENANCE, REPAIR, ALTERATIONS AND IMPROVEMENTS	19
Section 6.1 Airline's Responsibilities	19
Section 6.2 City's Responsibilities	20
Section 6.3 City's Right to Inspect and Make Repairs	21
Section 6.4 Alterations and Improvements	22
ARTICLE 7 DAMAGE OR DESTRUCTION OF PREMISES	23
Section 7.1 Minor Damage	23
Section 7.2 Substantial Damage	23
Section 7.3 Total Damage	23
Section 7.4 Scope of Restoration of Premises	24
Section 7.5 Damage from Airline Negligence or Willful Act	25
ARTICLE 8 INDEMNIFICATION, INSURANCE AND SECURITY	26
Section 8.1 Indemnification	26
Section 8.2 Airline Insurance	27
Section 8.3 Security for Payment of Airline Rates and Charges	28

CITY OF KENAI, ALASKA

KENAI MUNICIPAL AIRPORT

**AIRLINE OPERATING AGREEMENT
AND TERMINAL AREA LEASE**

Table of Contents (Cont'd.)

	<u>Page</u>
ARTICLE 9 RULES AND REGULATIONS, COMPLIANCE WITH LAWS, NON-DISCRIMINATION AND AFFIRMATIVE ACTION	29
Section 9.1 Rules and Regulations	29
Section 9.2 Compliance with Laws	29
Section 9.3 Non-Discrimination and Affirmative Action	30
ARTICLE 10 DEFAULT AND TERMINATION	33
Section 10.1 Events of Default	33
Section 10.2 Events Permitting Termination of Agreement by Airline	35
Section 10.3 Events Permitting Termination of Agreement by City	36
Section 10.4 Possession by City	37
ARTICLE 11 ASSIGNMENT, SUBLETTING, MERGER AND BANKRUPTCY	38
Section 11.1 Assignment and Subletting	38
Section 11.2 Non-Waiver of Responsibility	38
Section 11.3 Relinquishment of Space	38
Section 11.4 Ground Handling Agreements	38
Section 11.5 Bankruptcy	39
Section 11.6 Consent	40
ARTICLE 12 GENERAL PROVISIONS	41
Section 12.1 Successors and Assigns Bound	41
Section 12.2 Governing Law	41
Section 12.3 Severability	41
Section 12.4 Quiet Enjoyment	41
Section 12.5 Taxes	41
Section 12.6 Liens	42
Section 12.7 Obtaining Federal and State Funds	43
Section 12.8 Subordination to Agreements with the U.S. Government	43
Section 12.9 Subordination to Bond Ordinances	43
Section 12.10 Incorporation of Exhibits	44
Section 12.11 Entire Agreement	44

CITY OF KENAI, ALASKA
KENAI MUNICIPAL AIRPORT
AIRLINE OPERATING AGREEMENT
AND TERMINAL AREA LEASE

Table of Contents (Cont'd.)

	<u>Page</u>
ARTICLE 12 GENERAL PROVISIONS (Cont'd.)	
Section 12.12 Non-Waiver of Rights	44
Section 12.13 Force Majeure	44
Section 12.14 Headings	45
Section 12.15 Nonexclusive Rights	45
Section 12.16 Inspection of Books and Records	45
Section 12.17 Generally Accepted Accounting Principles	45
Section 12.18 Consent Not to be Unreasonably Withheld	46
Section 12.19 Authority of Manager	46
Section 12.20 Amendments	46
Section 12.21 Attorney Fees	46
Section 12.22 Vending Machines	46
Section 12.23 Public Address System	46
Section 12.24 Employees of Airline	47
Section 12.25 Removal of Disabled Aircraft	47
Section 12.26 Licenses, Fees and Permits	47
Section 12.27 National Emergency	47
Section 12.28 Time is of the Essence	47
Section 12.29 Employee Parking	48
Section 12.30 Notices	48
Section 12.31 No More Favorable Terms	48
ARTICLE 13 PROVISIONS OF CITY'S DEED	49
EXHIBITS	
A AIRLINE PREMISES - EXCLUSIVE USE SPACE	
B AIRLINE PREMISES - JOINT USE SPACE	
C AIRLINE RATE SCHEDULE	
D AIRLINE AND AFFILIATE INSURANCE REQUIREMENTS	

CITY OF KENAI, ALASKA
KENAI MUNICIPAL AIRPORT
AIRLINE OPERATING AGREEMENT AND
TERMINAL AREA LEASE

This Airline Operating Agreement and Terminal Area Lease (the “Agreement”) made and entered into this 1st day of May 2025, by and between the City of Kenai, Alaska (the “City”), a home-rule municipal corporation of the State of Alaska and Sterling Airways dba Aleutian Airways, a corporation organized and existing under the laws of the State of Alaska and authorized to do business in the State of Alaska, hereinafter called "Airline".

W I T N E S S E T H:

WHEREAS, City is owner and operator of Kenai Municipal Airport (the “Airport”) located in Kenai, Alaska, and has the right to lease portions of the Airport and to grant operating privileges thereon subject to the terms and conditions hereinafter set forth; and

WHEREAS, Airline is a corporation primarily engaged in the business of providing Air Transportation of persons, property, cargo and mail; and

WHEREAS, Airline desires to lease certain premises within the Terminal Building, 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 to lease and grant same to Airline under terms and conditions hereinafter stated; and

WHEREAS, City and Airline have the power and authority to enter into this agreement;

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

ARTICLE 1 DEFINITIONS

Section 1.1 Definitions

The terms and phrases defined in this Article 1 for all purposes of this Airline Operating Agreement and Terminal Building Lease shall have the following meanings:

- 1.1.1 **"Air Transportation"** shall mean the carriage of persons, property, cargo and/or mail by aircraft.
- 1.1.2 **"Airline Premises"** shall mean Airline's leased Exclusive Use Space and Joint Use Space in the terminal building and its leased terminal apron space.
- 1.1.3 **"Airline's Authorized Representative"** shall mean such person designated by Airline in writing to the Manager prior to the commencement of the term hereof and from time-to-time during the term hereof setting forth the name, title and authority of such person.
- 1.1.4 **"Airport"** shall mean the Kenai Municipal Airport in Kenai, Alaska (a facility of the City of Kenai) as it may hereafter be modified, changed or developed from time-to-time.
- 1.1.5 **"Airport Purpose"** shall mean any action or undertaking by City directly relating to the development and preservation of the Airport for air commerce in accordance with all applicable laws (federal, state and local, statutory, regulatory and decisional) and this Airline Operating Agreement and Terminal Area Lease.
- 1.1.6 **"Airport Revenues"** shall mean any income and revenue lawfully derived directly or indirectly by the City from the operation and use of, or otherwise relating to, the Airport. The term does not include any grants, appropriations, loans, gifts, taxes or bond proceeds from federal, state or local governments.
- 1.1.7 **"Manager"** shall mean the Airport Manager, designated as such by City. The word also means the Acting Airport Manager, if any, of City whenever the Airport Manager is unable to act in such capacity, or the successor of the Airport Manager in functions, if any.

- 1.1.8 **"Exclusive Use Space"** shall mean, at any time, the space leased in the passenger terminal building by City to Airline on an exclusive use basis as more fully set forth on Exhibit A, as the same may be amended from time-to-time.
- 1.1.9 **"FAA"** shall mean the Federal Aviation Administration of the U.S. Government or any federal agency succeeding to all or part of its jurisdiction.
- 1.1.10 **"Fiscal Year"** shall mean the twelve (12) months commencing on July 1st and ending on June 30st of any year or such other twelve (12) month period as may be designated by City.
- 1.1.11 **"Joint Use Space"** shall mean, at any time, the premises leased or used jointly in the passenger terminal building by Airline and any other Signatory Airlines, as more particularly set forth on Exhibit B, as the same may be amended from time-to-time.
- 1.1.12 **"Maximum Certificated Gross Take-Off Weight"** shall mean the maximum take-off weight certificated by the FAA, in one thousand (1,000) pound units, of each aircraft landed by Airline at the Airport.
- 1.1.13 **"Non-Signatory Airline"** shall mean any airline providing scheduled or unscheduled service to the Airport which is not a Signatory Airline.
- 1.1.14 **"Public Area(s)"** shall mean at any time those passenger terminal building areas not leased on an exclusive or joint use basis, or otherwise, to any person, company or corporation.
- 1.1.15 **"Requesting Airline"** shall mean a scheduled airline desiring to provide new or increased commercial Air Transportation service at the Airport, or to provide a change of aircraft for existing service for which the scheduled airline does not have appropriate facilities at the Airport.
- 1.1.16 **"Rules and Regulations"** shall mean those lawful, reasonable and non-discriminatory rules, regulations and resolutions promulgated by City (including Airport Minimum Standards for Aeronautical Activities) or operating directives issued by the Manager for the orderly use of the Airport by both the Signatory Airlines and other tenants and users of the Airport as same may be amended, modified or supplemented from time-to-time, but which are not inconsistent with the express terms of this Agreement.

- 1.1.17 **"Signatory Airline(s)"** shall mean those primarily commercial passenger service airlines which provide Air Transportation pursuant to published schedules over specified routes to and from the Airport and which hold the necessary authority from the FAA to provide such transportation and that have executed substantially similar agreements to this Agreement with the City, including term, covering the lease, use and occupancy of facilities at the Airport. A Signatory Airline or an Affiliate of such airline must lease Exclusive Use Space at the passenger terminal building, subject to the availability of space solely determined at the discretion of the City. Except as otherwise provided herein, no Signatory Airline shall have any right pursuant to this Agreement to object to the City's entry into the Agreement with any other airline.

Signatory Airlines shall also include airlines that do not use terminal building facilities which provide Air Transportation to and from the Airport on an unscheduled, on-call basis and which hold the necessary authority from the FAA to provide such transportation and that have executed substantially similar agreements to this Agreement with the City, including term, covering the use of airfield facilities but not the use and lease of space in the terminal building.

- 1.1.18 **"Affiliate(s) or Affiliated Airline(s)"** shall mean any Air Transportation company that is specifically designated as such by Airline during the Term of this Agreement and is approved by the prior written consent of City which shall not be unreasonably withheld. Airline shall give the City thirty (30) days prior written notice of any change in airlines that Airline chooses to use as an Affiliate operating at the Airport. During such period of time that an airline is an Affiliate in accordance with the terms hereof, such Affiliate shall (1) be charged at the same Airport rental rates as Airline without payment of any premiums and (2) participate in any reconciliation process related to Airport rent provided Airline (a) remains a signatory to this Agreement and (b) agrees and shall be obligated to serve as a financial guarantor for all rent, activity fees and any other charges incurred by all Affiliates of Airline at the Airport.

Section 1.2 Cross-References

All references to articles, sections and exhibits in this Agreement pertain to material in this Agreement, unless specifically noted otherwise.

Section 1.3 Construction of Certain Words

Words used in this Agreement may be construed as follows:

- 1.3.1 Number - Words used in the singular include the plural and words used in the plural include the singular.
- 1.3.2 Tense - Words used in the present tense include the future.

ARTICLE 2

TERM

Section 2.1 Term

The term of this Agreement (the “Term”) shall begin on May 1, 2025 (“Commencement Date”) and shall terminate on June 30, 2025 (except as it may be terminated or extended in accordance with this Agreement), and the rentals, fees, and charges shall be effective on the Commencement Date, but only in the event that the Premises are then tendered to Airline ready for use and occupancy in accordance with the terms and provisions of this Agreement.

Section 2.2 Holding Over

If Airline remains in possession of the Airline Premises after the expiration of this Agreement without any written renewal thereof, such holding over shall not be deemed as a renewal or extension of this Agreement, but shall create only a tenancy from month to month that may be terminated at any time by City upon thirty (30) days prior written notice. Such holding over shall otherwise be upon the same terms and conditions as set forth in this Agreement, and amendments hereto executed prior to its expiration. City acknowledges and agrees that the foregoing sets forth Airline’s entire obligation and liability for any holding over.

ARTICLE 3 RIGHTS AND PRIVILEGES

Section 3.1 Use of the Airport

Airline, its employees, passengers, guests, patrons and invitees shall have the right to the use (in common with other duly authorized users) of the Airport and its appurtenances, together with all facilities, improvements, equipment and services that have been or may hereafter be provided for common use at, or in connection with, the Airport, subject to the Rules and Regulations of City and other applicable laws.

Section 3.2 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 of City to use the Airport for the following purposes:

- 3.2.1 The operation of an Air Transportation business by aircraft for the carriage of persons, property, cargo and mail, including all activities reasonably necessary to such operation;
- 3.2.2 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, or other certificated Air Transportation companies with which City has an agreement, including the right to provide or handle all or part of the operations or services of such other companies, all of which are subject to City's Rules and Regulations;
- 3.2.3 The sale of tickets, documentation of shipments, handling of reservations and the loading and unloading of persons, property, cargo and mail at the Airport by such motor vehicles or other means of conveyance as Airline may desire to use in the operation of its Air Transportation business, or that of other certificated Air Transportation companies with which City has an agreement. Any ground transportation commercial carrier including Airline (except for such ground transportation as Airline may provide or arrange solely for the benefit of its employees) regularly transporting persons or their baggage to and from the Airport shall first secure and thereafter hold a valid lease, license or other agreement with City for the right to carry persons or their baggage to and from the Airport and shall pay City such reasonable and non-discriminatory rentals, fees and percentages of the fares of such ground transportation commercial carrier for such right as City may set by agreements, resolutions or Rules and Regulations;

- 3.2.4 The ground training at the Airport of persons and testing of equipment, such training and testing to be limited to that incidental to Airline's Air Transportation business at the Airport; provided that nothing in this paragraph shall preclude Airline and City from entering into separate agreements for training at the Airport;
- 3.2.5 The purchase of Airline's requirements of personal property or services, including fuel, lubricants, food, beverage and other passenger supplies, and any other materials and supplies used by Airline from any person or company of Airline's choice, and the making of agreements with any person or company of Airline's choice for services to be performed by Airline that are incidental to the operation of Airline's Air Transportation business. Nothing herein shall restrict City from levying a reasonable and non-discriminatory concession fee on any person or company providing property or services to Airline that are not incidental to Airline's Air Transportation business;
- 3.2.6 The sale, disposal and exchange of Airline's aircraft, engines, accessories, other equipment and materials or supplies, provided that such right shall not be construed as authorizing the conduct of a separate regular business by Airline, but as permitting Airline to perform only such functions as are incidental to the operation of its Air Transportation business.
- 3.2.6.1 Except for items brought upon the property for regular Airline business purposes, Airline shall not cause or permit any hazardous substance to be brought upon, kept or used in or about the property. While on the property, hazardous substances allowed by this paragraph shall be stored in a safe manner and in compliance with all environmental laws. Notwithstanding any provision to the contrary in this agreement, under no circumstances shall hazardous substances be disposed of or released on the property. The term "hazardous substance" shall mean any hazardous or toxic substances, materials or wastes, pollutants or contaminants, as defined or regulated currently or in the future by any environmental law (as defined below) or by common law decision, including without limitation: (a) chlorinated solvents, (b) petroleum products or byproducts, (c) asbestos, (d) polychlorinated biphenyl and (e) urea-formaldehyde. The term "environmental law" means any federal, state or local law, statute, ordinance, regulation, rule or order pertaining to health, industrial hygiene, environmental conditions or hazardous substances.

- 3.2.6.2 Upon Airline written request, City shall provide to Airline all relevant data, assessments, studies, permits and certificates available to City, and shall otherwise cooperate with Airline, as Airline may reasonably require to effectuate its own compliance with applicable environmental requirements;
- 3.2.6.3 Airline will deliver to the City copies of any documents received from, or sent by Airline to, the United States Environmental Protection Agency and/or any state, borough or municipal environmental or health agency concerning Airline's Operations on the Airline Premises.
- 3.2.7 The servicing by Airline, or by its suppliers of materials, or its furnishers of services, of aircraft and other equipment operated by Airline or by other Air Transportation companies with which Airline has an applicable agreement to provide handling or servicing, line maintenance or other materials or supplies, at assigned aircraft parking positions or other locations designated by the Manager;
- 3.2.8 The installation and operation of identifying signs, posters and graphics on Airline Premises, subject to the prior written approval of the Manager. Such signs shall be substantially uniform in size, types and location with those of other airlines, and subject to Manager's approval, Rules and Regulations, and in compliance with all applicable laws and resolutions;
- 3.2.9 The installation, maintenance, and operation of radio, meteorological and aerial navigation equipment and facilities at suitable locations on the Airport as may be necessary or convenient in the opinion of Airline for its operations; provided that
- 3.2.9.1 the location of such equipment and facilities shall be subject to the prior written approval of the Manager;
- 3.2.9.2 the use and location of such equipment and facilities shall not conflict with other similar equipment and facilities on the Airport; and
- 3.2.9.3 the location of such equipment and facilities on the Airport shall be subject to payment of such reasonable and non-discriminatory fee or rental charge established by City for such location on the Airport by Airline.

- 3.2.10 The installation, maintenance and operation of computer data lines, telephone communications equipment and associated conduits and telephone communications switchgear and support computers at suitable locations on the Airport, as may be necessary or convenient in the opinion of Airline for its operations; provided that
- 3.2.10.1 the location of such equipment shall be subject to the prior written approval of the Manager, if such location is not included in Airline's Exclusive Use Space;
 - 3.2.10.2 the use and location of such equipment shall not conflict with other similar equipment on the Airport; and
 - 3.2.10.3 the location of such equipment (other than conduit and cable) on the Airport shall be subject to payment of such reasonable and non-discriminatory fee or rental charge established by City for such use of space on the Airport by Airline unless such space is already leased to Airline.
- 3.2.11 The sale, disposal, storage, distribution, provision or maintenance of aircraft, engines, accessories, fuel, oil, lubricants and other equipment, services or supplies to other airline users of the Airport, performed or provided by Airline or by a consortium of which Airline is or becomes a part, to the extent that such servicing of other airlines constitutes a regular business activity of Airline.

Section 3.3 Limitations on Use by Airline

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

- 3.3.1 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, heating system, natural gas system, air conditioning system, fire protection system, sprinkler system, alarm system or fire hydrants and hoses, if any, installed or located on or within the premises of the Airport;
- 3.3.2 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 (copies of which, together with premium schedules, shall be furnished to Airline in writing on request) covering the Airport or any part thereof;

- 3.3.3 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 unless such waste material or products are first properly treated by equipment installed with the approval of the Manager for that purpose;
- 3.3.4 Keep or store within the enclosed portion of the Airline Premises, during any twenty-four (24) hour period, flammable liquids in excess of Airline's working requirements during said twenty-four (24) hour period, except in storage facilities specially constructed for such purposes in accordance with standards established by the National Board of Fire Underwriters, and approved in writing by the Manager from the standpoint of safety;
- 3.3.5 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 jeopardize the Airport's operating certificate;
- 3.3.6 Do, or permit to be done, any act or thing within its control in conflict with the Airport's security plan;
- 3.3.7 Do, or permit to be done, any act or thing within its control in conflict with the Airport's Rules and Regulations;
- 3.3.8 Do or permit to be done any act, or let any condition exist, which is in conflict with current or future Environmental Protection Agency, State of Alaska and other government entities' rules, regulations or directives; and
- 3.3.9 Do, or permit to be done, in the area of the passenger terminal building, heavy maintenance (i.e., engine changes, control surface replacements, overhauls) within Airline's control unless consented to by City, and providing that suitable, reasonably accessible space is available for such purpose.

ARTICLE 4 LEASED PREMISES

Section 4.1 Terminal Area Leased Space

- 4.1.1 Airline hereby leases its assigned Exclusive Use Space in the passenger terminal building being more particularly delineated on Exhibit A, as the same may be amended from time-to-time.
- 4.1.2 Airline hereby leases the Joint Use Space it uses with other airlines in the passenger terminal building being more particularly delineated on Exhibit B, as the same may be amended from time-to-time.
- 4.1.3 Airline hereby leases the terminal apron space for the parking of aircraft and the storage of ground service equipment (GSE) being more particularly delineated on Exhibit E, as the same may be amended from time-to-time.
- 4.1.4 Airline shall use its Exclusive Use Space for office purposes and the sale of Air Transportation, handling, ticketing, billing and manifesting of passengers, baggage, cargo, property and mail in the conduct of its Air Transportation business. If Airline desires to use its Exclusive Use Space on behalf of any other Air Transportation company authorized by the Manager to use the Airport, Airline must first obtain written approval of Manager, other than for Affiliates of the Airline.
- 4.1.5 Airline shall use the Joint Use Space for purposes designated for such space by the Manager, which shall include:
 - 4.1.5.1 Baggage claim area (delivery and display of inbound passenger baggage and passenger waiting areas for delivery of their baggage);
 - 4.1.5.2 Tug cart circulation and baggage breakdown, loading and unloading;
 - 4.1.5.3 Passenger hold rooms (checking-in, passenger waiting areas for arrival of aircraft, boarding of passengers and deplaning of passengers); and
 - 4.1.5.4 City owned loading bridges for enplaning and deplaning aircraft.

Section 4.2 Surrender of the Premises

- 4.2.1 City shall not be required to give notice to quit possession of the Airline Premises hereunder upon expiration of the term of this Agreement. City acknowledges that the following conditions shall also be excluded from Airline's duty to surrender the leased premises, and that Airline shall not be liable for, or required to correct or make good any damage caused by (a) any willful or negligent act or omission of City, its employees or agents, or, in the case of any jointly or commonly used portion of the Airline Premises, any damage due to any willful or negligent act or omission of any

other tenant, its employees or agents; (b) any latent defect in any Airport improvement not constructed by or on behalf of Airline, and (c) any other damage or loss that Airline is not responsible to repair under the terms of this Agreement. Airline covenants and agrees that, on expiration of the term of this Agreement, or on earlier termination as hereinafter provided, it will peaceably surrender possession of the premises leased hereunder in good condition, reasonable wear and tear, acts of God and fire casualties excepted, and City shall have the right to take possession of said premises. Airline shall have the right on termination, and within thirty (30) days thereafter, to remove all trade fixtures, equipment and other personal property installed or placed by it at its expense, in, on or about the Airport, except that

- 4.2.1.1 Airline shall not remove fixtures, equipment and other personal property for which City is to reimburse Airline pursuant to Section 4.3; and
- 4.2.2 Airline shall not abandon any of its property on the premises without the prior written consent of the Manager. Any and all property not removed by Airline within the thirty (30) day period, except as otherwise mutually agreed upon by the parties hereto, shall thereupon, at the option of City, become a part of the land on which it is located, and title thereto shall vest with City. All City property damaged by, or as the result of, the removal of Airline's property shall be restored by Airline, at its own expense, to the condition existing prior to such damage or according to such other arrangement to which City and Airline may agree.

Section 4.3 Accommodation of New and/or Existing Airlines

The parties hereto agree that every reasonable effort will be made to accommodate any other new entrant or incumbent airline, such carrier to be referred to hereinafter as "Requesting Airline". The parties agree that City will make every effort to accommodate such Requesting Airline through direct lease of premises between City and Requesting Airline. In the event that no premises which will accommodate the Requesting Airline are available for lease from City, the parties hereto recognize that it may become necessary to share the use of the premises demised herein with other Signatory Airlines so as to reasonably accommodate new and/or additional Air Transportation service at the Airport. Airline agrees to cooperate with City by giving appropriate consideration to any request by City to accommodate such Requesting Airline in its leased premises. If Airline accommodates such Requesting Airline, Airline may charge the Requesting Airline a reasonable and non-discriminatory fee for secondary use of Airline's space, and Requesting Airline shall be required to indemnify the incumbent airline to the same extent that the incumbent airline is required to indemnify the City for the use and occupancy of the premises under this Agreement.

Section 4.4 Remodeling and New Construction

City reserves the right to provide Exclusive Use Space to a Requesting Airline by remodeling existing space or constructing new space after consultation with all Signatory Airlines.

- 4.4.1 “Remodeling” will be treated as a tenant improvement and the sole cost will be borne by the Requesting Airline as well as all remodeling and relocation costs, if any, incurred by any incumbent Signatory Airline that has accommodated the Requesting Airline.
- 4.4.2 “New construction” which increases the space available for lease and use by airlines will be treated as a common cost element of the passenger terminal building, and costs involving additions or building modifications (including financing costs, if appropriate) will be borne by the Airport, except that, finish costs related to the new space will be borne by the Requesting Airline including any finish costs that the “new construction” necessitates for any incumbent Signatory Airline.

Section 4.5 Access

- 4.5.1 Subject to the provisions hereof, the Rules and Regulations, and such restrictions as Airline may impose with respect to its Exclusive Use Space, City hereby grants to Airline, its agents, suppliers, employees, contractors, passengers, guests and invitees, the right and privilege of access, ingress and egress to the Airline Premises and to Public Areas and public facilities of the Airport, together with all improvements, facilities and equipment now or hereafter located thereon. The Public Areas shall be in the possession and control of City and shall at all times remain public property to be used only as public Airport facilities, except as may be otherwise provided herein.
- 4.5.2 The ingress and egress provided for in Section 4.5.1 above shall not be used, enjoyed or extended to any person engaging in any activity or performing any act or furnishing any service for or on behalf of Airline that is not incidental to Airline's Air Transportation business and that Airline is not authorized to engage in or perform under the provisions hereof unless expressly authorized by the Manager.

- 4.5.3 City shall have the right at any time to close, relocate, reconstruct, change, alter or modify any such means of access, ingress and egress provided for Airline's use pursuant to this Agreement or otherwise, either temporarily or permanently, provided that reasonable notice to Airline and a reasonably convenient and adequate means of access, ingress and egress shall exist or be provided in lieu thereof. City shall use its best efforts to limit such closing to the duration appropriate to the circumstances. City shall consult with Airline prior to any such closing which would adversely affect Airline's operations unless such closing is necessitated by circumstances which pose an immediate threat to the health or safety of persons using the Airport. City shall suffer no liability including but not limited to consequential damages, by reason thereof, and such action shall in no way alter or affect any of Airline's obligations under this Agreement.

ARTICLE 5 RENTALS, FEES AND CHARGES

Section 5.1 Consideration and Rate-Setting Basis

- 5.1.1 In consideration of the rights and privileges granted under this Agreement, Airline agrees to pay City, without deduction or setoff, during the term of this Agreement, certain fees and rentals as set forth herein.
- 5.1.2 Airline landing fees and passenger terminal building rentals prescribed in this Agreement are based on the Airport's actual cost of operations with recognition of the City's necessity to provide substantial rate subsidies to the airlines to reflect its current circumstances and level of aviation activity and the economic infeasibility of charging full-cost recovery based rates. As such, the rates established and imposed by the City comply with the FAA Policy Regarding Airport Rates and Charges. The Airline hereby acknowledges the City's basis for establishing rates and its compliance with the FAA Policy.

Section 5.2 Landing Fee Charges

- 5.2.1 Airline shall pay to the City within thirty (30) days following the end of each month, without demand or invoicing, landing fee charges for aircraft landings for the preceding month at the rate and in the amount then currently approved by the City as provided in Exhibit C - Airline Rate Schedule.
- 5.2.2 Airline shall provide to Airport a copy of its monthly take-off weight report, including the number of landings by aircraft types and Maximum Certificated Gross Take-Off Weight. This monthly take-off weight report shall be provided within ten (10) days following the end of each month for landings for the preceding month.

Section 5.3 Rentals for Exclusive Use Space and Joint Use Space

- 5.3.1 Airline shall pay to the City in advance, on the first day of each month, without demand or invoicing, rentals for Airline's Exclusive Use Space and Joint Use Space at the rate and in the amount then currently approved by the City as provided in Exhibit C - Airline Rate Schedule.
- 5.3.2 Airline shall provide to Airport a copy of its monthly passenger enplanement report, including all revenue and non-revenue passenger enplanements. This monthly report shall be provided within ten (10) days following the end of each month for enplanements for the preceding month.

5.3.3 If at any time during the current Fiscal Year, the Airline's total passenger enplanements for the current calendar year are reasonably projected by the City to vary by twenty percent (20%) or more than the Airline's total passenger enplanements for the prior calendar year as provided in Exhibit C, then the Airline's allocated joint rental amount may be adjusted, at the City's option, for the remainder of the current Fiscal Year to reflect the Airline's percent of total enplanements which results from the City's revised enplanement projection. However, if only one commercial passenger airline provides service to the Airport for the remainder of the Fiscal Year, such adjusted percentage shall not exceed 50% of total projected enplanements for the current calendar year.

5.3.4 City shall notify the Signatory Airlines of its intent to make such revision and adjustments and the effective date thereof which shall be no earlier than fifteen (15) days from the date of notice. Such notice shall provide a revised projection of the joint rent allocation for the remainder of such Fiscal Year in sufficient detail to allow the Signatory Airlines to make informed comments thereon. The Signatory Airlines may submit written comments on such notice to the City within ten (10) days of the notice date. City shall give due consideration to all comments submitted in a timely manner by the Signatory Airlines. If requested, the City shall convene a meeting with the Signatory Airlines to discuss such revisions and adjustments.

Section 5.4 Rentals for Terminal Apron Aircraft Parking and GSE Space

Airline shall pay to the City in advance, on the first day of each month, without demand or invoicing, rentals for Airline's use of the terminal apron space for the parking of aircraft and the storage of ground service equipment (GSE) at the rate and in the amount then currently approved by the City as provided in Exhibit C - Airline Rate Schedule.

Section 5.5 Other Charges

Other Charges may include charges for special items or activities including, but not limited to, telephone fees, public address system, electrical usage, automobile parking fees, mailbox rentals, flight training fees and loading bridge maintenance. The City may assess reasonable, non-discriminatory and cost-recovery based charges for these special items or activities. All new charges will be reviewed with Airline prior to implementation. Other Charges payable by Airline, shall be paid by Airline to City no later than fifteen (15) days following receipt by Airline of the billing therefor.

Section 5.6 Partial Month Charges

In the event the beginning or termination date with respect to any of the particular leased premises, facilities, rights, licenses, services or privileges as herein provided falls on any day other than the first day of a calendar month, the applicable rentals, fees and charges for that month shall be paid for said month on a prorated basis according to the number of days during which said particular leased premises, facilities, rights, licenses, services or privileges were enjoyed during that month.

Section 5.7 Late Payments

In the event Airline fails to make payment when due under this agreement, Airline shall be obligated to pay a late charge in the amount of eight percent (8%) of the past due amount. Payment of the late charge shall not constitute a waiver by the City of its other remedies under this Agreement on account of Airline's failure to pay sums hereunder. Airline shall also pay interest on all past due amounts at the rate of eight percent (8%) per annum from the due date, until paid.

Section 5.8 Overpayments

It is the obligation of Airline to pay all rentals, fees and other charges, free of any "set-offs" or claims, in the amounts and at the times specified in this agreement. In the event Airline desires to contest the validity or amount of any rental, fee or other charge, Airline shall first pay the same to City, and may then seek a refund in any appropriate forum. Any overpayment of a particular rental, fee or other charge shall first be applied to any past due sums before it is refunded to Airline.

Section 5.9 Information to be supplied by Airline

- 5.9.1 In the event Airline fails to submit the reports required by Sections 5.2.2 and 5.3.2 for the then current month by the fifteenth (15th) day of the succeeding month, City shall base its current rentals, fees and charges upon the most recent data transmitted by Airline to City, with such charges to be adjusted as necessary on the next succeeding payment date. If statistical data to be submitted by Airline continues to be unavailable in the next succeeding month, City shall develop estimates as to Airline's monthly activity for use in the determination of Airline's rentals, fees and charges.
- 5.9.2 The acceptance by City of any Airline payment shall not preclude City from verifying the accuracy of Airline's reports on which Airline's rentals, fees and charges are based, and shall not be construed as a waiver of a late payment penalty due on full or partial underpayment, if any.

Section 5.10 Non-Signatory Rates

City shall establish by ordinance and maintain Non-Signatory Airline landing fee charges and passenger terminal building rental rates that are thirty percent (30%) higher than Signatory Airline rates.

ARTICLE 6
MAINTENANCE, REPAIR, ALTERATIONS AND IMPROVEMENTS

Section 6.1 Airline's Responsibilities

Airline shall have the following maintenance and repair obligations:

- 6.1.1 Airline agrees that, upon Airline's occupancy of its Exclusive Use Space, such space is in good, tenantable condition unless otherwise noted in writing to the Manager.
- 6.1.2 Airline, except as hereinafter provided, shall not call on City for any of the following janitorial services or nonstructural repairs to its Exclusive Use Space and Airline shall, at its sole expense and in a manner acceptable to City:
 - 6.1.2.1 Maintain its Exclusive Use Space in reasonably good, tenantable condition;
 - 6.1.2.2 Maintain the aircraft ramp area in a neat, clean and orderly condition, free from litter, debris, refuse, petroleum products or grease that may result from activities of its passengers, employees, agents or suppliers; and remove from its aircraft parking positions, all oil, fuel and grease spillage attributable to Airline's aircraft and equipment.
 - 6.1.2.3 Perform, at its sole expense, ordinary preventive maintenance and ordinary upkeep and nonstructural repair of all Exclusive Use Space and all Airline owned fixtures, personal property and equipment.
 - 6.1.2.4 Immediately repair any damage in any other space at the Airport occasioned by the fault or negligence of Airline, its servants, agents, employees and licensees.
- 6.1.3 Except as may be caused by the negligence of City beyond the City's reasonable control, Airline expressly agrees that City shall not be liable to Airline, its employees, passengers, visitors or contractors for bodily injury or for any loss or damage to real or personal property occasioned by flood, fire, earthquake, lightning, windstorm, hail, explosion, riot, strike, civil commotion, smoke, vandalism, malicious mischief or acts of civil authority.

- 6.1.4 If Airline fails to perform its obligations under this Article 6 after the notice period expires as provided in Section 10.1.1, City may do so and recover its entire cost plus a fifteen percent (15%) administrative charge from Airline as an Other Charge referred to in Section 5.5 on the next rental due date.
- 6.1.5 Airline will take all reasonable precautions to prevent, and take all necessary action to suppress destructive or uncontrolled fires and comply with all laws, regulations and rules promulgated and enforced by the City for fire protection within the area wherein the leased premises are located.

Section 6.2 City's Responsibilities

- 6.2.1 City, during the term of this Agreement, shall retain FAA Airport Certification and keep in good repair, or arrange for the safe, orderly, economical operation, maintenance and reasonably good repair of, all areas and facilities of the Airport except as specifically otherwise assigned by this Agreement, including, but not limited to, the Public Areas and the Joint Use Space of the passenger terminal building, City owned loading bridges, vehicular parking areas, runways, landing lights, floodlights, beacons and other field lighting, taxiways, aprons, roadways and all appurtenances, facilities and services now or hereafter connected with the foregoing. City also shall keep the Airport reasonably free from obstructions, including, without limitation, vegetation, stones and other foreign matter, as reasonably necessary, from the landing area, ramp area, taxi area, roadways, vehicular parking areas and aircraft parking areas for the safe, convenient and proper use of the Airport by Airline.
- 6.2.2 City shall operate and maintain the Airport in a reasonably prudent manner and in accordance with the rules, regulations and orders of any federal or state agency having jurisdiction with respect thereto.
- 6.2.3 City shall maintain the exterior portions of the walls, ceiling and roof of the Exclusive Use Space and all central mechanical distribution systems in good repair and condition.
- 6.2.4 The undertakings by City under this Section 6.2 do not relieve Airline of its duties to maintain its Exclusive Use Space and aircraft ramp areas as specified in Section 6.1 and to use Joint Use Space with due care.

- 6.2.5 City shall operate the Airport and lease space to concessionaires, other tenants and other commercial operators in a manner so as to produce, subject to the provisions of this Agreement, revenues of a nature and amount which would be produced by a reasonably prudent airport operator and to maximize such revenues to the extent reasonably practicable.
- 6.2.6 City shall use its best efforts to keep the Airport open and in operation for landings and take-offs of aircraft of any type designed to use facilities similar to those at the Airport. In such regard, City shall employ or cause to be employed construction, reconstruction and repair techniques (including supervision and construction management) which will minimize Airport operational delays or disruptions reasonably expected to result from such construction, reconstruction or repair, including but not limited to coordination with affected Airline's representatives or its designee.

Section 6.3 City's Right to Inspect and Make Repairs

- 6.3.1 City, by its authorized officers, employees, agents, contractors, subcontractors and other representatives, shall have the right (at such time and upon reasonable notice to Airline as may be reasonable under the circumstances and with as little interruption of Airline's operations as is reasonably practicable) to enter Airline's Exclusive Use Space and Joint Use Space for the following purposes:
- 6.3.1.1 To inspect such space to determine whether Airline has complied and is complying with the terms and conditions of this Agreement;
 - 6.3.1.2 To accomplish repairs or replacements by City pursuant to Section 6.2, or in any case, where Airline is obligated to make repairs or replacements and has failed to do so, after notice as provided herein, make such repairs or replacements on Airline's behalf; and
 - 6.3.1.3 In the exercise of City's police powers.
- 6.3.2 No such entry by or on behalf of City upon any Exclusive Use Space leased to Airline shall cause or constitute a termination of the letting thereof or be deemed to constitute an interference with the possession thereof by Airline. City shall suffer no liability by reason thereof, and such action shall in no way alter or affect any of Airline's obligations under this agreement; provided that, and so long as each entry by City, is conducted to minimize inconvenience, disruption or interference with Airline's operations and activities.

Section 6.4 Alterations and Improvements

Airline shall make no alterations, additions, improvements to, or installations on the space leased under this Agreement without the prior written approval of the Manager. If City intends to require the removal of any alteration, improvement or addition upon termination of this Agreement, City shall so indicate to Airline at the time City consents to the installation. If not indicated at the time City consents to the installation, City shall be precluded from requiring its removal at time of termination of this Agreement.

ARTICLE 7 DAMAGE OR DESTRUCTION OF PREMISES

Section 7.1 Minor Damage

If any part of Airline Premises, or adjacent facilities directly and substantially affecting the use of Airline Premises, shall be partially damaged by fire or other casualty, but said circumstances do not render Airline Premises untenable or unusable for the purpose intended as reasonably determined by the City, the same shall be repaired to usable condition with due diligence by the City as provided in Section 7.4.

Section 7.2 Substantial Damage

If any part of Airline Premises, or adjacent facilities directly and substantially affecting the use of Airline Premises, shall be so extensively damaged by fire, or other casualty, as to render any portion of said Airline Premises untenable but capable of being repaired, as reasonably determined by the City, the same shall be repaired to usable condition with due diligence by the City as provided in Section 7.4. In such case, the rentals payable hereunder with respect to affected Airline Premises shall be paid up to the time of such damage and shall thereafter be abated ratably in the proportion that the part of the area rendered untenable or unusable for the purpose intended bears to total Airline Premises of the same category and area. Such abatement in rent will continue until such time as such affected Airline Premises shall be restored adequately for Airline's use. The City shall use its best efforts to provide alternate facilities to continue Airline's operation while repair, reconstruction or replacement is being completed, at a rental rate not to exceed that provided in this Agreement for comparable space.

Section 7.3 Total Damage

- 7.3.1 If any part of Airline Premises, or adjacent facilities directly and substantially affecting the use of Airline Premises, shall be damaged by fire or other casualty, and is so extensively damaged as to render any portion of said Airline Premises incapable of being repaired, as reasonably determined by the City, the City shall notify Airline within a period of sixty (60) days after the date of such damage of its decision whether to reconstruct or replace said space. However, the City shall be under no obligation to replace or reconstruct such premises. The rentals payable hereunder with respect to affected Airline Premises shall be paid up to the time of such damage and thereafter shall cease until such time as reasonable and comparable replacement or reconstructed space shall be available for use by Airline.

- 7.3.2 In the event the City elects to reconstruct or replace affected Airline Premises, the City shall use its best efforts to provide alternate facilities to continue Airline's operation while repair, reconstruction or replacement is being completed, at a rental rate not to exceed that provided in this Agreement for comparable space. However, if such damaged space shall not have been replaced or reconstructed, or the City is not diligently pursuing such replacement or reconstruction, within three (3) months after the date of such damage or destruction, Airline shall have the right, upon giving the City thirty (30) days advance written notice, to delete the affected Airline Premises from this Agreement, but this Agreement shall remain in effect with respect to the remainder of said Airline Premises, unless such damaged or destroyed premises prevent Airline from operating at Airport.
- 7.3.3 In the event the City elects not to reconstruct or replace affected Airline Premises, the City shall meet and consult with Airline on ways to permanently provide Airline with adequate replacement space for affected Airline Premises. Airline shall have the right, upon giving the City thirty (30) days advance written notice, to delete the affected Airline Premises from this Agreement, but this Agreement shall remain in full force and effect with respect to the remainder of said Airline Premises, unless the loss of such premises prevents Airline from operating at Airport.

Section 7.4 Scope of Restoration of Premises

- 7.4.1 The City's obligations to repair, reconstruct or replace affected premises under the provisions of this Article 7 shall in any event be limited to using due diligence and best efforts to restore affected Airline Premises to substantially the same condition that existed prior to any such damage and shall further be limited to the extent of insurance proceeds available to the City for such repair, reconstruction or replacement. Airline agrees that if the City elects to repair, reconstruct or replace affected premises as provided in this Article 7, then Airline shall proceed with reasonable diligence and at its sole cost and expense to repair, reconstruct or replace its signs, fixtures, furnishings, equipment and other items provided or installed by Airline in or about Airline Premises in a manner and in a condition at least equal to that which existed prior to said damage or destruction. However, in the event City chooses not to replace space in kind, Airline may delete said premises from its obligation.
- 7.4.2 In lieu of the City's repair, reconstruction or replacement of the affected premises, as provided in Section 7.4.1, if Airline requests to perform said function with respect to damage under Sections 7.1 and 7.2, the City may in its sole discretion, allow the Airline to perform such work. Airline shall not be performing such work as an agent or contractor of the City. The City shall reimburse Airline for the cost of such work performed by Airline that was otherwise the obligation of the City if prior to performing such work, the City and Airline agree that such work is the obligation of the City to perform.

Section 7.5 Damage from Airline Negligence or Willful Act

Notwithstanding the provisions of this Article 7, in the event that due to the negligence or willful act of Airline, its agents, servants or employees, or those under its control, Airline Premises shall be damaged or destroyed by fire, casualty or otherwise, there shall be no abatement of rent during the restoration or replacement of said Airline Premises and Airline shall have no option to delete the affected Airline Premises from this Agreement under the provisions of this Article 7. To the extent that the costs of repairs shall exceed the amount of any insurance proceeds payable to the City by reason of such damage or destruction, Airline shall pay the amount of such additional costs to the City.

ARTICLE 8 INDEMNIFICATION, INSURANCE AND SECURITY

Section 8.1 Indemnification

- 8.1.1 Airline shall indemnify, defend and hold harmless the City, its Council members, directors, officers, agents and employees, individually or collectively, from and against any and all claims, actions, damages, loss and liability, together with all reasonable expenses incidental to the investigation and defense thereof claimed by anyone 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, subcontractors or by anyone acting pursuant to the express or implied authority or permission of Airline arising out of, or incident to, this Agreement. The provisions of this Section 8.1.1 and of Section 8.1.2 shall exclude claims or actions arising out of the negligence or willful act of the City, its Council members, officers, agents or employees. The City shall give to 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 Section 8.1.1 shall survive the expiration or earlier termination of this Agreement.
- 8.1.2 Airline shall indemnify, defend and hold harmless, the City, its Council members, directors, officers, agents and employees, individually or collectively from and against any and all claims, actions, damages, fines, loss and liability, together with all reasonable expenses incidental to the investigation and defense thereof, in any way arising from or based upon the violation of any federal, state or municipal laws, statutes, ordinances or regulations, by Airline, its officers or agents, employees, subtenants, contractors, subcontractors or by anyone acting pursuant to the express or implied authority or permission of Airline arising out of, or incident to, this Agreement. Airline shall be responsible for the investigation expenses pursuant to this Section 8.1.2 only in the event that Airline is shown to be responsible for violation of a federal, state or municipal law, statute, ordinance or regulation. The provisions of this Section 8.1.2 shall survive the expiration or earlier termination of this Agreement.
- 8.1.3 City shall, within the limits of state law and the Kenai Municipal Code and Charter, indemnify, defend and hold harmless Airline, its directors, managers, officers, agents and employees, individually or collectively, from and against any and all claims, actions, damages, loss and liability, together with all reasonable expenses incidental to the investigation and defense thereof by anyone 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 City, its Council members, its officers, agents or employees arising out of, or incident to, this Agreement. The provisions of this

Section 8.1.3 shall exclude claims or actions arising out of the negligence or willful act of Airline, its directors, managers, officers, agents or employees. Airline shall give to City prompt and reasonable notice of any claims or actions, and City shall have the right to investigate and compromise said claims or actions. The provisions of this Section 8.1.3 shall survive the expiration or earlier termination of this Agreement.

Section 8.2 Airline Insurance

- 8.2.1 Airline shall maintain, and shall require all of its Affiliates to individually maintain, liability insurance for the protection of Airline, its Affiliates and the City, its Council members, directors, officers, agents and employees, insuring against damages because of personal injury, bodily injury, death, property damage, including loss of use thereof, and arising out of any operations of Airline and its Affiliates in connection with this Agreement. Coverage shall provide limits per occurrence to a combined single limit in amounts not less than those set forth in Exhibit D. Such insurance shall name the City, its Council members, directors, officers, agents and employees as additional insureds, but only as respects the operations of the named insured Airline and its Affiliates, as their interests may appear, with the stipulation that this insurance, as to the interest of the City only, shall not be invalidated by any act or neglect or breach of contract by Airline or its Affiliates, so long as the City has not caused, contributed to or knowingly condoned the said act, neglect or breach of contract. The coverage provided by this policy(ies) shall be primary coverage and any other insurance carried by the City is excess. All insurance shall be written by companies rated "A-" or better by A.M. Best.
- 8.2.2 Airline shall comply, and shall require all of its Affiliates to comply, with AS 23.30 which requires Airline and its Affiliates to provide workers' compensation insurance coverage that satisfies Alaska state law for all subject workers. Employer's Liability Insurance is also required. The specifically required coverage types and amounts are provided in Exhibit D.
- 8.2.3 Airline shall furnish, and shall require all of its Affiliates to 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, and shall require all of its Affiliates to name, the City as an additional insured on such insurance policy or policies. Said policies shall be in a form, content and for a term generally used by scheduled commercial passenger air carriers similar to Airline and its Affiliates 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.

- 8.2.4 City and Airline agree, and Airline shall require all of its Affiliates to agree, to have all property, fire and extended coverage, all risk and material damage insurance carried with respect to the Airport or any portion thereof with a clause which waives all rights of subrogation which the insurer of one party might have against the other party.
- 8.2.5 City, Airline, Airline's Affiliates and all parties claiming rights under them, mutually release and discharge each other from all claims and liabilities arising from or caused by any casualty or hazard covered or required hereunder to be covered in whole or in part by insurance carried with respect to the Airport or any portion thereof, without regard to whether such loss or damage was occasioned by the negligence of the other, its agents or employees.

Section 8.3 Security for Payment of Airline Rates and Charges

Airline shall, upon the execution of this Agreement, file and maintain with the City a good and sufficient corporate surety bond or bonds or such other security as the City may find acceptable in accordance with the requirements of the laws of the State of Alaska, the form and terms of which bond or other security shall be subject to the approval of the City, in a sum equal to three (3) months of Airline's estimated rent for its use of the Airline Premises, Landing Fees and Other Charges (depending on circumstances this sum may increase or decrease), conditioned upon the full performance by Airline of all the terms and conditions of this Agreement and the payment by Airline of the rentals and of all other amounts herein provided for the full term hereof.

ARTICLE 9
RULES AND REGULATIONS, COMPLIANCE WITH LAWS,
NON-DISCRIMINATION AND AFFIRMATIVE ACTION

Section 9.1 Rules and Regulations

- 9.1.1 Airline shall observe and obey all City ordinances, 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 the express terms of this Agreement or 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. City shall give Airline reasonable notice of amendment to Rules and Regulations.
- 9.1.2 Airline shall not violate, nor permit its agents, contractors or employees acting on Airline's behalf to violate any such Rules and Regulations that are now in effect or as may from time-to-time during the term hereof be promulgated by City. Copies of the Rules and Regulations, as adopted, shall be forwarded to Airline's local manager.

Section 9.2 Compliance with Laws

- 9.2.1 Airline shall not use its Exclusive Use Space, Joint Use Space or any part thereof, or permit the same to be used by any of its employees, officers, agents, subtenants, invitees or licensees for any illegal purposes and shall, at all times during the term of this Agreement, comply with all applicable resolutions, laws and rules and regulations of the City of Kenai, State of Alaska or of the U.S. Government, and of any commission thereof that may have jurisdiction to pass laws or ordinances or to make and enforce rules or regulations with respect to the uses hereunder or to the Exclusive Use Space and Joint Use Space.

- 9.2.2 At all times during the term of this Agreement, Airline shall, in connection with Airline's activities and operations at the Airport:
- 9.2.2.1 Comply with and conform to all existing and future statutes, resolutions and ordinances, and the rules and regulations promulgated thereunder, of all federal, state and other governmental bodies of competent jurisdiction that apply to or affect, either directly or indirectly, Airline or Airline's operations and activities under this Agreement.
 - 9.2.2.2 Make, at Airline's own expense, all nonstructural improvements, repairs, and alterations to its Exclusive Use Space, equipment and personal property that are required to comply with or conform to any of such laws, ordinances, and rules and regulations referred to in Section 9.2.2.1, to which this Agreement is expressly subject.
 - 9.2.2.3 Reimburse City for Airline's pro rata share in accordance with the Joint Use Formula of all nonstructural improvements, repairs and alterations to Airline's Joint Use Space that are required to comply with or conform to any of such laws, ordinances, and rules and regulations referred to in Section 9.2.2.1, to which this Agreement is expressly subject.
 - 9.2.2.4 Be and remain an independent contractor with respect to all installations, construction and services performed by or at the request of Airline, hereunder.

Section 9.3 Non-Discrimination and Affirmative Action

Airline, as part of the consideration hereof and as a covenant running with the Agreement, hereby covenants and agrees that:

- 9.3.1 In the event facilities are constructed, maintained or otherwise operated for a purpose for which a Federal Department of Transportation and Transportation Security Administration program or activity is intended or for another purpose involving the provision of similar services or benefits, Airline shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Non-Discrimination in Federally Assisted Programs of the Department of Transportation, Effectuation of Title VI of the Civil Rights Act of 1964, and as such regulations may be amended.

- 9.3.2 No person on the grounds of race, creed, color, national origin, sex, age or physical handicap shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities.
- 9.3.3 No person on the grounds of race, creed, color, national origin, sex, age or physical handicap shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination in the construction of any improvements on, over, or under the Airline Premises and the furnishing of services thereon.
- 9.3.4 Airline shall use the Airline Premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Non-Discrimination in Federally Assisted Programs of the Department of Transportation, Effectuation of Title VI of the Civil Rights Act of 1964, and as such regulations may be amended.
- 9.3.5 Airline agrees that it shall insert the provisions of Sections 9.3.1, 9.3.2, 9.3.3 and 9.3.4, inclusive, in any lease or other agreement by which it grants a right or privilege to any person, firm or corporation to render accommodations and/or services to the public on the premises herein leased.
- 9.3.6 In the event of breach of any of the non-discrimination covenants set forth in this Section 9.3, City shall have the right to terminate this Agreement and to reenter and repossess the premises and the facilities thereon, and hold the same as if this Agreement had never been made or issued. This provision shall not become effective until the procedures of Title 49, Code of Federal Regulations, Part 21, are followed and completed, including the expiration of appeal rights.
- 9.3.7 Airline will undertake an affirmative action program as required by FAA Regulations, Title 14, Code of Federal Regulations, Part 152, Subpart E, entitled "Non-Discrimination in Airport Aid Program," or otherwise approved by the FAA, to ensure that no person shall, on the grounds of race, creed, color, national origin, sex, age or physical handicap, be excluded from participation in any employment activities covered in such Subpart E. No person shall be excluded by Airline on such grounds from participating in or receiving the services or benefits of any program or activity covered by such Subpart E. Airline will require that its covered suborganizations provide assurances to Airline that they similarly will undertake affirmative action programs and that they will require assurances from their suborganizations, as required by Title 14, Code of Federal Regulations, Part 152, Subpart E, to the same effect.

- 9.3.8 Airline covenants and agrees that no person shall be excluded from participation in, denied the benefits of, or otherwise discriminated against in the performance of this Agreement on the grounds of race, color, national origin, or sex, as provided in Part 23, of Title 49, of the Code of Federal Regulations entitled "Participation by Disadvantaged Business Enterprises in Department of Transportation Programs."
- 9.3.9 In the event of a breach by Airline of any of the assurances or covenants in Sections 9.3.7 and 9.3.8, City shall have the right to terminate this Agreement, and to reenter and repossess any leased facilities hereunder, and to hold the same as if this Agreement had never been made or issued, but not without the express prior concurrence or direction of the U.S. Department of Transportation or the FAA following suitable review, if any, of such breach and affording Airline a reasonable opportunity to rectify the same, if appropriate.

ARTICLE 10 DEFAULT AND TERMINATION

Section 10.1 Events of Default

10.1.1 If Airline:

- 10.1.1.1 Fails to pay rentals, fees or charges or make any other payment past due hereunder within fifteen (15) days after receipt of written notice of nonpayment;
- 10.1.1.2 Fails, subject to force majeure events specified in Section 12.13 of this Agreement, to commence immediately to keep and perform any of its covenants and agreements within thirty (30) days after receipt of written notice of default and to diligently pursue the completion of such cure of such non-monetary default;
- 10.1.1.3 Fails to continue to complete any of its covenants and agreements after performance is commenced; or
- 10.1.1.4 Is the subject of any petition, proceedings or action by, for, or against Airline under any insolvency, bankruptcy or reorganization act of law;

10.1.2 Then, at the election of City:

- 10.1.2.1 City may accelerate all rent payments due hereunder which shall then become immediately due and payable.
- 10.1.2.2 City may terminate this Agreement, in which event Airline immediately shall surrender the Exclusive Use Space and Joint Use Space (Airline Premises) to City, and if Airline fails so to do, City may, without prejudice to any other remedy which it may have for possession, or arrearages in rent, enter upon and take possession of the Airline Premises and expel or remove Airline and any other person who may be occupying the Airline Premises or any part thereof, without being liable for prosecution or any claim of damages therefor, and Airline agrees to pay to City on demand the amount of all loss and damage which City may suffer by reason of such termination, whether through inability to relet the Airline Premises on satisfactory terms or otherwise.

- 10.1.2.3 City may enter upon and take possession of the Airline Premises and expel or remove Airline and any other person who may be occupying the Airline Premises or any part thereof, without being liable for prosecution or any claim for damages therefor, and relet the premises for such terms ending before, on or after the expiration date of the Agreement Term, at such rentals and upon such other conditions (including concessions and prior occupancy periods) as City in its sole discretion may determine, and receive the rent therefor; and Airline agrees to pay to City on demand any deficiency that may arise by reason of such reletting. City shall use reasonable efforts to mitigate its damages by reletting the Airline Premises. In the event City is successful in reletting the Airlines Premises at a rental in excess of that agreed to be paid by Airline pursuant to the terms of this Agreement, City and Airline each mutually agree that Airline shall not be entitled, under any circumstances, to such excess rental, and Airline does hereby specifically waive any claim to such excess rental.
- 10.1.2.4 City may enter upon the Airline Premises, without being liable for prosecution of any claim for damages therefor, and do whatever Airline is obligated to do under the terms of this Agreement; and Airline agrees to reimburse City on demand for any expenses which City may incur in thus effecting compliance with Airline's obligations under this Agreement, and Airline further agrees that City shall not be liable for any damages resulting to the Airline from such action, whether caused by the negligence of City or otherwise.
- 10.1.2.5 Whether or not City retakes possession or relets the Airline Premises, City shall have the right to recover unpaid rent and all damages caused by Airline's default, including attorney fees. Damages shall include, without limitation: All rentals lost, all legal expenses and other related costs incurred by City following Airline's default, all costs incurred by City in restoring the Airline Premises to good order and condition, or in remodeling, renovating or otherwise preparing the Airline Premises for reletting, all costs (including without limitation any brokerage commissions and the value of City's time) incurred by City, plus interest thereon from the date of expenditure until fully repaid at the rate of eight percent (8%) per annum.
- 10.1.2.6 Pursuit of any of the foregoing remedies shall not preclude pursuit of any of the other remedies herein provided or any other remedies provided by law, such remedies being cumulative and non-exclusive, nor shall pursuit of any remedy herein provided constitute a forfeiture or waiver of any rent due to City hereunder or of any damages accruing to City by reason

of the violation of any of the terms, provisions and covenants herein contained. No act or thing done by City or its agents during the Agreement Term hereby granted shall be deemed a termination of this Agreement or an acceptance of the surrender of the Airline Premises, and no agreement to terminate this Agreement or accept a surrender of the Airline Premises shall be valid unless in writing signed by City. No waiver by City of any violation or breach of any of the terms, provisions and covenants herein contained shall be deemed or construed to constitute a waiver of any other violation or breach of any of the terms, provisions and covenants herein contained. City's acceptance of the payment of rental or other payments hereunder after the occurrence of an event of default shall not be construed as a waiver of such default, unless City so notifies Airline in writing. Forbearance by City to enforce one or more of the remedies herein provided upon an event of default shall not be deemed or construed to constitute a waiver of such default or of City's right to enforce any such remedies with respect to such default or any subsequent default. If, on account of any breach or default by Airline in Airline's obligations under the terms and conditions of this Agreement, it shall become necessary or appropriate for City to employ or consult with an attorney concerning or to enforce or defend any of City's rights or remedies hereunder, Airline agrees to pay any reasonable attorneys' fees so incurred.

- 10.1.3 City shall have all additional rights and remedies as may be provided to landlords by Alaska state law.

Section 10.2 Events Permitting Termination of Agreement by Airline

- 10.2.1 Airline may terminate this Agreement and all of its future obligations hereunder at any time that Airline is not in default in its payments or other obligations to City hereunder, by giving the Manager thirty (30) days advance written notice if:

10.2.1.1 City is in default of any material provision of this Agreement; or

10.2.1.2 Airline becomes subject to any order, rule or regulation of any Federal or State agency or to a court order which prevents or substantially prevents Airline's use of the Airport for more than ninety (90) days following written notice by Airline to the Manager.

- 10.2.2 With respect to 10.2.1.1, Airline termination shall not be effective unless and until at least thirty (30) days have elapsed after written notice to City specifying the date upon which such termination shall take effect and the reason for such termination. City may cure the cause of such termination within said (30) day period, or such longer time as the parties may agree thereto. If City so cures, Airline's right to terminate ceases for that particular instance or situation, and the Agreement shall continue in full force and effect.
- 10.2.3 Airline may terminate this agreement if Airline terminates its Air Transportation business at the Airport, at any time that Airline is not in default in its payments or other obligations to City hereunder, by giving the Manager sixty (60) days advance written notice. Airline termination shall not be effective unless and until at least sixty (60) days have elapsed after written notice to City specifying the date upon which such termination shall take effect.

Section 10.3 Events Permitting Termination of Agreement by City

City, at its option, may declare this Agreement terminated on the happening of any one or more of the following events, and may exercise all rights of entry and reentry of Airline's Exclusive Use Space:

- 10.3.1 If Airline has failed to cure a default in the Agreement after notice required in Section 10.1 hereinabove;
- 10.3.2 If any act occurs that deprives Airline permanently of the rights, power and privileges necessary for the proper conduct and operation of its Air Transportation business;
- 10.3.3 In the event Airline fails to provide scheduled Air Transportation service for a period of thirty (30) days (except for events of Force Majeure) or to pay rentals and fees when due, City may cancel this Agreement on fifteen (15) days written notice. However, if Airline cures the breach within this fifteen (15) day period, the Agreement shall continue in full force and effect;
- 10.3.4 If Airline abandons and fails to use its Exclusive Use Space for a period of thirty (30) days at any one time, except when such abandonment and cessation are due to fire, earthquake, strike, governmental action, weather conditions which prevent aircraft operations, mechanical failure of aircraft which prohibits operations under FAA regulations, default of City or other cause beyond Airline's control;

- 10.3.5 If Airline fails to operate at least five (5) weekly scheduled passenger service departures from the Airport, for a period of thirty (30) days or more (except by reason of an event of Force Majeure).

Section 10.4 Possession by City

- 10.4.1 In any of the aforesaid events of Section 10.3, City may take possession of the Airline Premises upon thirty (30) days' notice and remove Airline's effects, without being deemed to have trespassed. On said default, all rights of Airline shall be forfeited, provided City shall have and reserve all of its available remedies at law as a result of said breach of this Agreement.
- 10.4.2 Failure of City to declare this Agreement terminated on default of Airline for any of the reasons set forth herein shall not operate to bar, destroy or waive the right of City to cancel this Agreement by reason of any subsequent violation of the terms hereof.

ARTICLE 11

ASSIGNMENT, SUBLETTING, MERGER AND BANKRUPTCY

Section 11.1 Assignment and Subletting

Airline shall not assign this Agreement, or any part hereof in any manner whatsoever or sublet the Airline Premises or any part thereof or any of the privileges recited herein without the prior written consent of the Manager. However, Airline shall have the right to assign all or any part of its rights and interests under this Agreement to an Affiliate of the Airline or any successor to its business through merger, consolidation, voluntary sale or transfer of substantially all of its assets, and the consent of City thereto shall not be required; provided, however, due written notice of any such assignment shall be given to the Manager.

Section 11.2 Non-Waiver of Responsibility

No assignment, transfer, conveyance, sublease or granting a nonexclusive license by Airline shall relieve Airline of its responsibility for payment of rent and performance of all other obligations provided in this Agreement, without specific written consent of the Manager to such relief.

Section 11.3 Relinquishment of Space

If Airline desires to relinquish any of its Exclusive Use Space or any rights to Joint Use Space, Airline may notify the Manager of the space available, and the Manager shall use a best effort to reassign the space to another Airline. No reassignment by the Manager, nor any assignment, transfer, conveyance or sublease by Airline shall relieve Airline of its primary responsibility for payment of rent and performance of all other obligations provided in this Agreement, without specific written consent by the Manager to such relief.

Section 11.4 Ground Handling Agreements

In the event Airline agrees to ground handle any portion of the operations of another Air Transportation provider, other than an Affiliate of the Airline, Airline shall provide the Manager advance written notice of such proposed activities, including a description of the type and extent of services to be provided.

Section 11.5 Bankruptcy

Notwithstanding Section 11.1, in the event that a petition for relief under Title 11 of the United States Code or under any similar or successor federal, state or local statute is filed by or against the Airline (a “Filing”):

- 11.5.1 The Airline shall give the City immediate verbal notice of the Filing followed by written notice within ten (10) days of the filing;
- 11.5.2 Within sixty (60) days of the date of the Filing, the Airline will confirm the outstanding amount of any obligations hereunder due the City as of the date of Filing;
- 11.5.3 The Airline will fully and timely perform all obligations arising hereunder commencing as of the date of the Filing and thereafter for the purposes of this provision and of Section 365(d)(3) of Title 11 of the United States Code, the parties agree that, in the event that the Airline shall be the subject of a Filing commenced on a day (the “Filing Date”) when the rent due for the then-current month is outstanding and unpaid, the obligation for rent during that month in which the Filing shall have occurred shall be considered to accrue and be due pro rata on a daily basis during that month and the Airline will pay the City the pro rata rent for the period from the Filing Date through the end of that month within thirty (30) days of written demand therefore by the City.
- 11.5.4 If the Airline determines that it wishes to assume the Agreement, the Airline will cure all defaults, provide the City with adequate assurances of future performance and comply with any and all other statutory or legal requirements prior to the effective date of such assumption;
- 11.5.5 If the Airline determines that it wishes to assume the Agreement and assign the Agreement to a third-party, the Airline shall seek the consent of the City, which consent shall not be unreasonably withheld, and shall provide to the City all pertinent information with respect to the proposed assignee, cure all defaults, provide the City with adequate assurances of future performance through the proposed assignee and comply with any and all other statutory or legal requirements;

- 11.5.6 If the Airline wishes to reject the unexpired term of the Agreement, if any, the Airline will not seek to have the effective date of such rejection determined to be a date earlier than that date on which (i) the Airline shall have returned control and possession of the Airline Premises to the City in the condition and on the terms set forth herein and relevant to the redelivery of possession to the City, and (ii) the Airline shall have obtained court approval and authorization for such rejection; and the Airline shall fully and timely pay all rent and other charges through the date of such rejection; and
- 11.5.7 The Airline shall be deemed to have expressly consented to the modification of the stays of proceedings in any Filing in the event of any post-Filing default by the Airline under the terms of this Agreement for the purpose of allowing the City to exercise any default rights or remedies arising from such default.

Section 11.6 Consent

Consent by the Manager to any type of transfer provided for by this Article 11 shall not in any way be construed to relieve Airline from obtaining further consent for any subsequent transfer or assignment of any nature whatsoever.

ARTICLE 12 GENERAL PROVISIONS

Section 12.1 Successors and Assigns Bound

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

Section 12.2 Governing Law

This Agreement and all disputes arising hereunder shall be governed by the laws of the State of Alaska.

Section 12.3 Severability

If any covenant, condition or provision herein contained is held to be invalid by any court of competent jurisdiction, the invalidity of any such covenant, condition or provision shall in no way affect any other covenant, condition or provision herein contained, provided that the invalidity of any such covenant, condition or provision does not materially prejudice either party hereto in its respective rights and obligations contained in the valid covenants, conditions or provisions in this Agreement.

Section 12.4 Quiet Enjoyment

Airline shall, upon payment of the rentals and fees 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 and by the Rules and Regulations.

Section 12.5 Taxes

12.5.1 Airline shall pay, but such payment shall not be considered part of Airport Revenues, all taxes (including any possessory interest tax), assessments and charges of a like nature, if any, which at any time during the term of this Agreement may be levied or become a lien by virtue of any levy, assessment or charge by the Federal government, the State of Alaska, the City of Kenai, the Kenai Peninsula Borough, any municipal corporation, any local government entity, any government successor

in authority to the foregoing, or any other tax or assessment levying bodies, in whole or in part, upon or in respect to any of the space leased under this Agreement (including Airline's pro rata share for any taxes, assessments or charges imposed upon Joint Use Space) or such facilities of the Airport as are made available for use by Airline hereunder, or upon or in respect to any personal property belonging to Airline situated on the space leased under this Agreement. Payment of such taxes, assessments and charges, when and if levied or assessed, shall be made by Airline directly to the taxing or assessing authority charged with collection thereof.

- 12.5.2 Airline may, at its own expense, contest the amount or validity of any tax or assessment, or the inclusion of the space leased under this Agreement as taxable or assessable property, directly against the taxing or assessing authority. Airline shall indemnify City from all taxes, penalties, costs, expenses and attorney's fees incurred by City resulting directly or indirectly from all such tax contests except where Airline prevails in contesting a tax assessed by the City.
- 12.5.3 On any termination of this Agreement, all lawful taxes then levied or a lien upon any such property or taxable interest therein shall be paid in full by Airline forthwith, or as soon as a statement thereof has been issued by the tax collector if termination occurs during the interval between attachment of the lien and issuance of a statement.

Section 12.6 Liens

- 12.6.1 Airline shall cause to be removed promptly any and all liens of any nature arising out of or because of any construction performed by Airline or any of its contractors or subcontractors upon Exclusive or Joint Use Space or arising out of or because of the performance of any work or labor by or for it or them at said premises.
- 12.6.2 Notwithstanding the foregoing provision of this Section 12.6, Airline may withhold payment of any claim in connection with a good-faith dispute over the obligation to pay. In the event a lien is filed as a result of Airline's nonpayment, Airline shall, within 10 days after the filing, secure the removal of the lien or deposit with City cash or sufficient corporate surety bond or other security satisfactory to City in an amount equaling 150% of the total lien amount or \$20,000, whichever is greater. Within one year after providing City with security for the lien, Airline shall, upon City's written request, secure the removal of the lien. Should Airline fail to remove the lien within the one year period, Airline acknowledges and agrees that City in its sole unfettered discretion may secure the removal of the lien and apply the security provided by Airline to the costs of discharging the lien, including City's administrative costs and attorney fees. In the event City has accepted a cash deposit as satisfactory security under this Section 12.6, City shall distribute to Airline any

portion of the deposit remaining after full payment of all such costs relating to the discharge of the lien has been made. In the event a mechanic's lien is asserted or filed against the leased premises for improvements made by Airline, Airline shall hold City harmless from such claim, including the cost of defense.

Section 12.7 Obtaining Federal and State Funds

City shall use its best efforts to obtain appropriate grants from State or Federal agencies or other sources, when consistent with prudent management of the Airport.

Section 12.8 Subordination to Agreements with the U.S. Government

This Agreement is subject and subordinate to the provisions of any agreements heretofore or hereafter made between City and the United States, relative to the operation or maintenance of the Airport, 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.

Section 12.9 Subordination to Bond Ordinances

This Agreement and all rights of Airline hereunder are especially subordinated and subject to the lien and provisions of any pledge, assignment or security interest made or granted by City to secure any obligations authorized by law to be issued for the development, operation or improvement of the Airport. City and Airline agree that holders of such obligations, and any bond trustee acting on behalf of such holders, shall possess, enjoy and may exercise all rights of City hereunder to the extent such possession, enjoyment and exercise are necessary to ensure compliance by Airline and City with the terms and provisions of any covenant contained in an ordinance, resolution or other instrument relating to such obligations. Airline shall not take any action or suffer to take any action that would adversely affect the tax-exempt status of any obligation issued by City in connection with the Airport.

Section 12.10 Incorporation of Exhibits

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

Section 12.11 Entire Agreement

This Agreement, together with all exhibits 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 only in writing, and executed by duly authorized representatives of the parties hereto.

Section 12.12 Non-Waiver of Rights

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

Section 12.13 Force Majeure

- 12.13.1 In the event of either party being rendered unable wholly, or in part, by force majeure to carry out its obligations under this Agreement, other than its obligations to make payments of money due hereunder then on such party's giving notice and full particulars of such force majeure in writing to the other party as soon as possible after the occurrence of the cause relied on, then the obligation of the party giving such notice, so far as it is affected by such force majeure, shall be suspended during the continuance of any inability so caused, but for no longer period, and such cause shall, as far as possible, be remedied with all reasonable dispatch. In the event either party hereto has with its employees what is commonly known as a labor dispute, each party does hereby reserve unto itself the right to handle said dispute in its own fashion and as it shall, in its uncontrolled discretion, deem best and without interference from the other party.
- 12.13.2 The term "force majeure" as employed herein shall mean acts of God, strikes, lockouts or other industrial disturbances, acts of the public enemies, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraints of rulers and people, civil disturbances, explosions, inability with reasonable diligence to obtain materials and any other causes not within the control of the party claiming a suspension, which by

the exercise of due diligence such party shall not have been able to avoid or overcome.

Section 12.14 Headings

The headings of the several articles and sections of this Agreement are inserted only as a matter of convenience and for reference and do not define or limit the scope or intent of any provisions of this Agreement and shall not be construed to affect in any manner the terms and provisions hereof or the interpretation or construction thereof.

Section 12.15 Nonexclusive Rights

It is understood and agreed that nothing herein contained shall be construed to grant to Airline any exclusive right or privilege within the meaning of Section 308 of the Federal Aviation Act for the conduct of any activity on the Airport, except that, subject to the terms and provisions hereof, Airline shall have the right to exclusive possession of the Exclusive Use Space leased to Airline under the provisions of this Agreement.

Section 12.16 Inspection of Books and Records

Each party hereto, at its expense and on reasonable notice, shall have the right from time-to-time to inspect the books, records and other data of the other party relating to the provisions and requirements hereof, provided such inspection is made during regular business hours. Each party shall retain all such records for a period of at least three (3) years, or as required by the FAA, Transportation Security Administration or other federal agency having jurisdiction over the Airlines. On at least thirty (30) days prior written notice, Airline agrees to make any records required hereunder available to City at Airline's offices at the Airport.

Section 12.17 Generally Accepted Accounting Principles

Whenever any report or disclosure referred to in this Agreement consists, either in whole or in part, of financial information, such report or disclosure shall be prepared in accordance with generally accepted accounting principles, except as specifically provided to the contrary in this Agreement.

Section 12.18 Consent Not to be Unreasonably Withheld

Whenever consent, permission or prior written approval is required by either City or Airline, such consent, permission or prior written approval is not to be unreasonably withheld or delayed.

Section 12.19 Authority of Manager

All rights and obligations of City under this Agreement may be exercised by the Manager or the Manager's designee, unless specifically provided otherwise or required by law.

Section 12.20 Amendments

This Agreement may be amended in whole or in part without further consideration upon mutual written consent of City and Airline.

Section 12.21 Attorney Fees

In the event any action or proceeding is brought to collect sums due or to become due hereunder or any portion thereof or to take possession of the Airline Premises or to enforce compliance with this Agreement for failure to observe or perform any of the covenants, terms or conditions of this Agreement, the losing party agrees to pay to the prevailing party such fees, including attorney fees, and costs as the Court may judge reasonable in such action or proceeding, and in any appeal therefrom.

Section 12.22 Vending Machines

Airline shall ensure that no amusement, vending or self-ticketing machines, public pay telephones or other machines operated by coins, tokens or credit cards are installed or maintained in or at Airline's Exclusive Use Space or Joint Use Space except with the prior written permission of the Manager.

Section 12.23 Public Address System

Airline agrees that the use of City's public address system will be professional and non-promotional. Airline shall not install, cause to be installed or use any other public address system in the passenger terminal building without the prior written approval of the Manager.

Section 12.24 Employees of Airline

Airline shall require all of its employees, subcontractors or independent contractors hired by Airline working in view of the public and about the passenger terminal building area to wear clean and neat attire and to display appropriate identification.

Section 12.25 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 storage areas as may be designated by the Manager. Airline may store such disabled aircraft only for such length of time and on such terms and conditions as may be established by City. If Airline fails to remove any of its disabled aircraft promptly, the Manager may, after informing Airline of his/her intent to do so, but shall not be obligated to, cause the removal of such disabled aircraft; provided, however, the obligation to remove or store such disabled aircraft shall not be inconsistent with federal laws and regulations. Airline agrees to reimburse City for all costs of such removal, and Airline further hereby releases City from any and all claims for damage, except as the result of negligent or willful misconduct, to the disabled aircraft or otherwise arising from or in any way connected with such removal by City.

Section 12.26 Licenses, Fees and Permits

Airline shall obtain and pay for all licenses, fees, permits or other authorization or charges as required under federal, state or local laws and regulations insofar as they are necessary to comply with the requirements of this Agreement and the privileges extended hereunder.

Section 12.27 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.

Section 12.28 Time is of the Essence

Time is of the essence in this Agreement.

Section 12.29 Employee Parking

The City shall provide and Airline shall have the right to the use of vehicle parking facilities, for its employees employed at the Airport. Such facilities shall be located in an area designated by the City. City reserves the right to charge Airline and/or its employees reasonable fees, not to exceed actual net costs, for use of such facilities and to regulate such use.

Section 12.30 Notices

- 12.30.1 Notices to City provided for herein shall be sufficient if sent by first class mail and certified mail, return receipt requested, postage prepaid, addressed to: City of Kenai, Kenai Municipal Airport, 210 Fidalgo Avenue, Kenai, Alaska 99611-7794. Notices to City shall also be considered sufficient if sent by tested or otherwise authenticated facsimile at (907) 283-3737 or by recognized overnight courier service, and notices to Airline, if sent by first class mail and certified mail, return receipt requested, postage prepaid, addressed to _____ or to such other addresses as the parties may designate to each other in writing from time to time. Notices to Airline shall also be considered sufficient if sent by tested or otherwise authenticated facsimile at _____ or by a recognized overnight courier service.
- 12.30.2 All notices, requests, demands or other communications which are required or may be given pursuant to the terms of this Agreement shall be in writing and shall be deemed to have been received (i) on the date of delivery if personally delivered by hand, (ii) upon the third day after such notice is (a) deposited in the United States mail, if mailed by registered or certified mail, postage prepaid, return receipt requested, or (b) sent by a nationally recognized overnight express courier, or (iii) by facsimile upon written confirmation (other than the automatic confirmation that is received from the recipient's facsimile machine) of receipt by the recipient of such notice.

Section 12.31 No More Favorable Terms

City shall not enter into any lease, contract or any other agreement with any other Air Transportation company containing more favorable terms than this Agreement, or to grant any tenant engaged in Air Transportation, rights or privileges with respect to the Airport that are not accorded Airline hereunder, unless the same rights, terms and privileges are concurrently made available to Airline.

ARTICLE 13
PROVISIONS OF CITY'S DEED

This Agreement shall be binding on and inure to the benefit of the successors and assigns of the Parties hereto. Airline expressly understands that all provisions of this Agreement are subject to the provisions of the deed under which City holds title to the Airport property and that tenancy established herein is subject to the terms and conditions set forth in that deed of December 1, 1963, wherein the City of Kenai obtained title to the premises from the Administration of General Services pursuant to authority of the provisions of the Federal Property and Administration Services Act of 1949 and the Surplus Property Act of 1944 (58 Stat. 765) as amended and regulations and orders promulgated thereunder and the Airline further agrees to abide by the covenants of such deed and the restrictions set forth therein which are imposed pursuant to authority of Article 4, Section 3, Clause 2 of the Constitution of the United States of America, the Federal Property and Administrative Services Act of 1949 (Public Law 152-81st Congress), the Surplus Property Act of 1944 as amended thereby, and the applicable rules, regulations and orders, and that the use of the premises by Airline shall be in accordance with such covenants and conditions the same as though all of such covenants and conditions contained in such deed were set forth in full herein.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands, the day and year stated in the individual acknowledgments below.

LESSOR:

CITY OF KENAI

By: _____
Terry Eubank - City Manager

LESSEE:

Aleutian Airways

By: _____
Brian Whilden – General Manager

(If Lessee is a Corporation)
ATTEST:

Name and Title

STATE OF ALASKA)
) ss
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this _____ day of _____ 2025, BRIAN WHILDEN, General Manager, of Aleutian Airways, being personally known to me or having produced satisfactory evidence of identification, appeared before me and acknowledged the voluntary and authorized execution of the foregoing instrument on behalf of said Corporation.

Notary Public for Alaska
My Commission expires: _____

STATE OF ALASKA)
) ss
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this ____ day of _____, 2025, Terry Eubank, City Manager of the City of Kenai, Alaska, being personally known to me or having produced satisfactory evidence of identification, appeared before me and acknowledged the voluntary and authorized execution of the foregoing instrument on behalf of said City.

Notary Public for Alaska
My Commission expires: _____

Approved by Kenai City Council _____

Approved as to lease form by City Attorney _____

Approved by Finance Director _____

Approved by City Manager _____

Return to: City Attorney
210 Fidalgo Ave.
Kenai, AK 99611

Airline Operating Agreement and Terminal Area Lease

LESSOR _____
LESSEE _____

EXHIBIT A
AIRLINE PREMISES - EXCLUSIVE USE SPACE

Terminal Drawing Not to Scale

Aleutian Airways

Exclusive Use Space including the ticket counters, ticket lobby queuing area, office space and operations space indicated above: 1,155 square feet

Terminal apron aircraft parking and GSE Space: 21,025 square feet

Grant Aviation

Exclusive Use Space including the ticket counters, ticket lobby queuing area, office space and operations space indicated above: 1,452 square feet

Terminal apron aircraft parking and GSE Space: 31,755 square feet

Kenai Aviation

Exclusive Use Space including the ticket counters, ticket lobby queuing area, office space and operations space indicated above: 670 square feet

Terminal apron aircraft parking and GSE Space: 10,730 square feet

EXHIBIT C
AIRLINE RATE SCHEDULE

From July 1, 2020 through June 30, 2021 Exhibit C will reflect no rate increase. For subsequent years of the Agreement (July 1 through June 30) the Exclusive Space Annual Rental Rate, the Joint Use Space Annual Rental Rate, the Apron/GSE Annual Rental Rate, and Signatory Landing Fee in Exhibit C will reflect a 5% annual rate increase and the Joint Rent Subsidy will be reduced by 2 percent points each year.

EXHIBIT D
AIRLINE AND AFFILIATE INSURANCE REQUIREMENTS

A. Airline Liability Insurance and Comprehensive General Liability Insurance

Insurance limits of liability for Airline and each of its individual Affiliates shall be determined by the capacity in passenger seats of the largest aircraft in Airline's and its Affiliate's fleet as follows:

1. Not less than one hundred fifty million dollars (\$150,000,000) per occurrence for airlines operating aircraft of one hundred (100) seats or more;
2. Not less than one hundred million dollars (\$100,000,000) per occurrence for airlines operating aircraft of between sixty (60) and ninety-nine (99) seats;
3. Not less than fifty million dollars (\$50,000,000) per occurrence for airlines operating aircraft of between twenty (20) and fifty-nine (59) seats;
4. Not less than twenty million dollars (\$20,000,000) per occurrence for airlines operating aircraft of nineteen (19) or fewer seats;
5. Not less than two million dollars (\$2,000,000) per occurrence for airlines operating aircraft of nine (9) or fewer seats;
6. Passenger personal injury not less than two hundred and fifty thousand (\$250,000) per occurrence and in the annual aggregate with respect to non-passenger personal injury.

B. Hangar Keepers Liability Insurance (If Applicable)

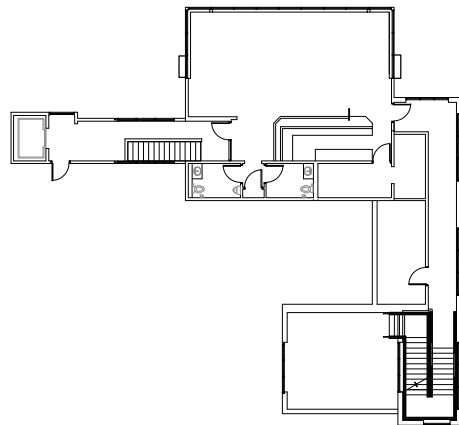
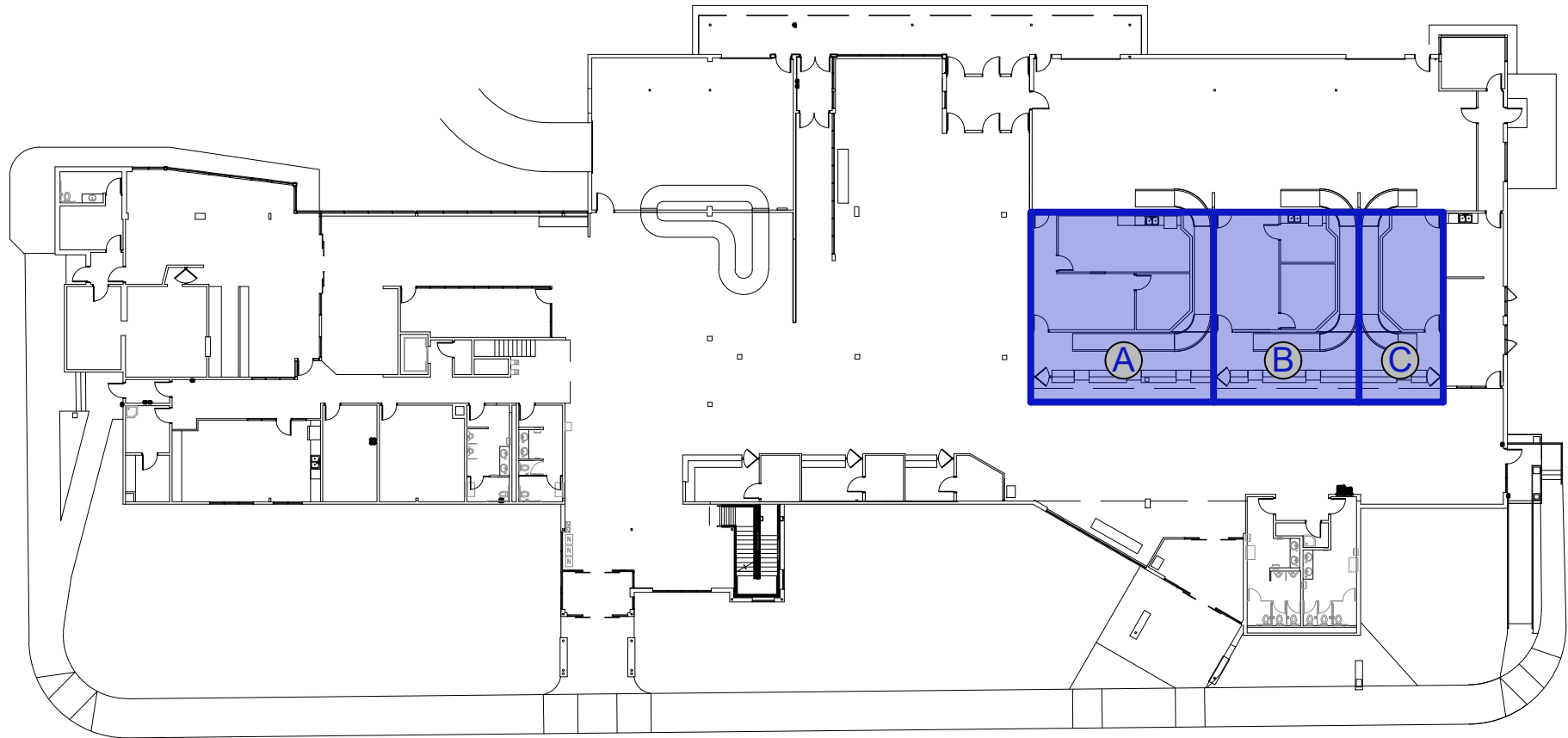
Hangar keepers liability insurance in an amount adequate to cover any non-owned property in the care, custody and control of Airline or any of its individual Affiliates on the Airport, but in any event in an amount not less than five million dollars (\$5,000,000).

C. Automobile Liability Insurance

Automobile liability insurance in an amount adequate to cover automobile insurance while on Airport premises in an amount not less than one million dollars (\$1,000,000) per person per occurrence.

D. Workers' Compensation and Employers' Liability Insurance

Statutory coverage and liability limits are required.



AREA

A
B
C

1,155 S.F.

THIS DRAWING IS NOT TO SCALE

LESSOR _____

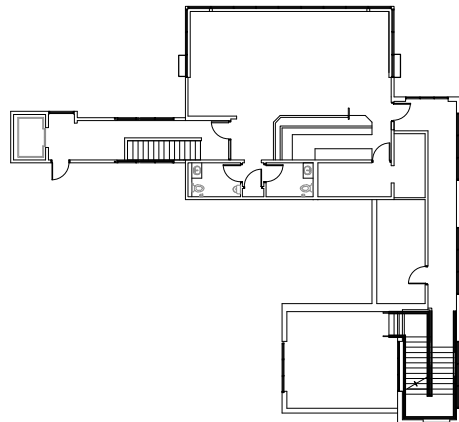
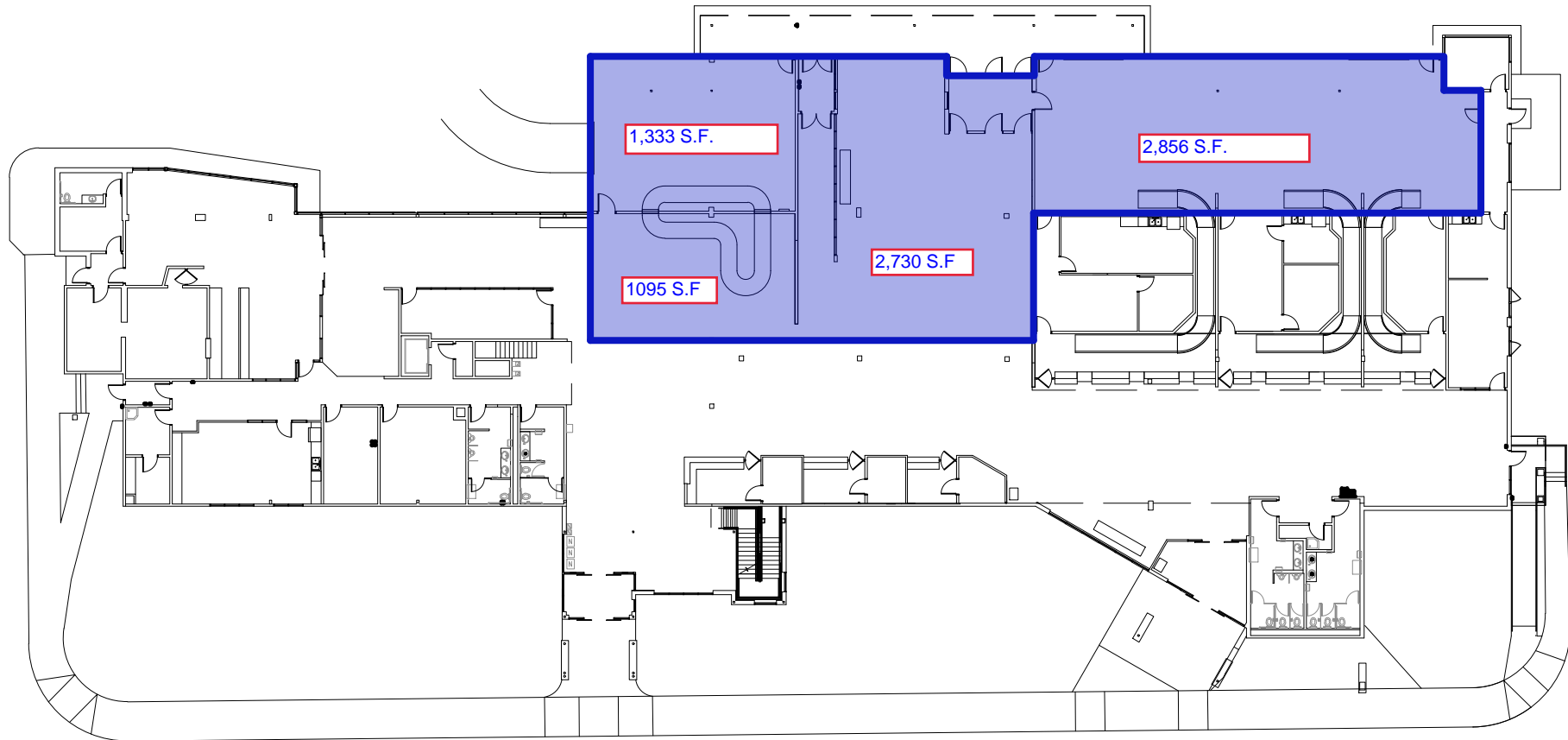
LESSEE _____

WINCE-CORTHELL-BRYSON

JOB NO:

REVISED: Plotted: 11/04/19

KENAI MUNICIPAL AIRPORT
EXHIBIT A EXCLUSIVE SPACE
KENAI, ALASKA



TOTAL JOINT USE SPACE = 8,014 S.F.

Baggage Make- Up Area= 2856 S.F.
 Baggage Breakdown Area= 1,333 S.F.
 Baggage Claim Area= 1,095 S.F.
 Arrival/ Departure/ Waiting Area= 2,730 S.F.

THIS DRAWING IS NOT TO SCALE

LESSOR _____

LESSEE _____

WINCE-CORTHELL-BRYSON

JOB NO:

REVISED: Plotted: 11/04/19

KENAI MUNICIPAL AIRPORT
 EXHIBIT B JOINT USE SPACE
 KENAI, ALASKA

Kenai Municipal Airport

Exclusive Space Annual Rate/Sq Ft.	\$ 41.15	Enplanements:		
Joint Use Space #2 Annual Rate/Sq Ft.	\$ 24.94	Tenant 1	24,095	61.26%
Joint Use Space #1 Annual Rate/Sq Ft.	\$ 41.15	Tenant 2	7,003	17.80%
Apron/GSE Space Rent	\$ 0.64	Tenant 3	8,236	20.94%
Signatory Landing Fee/(1,000#s)	\$ 2.07	Tenant 4	-	<u>0.00%</u>
			<u>39,334</u>	100.00%
Joint Rent Subsidy %	12%			

Grant Aviation

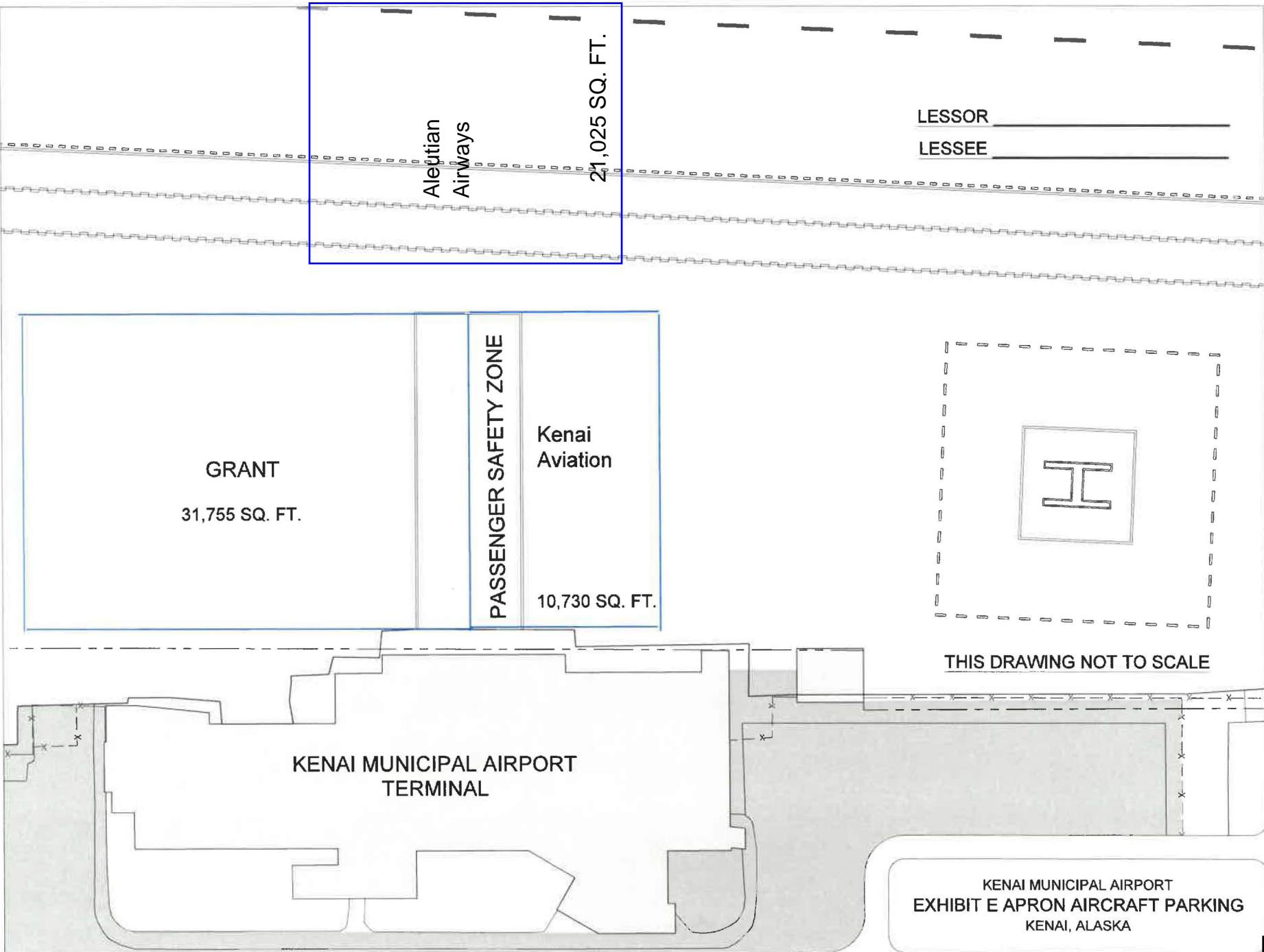
Area Description	Leased / Used Space (sqft)	Base Rental Rate (psfpy)	Prior Year Enplanement %	Allocated Joint Rental Amount	Joint Rent Subsidy Reduction	Rental Amount	Monthly Rental Amount
Terminal Rent							
Exclusive use space:							
Room B	1,155	\$ 41.15	N/A	N/A	N/A	\$ 47,528	\$ 3,961
Joint use space:							
Area #1							
Baggage claim area	1,095	\$ 41.15	17.80%	\$ 8,022	\$ (963)	\$ -	
Passenger hold room, arrival & departure area	2,730	\$ 41.15	17.80%	\$ 20,001	\$ (2,400)	\$ -	
Total Joint Use Space Area #1						\$ -	\$ -
Area #2							
Baggage make-up area	2,856	\$ 24.94	17.80%	\$ 12,682	\$ (1,522)	\$ -	
Baggage breakdown area	1,333	\$ 24.94	17.80%	\$ 5,919	\$ (710)	\$ -	
Total Joint Use Space Area #2						\$ -	\$ -
Total Terminal Rent						\$ 47,528	\$ 3,961
Terminal Apron/GSE Space Rent	21,025	\$ 0.64	N/A	N/A	N/A	\$ 13,456	\$ 1,121
Total Terminal & Apron GSE Space Rent						\$ 60,984	\$ 5,082
Projected Landed							
	Wgt (1,000#s)	Landing Fee Rate				Landing Fees	
Landing Fees	-	\$ 2.07				\$ -	\$ -
Tenant 2 - Total Rents and Fees						<u><u>\$ 60,984</u></u>	<u><u>\$ 5,082</u></u>

Kenai Municipal Airport

Exclusive Space Annual Rate/Sq Ft.	\$ 41.15	Enplanements:		
Joint Use Space #2 Annual Rate/Sq Ft.	\$ 24.94	Tenant 1	24,095	61.26%
Joint Use Space #1 Annual Rate/Sq Ft.	\$ 41.15	Tenant 2	7,003	17.80%
Apron/GSE Space Rent	\$ 0.64	Tenant 3	8,236	20.94%
Signatory Landing Fee/(1,000#s)	\$ 2.07	Tenant 4	-	<u>0.00%</u>
			39,334	100.00%
Joint Rent Subsidy %	12%			

Grant Aviation

Area Description	Leased / Used Space (sqft)	Base Rental Rate (psfpy)	Prior Year Enplanement %	Allocated Joint Rental Amount	Joint Rent Subsidy Reduction	Rental Amount	Monthly Rental Amount
Terminal Rent							
Exclusive use space:							
Room B	1,155	\$ 41.15	N/A	N/A	N/A	\$ 47,528	\$ 3,961
Joint use space:							
Area #1							
Baggage claim area	1,095	\$ 41.15	17.80%	\$ 8,022	\$ (963)	\$ 7,059	
Passenger hold room, arrival & departure area	2,730	\$ 41.15	17.80%	\$ 20,001	\$ (2,400)	<u>\$ 17,601</u>	
Total Joint Use Space Area #1						\$ 24,660	\$ 2,055
Area #2							
Baggage make-up area	2,856	\$ 24.94	17.80%	\$ 12,682	\$ (1,522)	\$ 11,160	
Baggage breakdown area	1,333	\$ 24.94	17.80%	\$ 5,919	\$ (710)	<u>\$ 5,209</u>	
Total Joint Use Space Area #2						<u>\$ 16,369</u>	<u>\$ 1,364</u>
Total Terminal Rent						\$ 88,557	\$ 7,380
Terminal Apron/GSE Space Rent	21,025	\$ 0.64	N/A	N/A	N/A	<u>\$ 13,456</u>	<u>\$ 1,121</u>
Total Terminal & Apron GSE Space Rent						\$ 102,013	\$ 8,501
Projected Landed							
	Wgt (1,000#s)	Landing Fee Rate				Landing Fees	
Landing Fees	30,000	\$ 2.07				\$ 62,100	\$ 5,175
Tenant 2 - Total Rents and Fees						<u>\$ 164,113</u>	<u>\$ 13,676</u>





"Serving the Greater Kenai Peninsula"

305 N. WILLOW ST. SUITE 200 KENAI, ALASKA 99611
TELEPHONE 907-283-7951

FAX 907-283-3737

Memo

To: Airport Commission

From: Derek Ables - Airport Manager

Date: March 5, 2025

Subject: - Special Use Permit to Jeremy Mastre, DBA: River Rock Outdoors, LLC
for Commercial Operations at the Float Plane Basin.

Attached for your discussion and consideration is a request from Jeremy Mastre with River Rock Outdoors LLC, for commercial operation at the float plane basin.

The proposed fees are a \$300 float plane basin commercial operator fee and \$25 annual parking fee established in the rates and fees schedule.

It is my recommendation to allow Jeremy Mastre to enter into a Special Use Permit. The Special Use Permit would be for 6 months commencing May 1, 2025, and ending on October 31, 2025.

Does Commission recommend Council approve the Special Use Permit to River Rock Outdoors LLC?

Attachment – Special Use Permit, Exhibit A, Application



City of Kenai
Special Use Permit
Application

Application Date:

1/24/25

Applicant Information

Name of Applicant:	River Rock Outdoors / Jeremy L MASTRE				
Mailing Address:		City:		State:	AK
Phone Number(s):	Home Phone:	Work/ Message Phone: ()			
E-mail: (Optional)					

End of Statement

Name to Appear on Permit:	River Rock Outdoors				
Mailing Address:		City:		State:	
Phone Number(s):	Home Phone: ()	Work/ Message Phone: ()			
E-mail: (Optional)					

Type of Applicant:	<input type="checkbox"/> Individual (at least 18 years of age)	<input type="checkbox"/> Partnership	<input checked="" type="checkbox"/> Corporation	<input type="checkbox"/> Government
	<input type="checkbox"/> Limited Liability Company (LLC)	<input type="checkbox"/> Other _____		

Property Information

Legal or physical description of the property:

Description of the proposed business or activity intended: Sightseeing, Bear Viewing, float Pond use

Is the area to be used in front of or immediately adjacent to any established business offering the same or similar products or services upon a fixed location? ☐ YES ☒ NO

Would the use under this permit interfere with other businesses through excessive noise, odor, or other nuisances? ☐ YES ☒ NO

If you answered yes to any of the above questions, please explain:

What is the term requested (not to exceed one year)? 1 Year

Requested Starting Date: MAY 1st

Signature:		Date:	1/24/25
Print Name:	Jeremy L MASTRE	Title:	President

For City Use Only:

<input type="checkbox"/> General Fund	<input type="checkbox"/> Airport Reserve Land
<input type="checkbox"/> Airport Fund	<input type="checkbox"/> Outside Airport Reserve

Date Application Fee Received:

City Council Action/Resolution:

Account Number:



Floatplane Rd

Floatplane Rd

Floatplane Rd

Commercial Spot 5

Exhibit A



"Serving the Greater Kenai Peninsula"

305 N. WILLOW ST. SUITE 200 KENAI, ALASKA 99611
TELEPHONE 907-283-7951

FAX 907-283-3737

Memo

To: Airport Commission

From: Derek Ables - Airport Manager

Date: March 5, 2025

Subject: - Special Use Permit to Jeremy Mastre, DBA: River Rock Outdoors, LLC
for fuel tank storage at the Float Plane Basin.

Attached for your discussion and consideration is a request from Jeremy Mastre with River Rock Outdoors LLC, to store a fuel tank at the float plane basin.

The fees associated with this permit would be a 105.00 monthly fee plus a \$100 annual business access permit.

Does Commission recommend Council approve the Special Use Permit to River Rock Outdoors LLC for fuel tank storage at the Float Plane Basin?

Attachment – Special Use Permit, Exhibit A, Application



City of Kenai
Special Use Permit
Application

Application Date: 2/25/25

Applicant Information

Name of Applicant:	Jeremy L MASTR						
Mailing Address:	[REDACTED]	City:	[REDACTED]	State:	[REDACTED]	Zip Code:	[REDACTED]
Phone Number(s):	Home Phone: ()			Work/ Message Phone: ()			
E-mail: (Optional)							
Name to Appear on Permit:	River Rock Outdoors						
Mailing Address:	[REDACTED]	City:	[REDACTED]				
Phone Number(s):	Home Phone: ()			Work/ Message Phone: [REDACTED]			
E-mail: (Optional)	[REDACTED]						
Type of Applicant:	<input type="checkbox"/> Individual (at least 18 years of age) <input type="checkbox"/> Partnership <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Government <input type="checkbox"/> Limited Liability Company (LLC) <input type="checkbox"/> Other _____						

Property Information

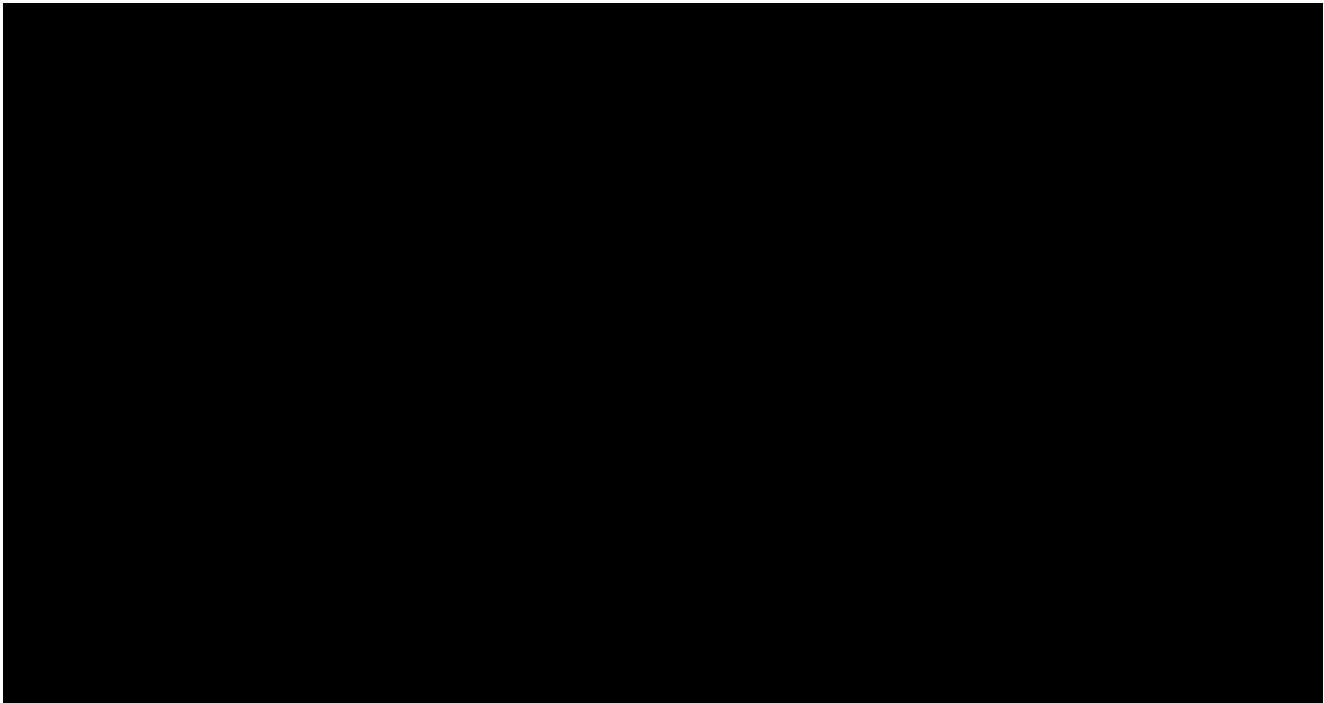
Legal or physical description of the property:	fuel tank self contained trailer
Description of the proposed business or activity intended:	STORE fuel for commercial operation mobil tank
Is the area to be used in front of or immediately adjacent to any established business offering the same or similar products or services upon a fixed location?	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
Would the use under this permit interfere with other businesses through excessive noise, odor, or other nuisances?	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
If you answered yes to any of the above questions, please explain:	

What is the term requested (not to exceed one year)?	12 months		
Requested Starting Date:	MAY 1ST		
Signature:	[Signature]	Date:	2/25/25
Print Name:	Jeremy L MASTR	Title:	President

For City Use Only:	Date Application Fee Received:
<input type="checkbox"/> General Fund	City Council Action/Resolution:
<input type="checkbox"/> Airport Fund	Account Number:
<input type="checkbox"/> Airport Reserve Land	
<input type="checkbox"/> Outside Airport Reserve	



City of Kenai
210 Fidalgo Ave
Kenai, AK 99611
(907) 283-7535





Floatplane Rd

Floatplane Rd

Floatplane Rd

Drawing not to scale. 30 X 30
Storage Area

Google

Exhibit A



Kenai City Council - Regular Meeting

February 19, 2025 — 6:00 PM

Kenai City Council Chambers

210 Fidalgo Avenue, Kenai, Alaska

www.kenai.city

****Telephonic/Virtual Information on Page 3****

Action Agenda

A. CALL TO ORDER

1. Pledge of Allegiance
2. Roll Call
3. Approval of the Agenda and Consent Agenda (*Public comments on Consent Agenda Items limited to three (3) minutes per speaker; thirty (30) minutes aggregated*)

All items listed with an asterisk () are considered to be routine and non-controversial by the council and will be approved by one motion. There will be no separate discussion of these items unless a council member so requests, in which case the item will be removed from the consent agenda and considered in its normal sequence on the agenda as part of the General Orders.

B. SCHEDULED ADMINISTRATIVE REPORTS

C. SCHEDULED PUBLIC COMMENTS (*Public comments limited to ten (10) minutes per speaker*)

1. Project Homeless Connect 2025, Executive Director of Love INC Leslie Rohr.

D. UNSCHEDULED PUBLIC COMMENTS (*Public comments limited to three (3) minutes per speaker; thirty (30) minutes aggregated*)

E. PUBLIC HEARINGS

1. **ENACTED UNANIMOUSLY. Ordinance No. 3449-2025** - Increasing Estimated Revenues and Appropriations in the General Fund – Police Department and Accepting Grants from the United States Department of Justice and Alaska Municipal League Joint Insurance Association for the Purchase of Ballistic Vests. (Administration)
2. **ADOPTED UNANIMOUSLY. Ordinance No. 3450-2025** - Amending Sections of Kenai Municipal Code Title 23 - Personnel Regulations, Sections 23.05.070 - Definitions, 23.25.080 - Promotion, 23.30.030 - Probationary Period for Employees in the Classified Service, and 23.55.020 - Compensation Structure by Grade for Employees in the Classified Service, to Ensure a Consistent Approach to Pay Adjustments for City Employees. (Administration)
3. **ADOPTED UNANIMOUSLY. Resolution No. 2025-15** - Authorizing the City Manager to Execute a Lease of Airport Reserve Lands Between the City of Kenai and ENA, Limited Liability Corporation for Lots 5A and 5B, FBO Subdivision No. 10, to be Described as Lot 5C, FBO Subdivision 2024 Addition Upon Approval of Final Plat. (Administration)

F. MINUTES

1. *Regular Meeting of February 5, 2025. (City Clerk)

G. UNFINISHED BUSINESS

H. NEW BUSINESS

1. ***Action/Approval** - Bills to be Ratified. (Administration)
2. ***Action/Approval** - First Extension to the Agreement with Guardian Security Systems, Inc. for Security Guard Services at the Kenai Municipal Airport. (Administration)
3. ***Action/Approval** - Council Confirmation of Mayoral Nomination of Gina Kuntzman to the Council on Aging Commission. (Gabriel)
4. ***Ordinance No. 3451-2025** - Accepting and Appropriating Donations to the Kenai Community Library for Library Materials, Equipment, Furniture, and Programming. (Administration)
5. ***Ordinance No. 3452-2025** - Accepting and Appropriating a Polar Bear and Brown Bear Taxidermy Donation from the Warren E Johnson Estate for Display in the Kenai Municipal Airport Terminal. (Administration)
6. ***Ordinance No. 3453-2025** - Amending Kenai Municipal Code Chapter 7.15 – Purchases and Sales, Sections 7.15.060 – Procurement of Professional Services and 7.15.070 – Innovative Procurements and Other Exceptions, to Allow Insurance Coverages to be Procured by Direct Negotiation and Authorize Other Procurement Exceptions Subject to City Council Approval by Resolution. (Knackstedt)
7. ***Ordinance No. 3454-2025** - Amending Kenai Municipal Code 23.35.032 - Arbitration Panel to Amend the Member Terms from Indefinite Terms to Three-Year Terms. (City Clerk)
8. ***Ordinance No. 3455-2025** - Authorizing the Purchase of a Used Ventrac Tractor and Attachments from KNC Golf, Inc., that Deviates from Procurement Procedures Authorized by Kenai Municipal Code Chapter 7.15 Purchases and Sales. (Administration)
9. **APPROVED UNANIMOUSLY. Action/Approval** - Authorizing the City Manager to Modify the Agreement with the Kenai Peninsula Borough for Accepting Landfill Leachate at the Waste Water Treatment Plant. (Administration)
10. **SUPPORTED UNANIMOUSLY. Discussion/Action** - Digester Blowers Standardization. (Administration)
11. **Discussion** - Grants to Other Agencies - Annual Reports. (Douthit)

I. COMMISSION REPORTS

1. Council on Aging Commission
2. Airport Commission
3. Harbor Commission
4. Parks and Recreation Commission
5. Planning and Zoning Commission
6. Beautification Commission

J. REPORT OF THE MAYOR

K. ADMINISTRATION REPORTS

1. City Manager
2. City Attorney
3. City Clerk

L. ADDITIONAL PUBLIC COMMENTS

1. Citizens Comments (*Public comments limited to five (5) minutes per speaker*)
2. Council Comments

M. EXECUTIVE SESSION

N. PENDING ITEMS

O. ADJOURNMENT

P. INFORMATION ITEMS

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Registration is required to join the meeting remotely through Zoom. Please use the following link to register:

<https://us02web.zoom.us/meeting/register/J1lf0VUzTm63fb5URHsT4w>



Kenai City Council - Regular Meeting

March 05, 2025 — 6:00 PM

Kenai City Council Chambers

210 Fidalgo Avenue, Kenai, Alaska

www.kenai.city

****Telephonic/Virtual Information on Page 3****

Action Agenda

A. CALL TO ORDER

1. Pledge of Allegiance
2. Roll Call
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B. SCHEDULED ADMINISTRATIVE REPORTS

C. SCHEDULED PUBLIC COMMENTS (*Public comments limited to ten (10) minutes per speaker*)

D. UNSCHEDULED PUBLIC COMMENTS (*Public comments limited to three (3) minutes per speaker; thirty (30) minutes aggregated*)

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6. **ADOPTED UNANIMOUSLY. Resolution No. 2025-16** - Authorizing a Professional Service Agreement and Corresponding Purchase Order for the 2026 Airport Perimeter and Security Fence Line Improvement Project for the Kenai Municipal Airport. (Administration)
7. **ADOPTED UNANIMOUSLY. Resolution No. 2025-17** - Authorizing the City Manager to Renew the Memorandum of Understanding for the Kenai Watershed Forum Kenai River Water Quality Monitoring Program. (Administration)
8. **ADOPTED UNANIMOUSLY. Resolution No. 2025-18** - Authorizing the Use of the Fleet Replacement Fund for the Purchase of Equipment to Upfit Three New Police Vehicles. (Administration)

F. **MINUTES**

1. *Regular Meeting of February 19, 2025. (City Clerk)

G. **UNFINISHED BUSINESS**

H. **NEW BUSINESS**

1. ***Action/Approval** - Bills to be Ratified. (Administration)
2. ***Action/Approval** - Non-Objection to the Issuance of a Package Store Sampling Endorsement for Three Bears Alaska, Inc. DBA Three Bears - License No. 4118. (City Clerk)
3. ***Action/Approval** - Non-Objection to the Issuance of a Restaurant Endorsement for Salamatof Cannery Lodge, LLC. DBA Salamatof Cannery Lodge - License No. 15960. (City Clerk)
4. ***Action/Approval** - Non-Objection to the Renewal of a Seasonal Golf Course Liquor License for Griffin Golf, LLC. DBA Kenai Golf Course - License No. 5788. (City Clerk)
5. ***Action/Approval** - Non-Objection to the Renewal of a Package Store Liquor License for AK, Inc. DBA Speedway Express - License No. 4544. (City Clerk)
6. ***Action/Approval** - Non-Objection to the Renewal of a Retail Marijuana Store License and a Standard Marijuana Cultivation License for Majestic Gardens LLC., DBA: Majestic Gardens LLC. - License No.'s 15393 and 15395. (City Clerk)
7. ***Action/Approval** - Non-Objection to the Renewal of a Restaurant Eating Place Liquor License for Ramon Gonzalez DBA Playa Azul - License No. 5224. (City Clerk)
8. ***Ordinance No. 3456-2025** - Accepting and Appropriating a Grant Received Through Best Friends Animal Society to the Kenai Animal Shelter for Attendance at the Best Friends National Conference. (Administration)
9. ***Ordinance No. 3457-2025** - Accepting and Appropriating Donations Designated by Tom Anderson from the Alaska Community Foundation for the Construction of Softball Dugouts and the Dedication of a Dugout in Memoriam of Hannah Hill. (Administration)
10. ***Ordinance No. 3458-2025** - Accepting and Appropriating a Grant Received Through the Alaska Geriatric Exchange Network to the Kenai Senior Center for Attendance at the 2025 Legislative Fly-In. (Administration)
11. ***Ordinance No. 3459-2025** - Determining that Real Property Described as Lot 10, Block 1, Etolin Subdivision Number 3, According to Plat 82-103, City-Owned Airport Land Located Outside the Airport Reserve, is Not Needed for a Public Purpose and Authorizing the Sale of the Property to LOROC, LLC. (Administration)

12. ***Ordinance No. 3460-2025** - Determining that Real Property Described as Lot 11, Block 1, Etolin Subdivision Number 3, According to Plat 82-103, City-Owned Airport Land Located Outside the Airport Reserve, is Not Needed for a Public Purpose and Authorizing the Sale of the Property to LOROC, LLC. (Administration)
13. ***Ordinance No. 3461-2025** - Amending the Official Zoning Map and Land Use Table by Rezoning the Properties at 202 North Forest Drive and 1408 Second Avenue from Suburban Residential (RS) to General Commercial (CG) Zoning District. (Administration)
14. **APPROVED UNANIMOUSLY. Action/Approval** - Harbor Commission 2025 Work Plan. (City Clerk)
15. **APPROVED UNANIMOUSLY. Action/Approval** - Nominations Received for Council Consideration of Robert Molloy and Vaughn Dosko for Appointment to the Personnel Arbitration Board. (City Clerk)

I. COMMISSION REPORTS

1. Council on Aging Commission
2. Airport Commission
3. Harbor Commission
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N. PENDING ITEMS

O. ADJOURNMENT

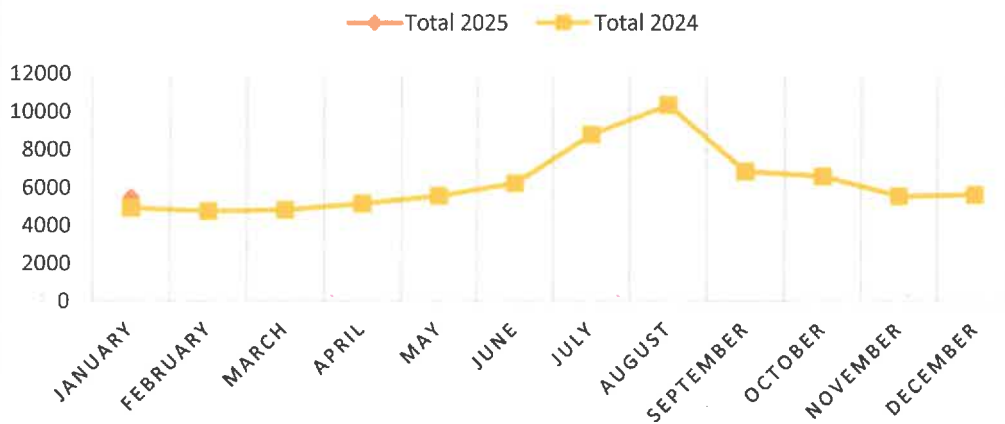
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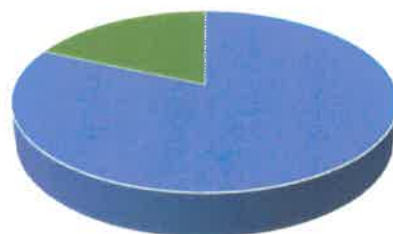
ENA Airline Enplanements

Month	Grant 2025	Kenai 2025	Grant 2024	Kenai 2024	Total 2025	Total 2024	Change from 2024 to 2025
January	4466	1003	3218	1719	5469	4937	532
February			3207	1553		4760	
March			3508	1325		4833	
April			3847	1326		5173	
May			4024	1546		5570	
June			4635	1624		6259	
July			6585	2231		8816	
August			7584	2798		10382	
September			5291	1583		6874	
October			5090	1528		6618	
November			4301	1267		5568	
December			4338	1321		5659	
Total	4466	1003	55628	19821	5469	75449	532

2024 - 2025 ENPLANEMENTS



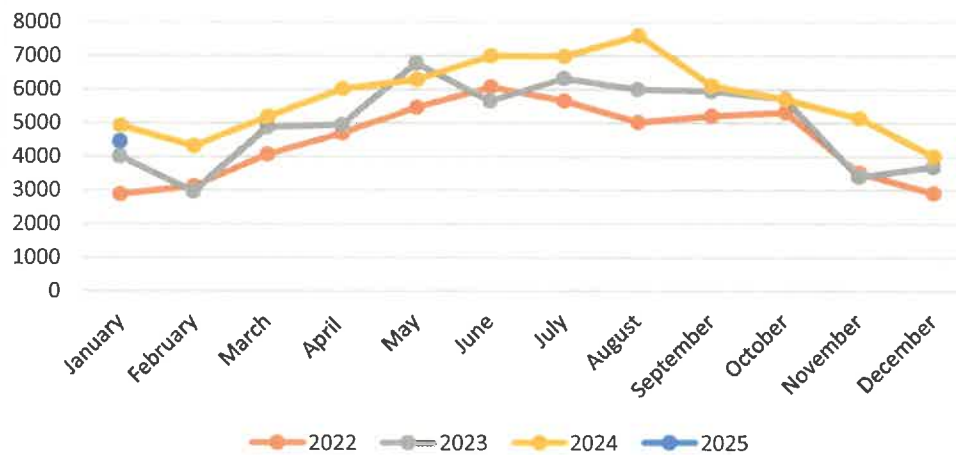
January



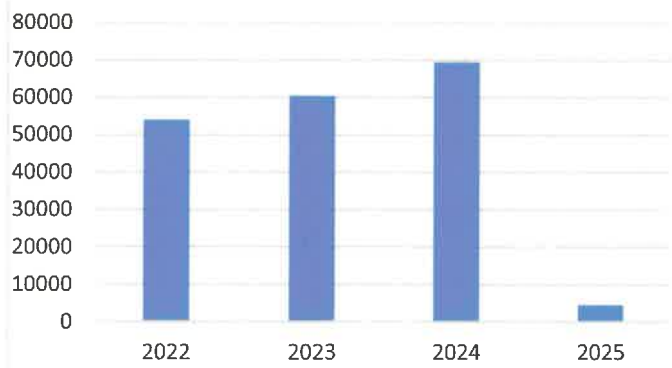
ENA Air Traffic Control Tower Operations

Year	2022	2023	2024	2025
January	2882	4009	4927	4451
February	3117	2965	4313	
March	4069	4874	5192	
April	4697	4957	6022	
May	5472	6786	6297	
June	6072	5660	6998	
July	5654	6337	6991	
August	5020	6007	7602	
September	5215	5950	6118	
October	5312	5724	5710	
November	3517	3404	5140	
December	2907	3699	4010	
Total	53934	60372	69320	4451

Tower Operations by Year



Tower Operations Total Per Year



ENA Terminal Vehicle Parking Revenue

Year	2024	2025
January	\$ 17,977	\$ 22,502
February	\$ 19,877	
March	\$ 20,848	
April	\$ 22,493	
May	\$ 20,728	
June	\$ 21,572	
July	\$ 25,668	
August	\$ 25,555	
September	\$ 23,259	
October	\$ 31,032	
November	\$ 31,780	
December	\$ 25,763	
Total	\$ 286,553	\$ 22,502

