

A RESOLUTION BY TRANSPORTATION COMMITTEE AUTHORIZING THE MAYOR TO EXECUTE AN HARTSFIELD-JACKSON ATLANTA INTERNATIONAL AIRPORT AGREEMENT AND LEASE COVERING APPROXIMATELY 851.96 SQUARE FEET OF SPACE AT HARTSFIELD-JACKSON ATLANTA INTERNATIONAL AIRPORT WITH ALASKA AIRLINES, INC.; AND FOR OTHER PURPOSES.

Workflow List:

Richard Rubin	Completed	03/03/2014 10:33 AM
Miguel Southwell	Completed	03/03/2014 2:09 PM
Mayor's Office	Completed	03/03/2014 5:12 PM
Office of Research and Policy Analysis	Completed	03/05/2014 10:53 AM
Transportation Committee	Pending	
Atlanta City Council	Pending	
Mayor's Office	Pending	

Certified by Presiding Officer	Certified by Clerk
Mayor's Action <i>See Authentication Page Attachment</i>	

LEGISLATION HISTORY – BLUE BACK

A RESOLUTION BY TRANSPORTATION COMMITTEE AUTHORIZING THE MAYOR TO EXECUTE AN HARTSFIELD-JACKSON ATLANTA INTERNATIONAL AIRPORT AGREEMENT AND LEASE COVERING APPROXIMATELY 851.96 SQUARE FEET OF SPACE AT HARTSFIELD-JACKSON ATLANTA INTERNATIONAL AIRPORT WITH ALASKA AIRLINES, INC.; AND FOR OTHER PURPOSES.

WHEREAS, the City of Atlanta (“City”) owns and operates Hartsfield-Jackson Atlanta International Airport (“Airport”); and

WHEREAS, Alaska Airlines, Inc., (“Alaska”) desires to lease approximately 851.96 square feet of space on the Ticketing Level of the North Terminal Building (“Premises”); and

WHEREAS, the City and Alaska desire to execute an Hartsfield-Jackson Atlanta International Airport Agreement and Lease (“HJAIA Agreement”) covering said Premises; and

WHEREAS, the Aviation General Manager believes that it is in the best interest of the Airport and the City to enter into an HJAIA Agreement with Alaska as hereinafter set forth, and recommends the execution of such HJAIA Agreement.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF ATLANTA, GEORGIA, that the Mayor is authorized to execute on behalf of the City of Atlanta an HJAIA Agreement with Alaska as hereinabove described which shall contain the following terms, conditions, and provisions:

- 1) A term commencing on the date of execution of the Lease and ending on September 20, 2017, which is the date that the various existing Central Passenger Terminal Agreements and Leases are set to expire; and
- 2) Rental rates in accordance with the appropriate schedule of rates and charges as published from time to time by Department of Aviation’s Finance Department; and
- 3) A provision allowing for the termination of the Lease at the convenience of either party upon thirty (30) days prior written notice to the other; and
- 4) A provision authorizing the Aviation General Manager to approve the expansion, contraction or relocation of leased premises without further act of Council provided that any expansion of the leased premises be limited to not more than 2,000 additional square feet; and
- 5) Such other terms and conditions as may be required by City ordinances or state or federal law or which are otherwise deemed appropriate by the Aviation General Manager.

BE IT FURTHER RESOLVED that the City Attorney is directed to prepare said Agreement for execution by the Mayor.

BE IT FINALLY RESOLVED that said Agreement shall not become binding upon the City, and the City shall incur no obligation or liability thereunder until same has been signed by the Mayor, attested to by the Municipal Clerk and delivered to Alaska Airlines, Inc.

Part II: Legislative White Paper: (This portion of the Legislative Request Form will be shared with City Council members and staff)

A. To be completed by Legislative Counsel:

Committee of Purview:

Caption:

Council Meeting Date:

Requesting Dept.:

FAC Confirmed by:

B. To be completed by the department:

1. Please provide a summary of the purpose of this legislation (Justification Statement).

Alaska Airlines, Inc. ("Alaska") requires the use of office and operational space to efficiently and effectively provide passenger and /or cargo service out of Hartsfield-Jackson Atlanta International Airport ("Airport"). The purpose of this legislation is to seek authority from the Atlanta City Council to enter into a lease with Alaska for support space.

2. Please provide background information regarding this legislation.

Alaska Airlines is an airline based in the Seattle suburb of SeaTac, Washington, in the United States. The airline originated in 1932 as McGee Airways. After many mergers and acquisitions of several other airlines, it renamed itself Alaska Airlines in 1944. Over the years, Alaska has substantially expanded and now has service throughout the contiguous United States, Canada, Mexico, and four Hawaiian Islands. Alaska Airlines carries more passengers between Alaska and the contiguous United States than any other airline.

Alaska currently provides once-a-day passenger service between Seattle-Tacoma International Airport (SEA) and Atlanta (ATL) and once-a-day passenger service between Portland International Airport (PDX) in Portland, Oregon and ATL.

Current flight schedule for Alaska is as follows:

Flight 742 - SEA – ATL – arrive 3:50 PM
Flight 751 – ATL – PDX – departs 5:10 PM

Flight 752 - PDX – ATL – arrive 5:35 PM
Flight 741 – ATL – SEA – departs 6:35 PM

All flights are operated with 737-900 aircraft.

To date, all Alaska operations have been handled within spaces leased by Delta Air Lines directly from the Airport. Ticketing, baggage claim and baggage service functions for Alaska have been handled by a mixture of both Delta and Alaska personnel at Delta’s facilities in the South Terminal and aircraft operations have been handled at Delta gate facilities located on Concourse D. Just before the end of 2013, Delta and Alaska terminated these arrangements effective March 31, 2014 thus Alaska is now seeking replacement facilities to handle its operations.

The Airport has located suitable ticketing and baggage service space for the Alaska operation in the North Terminal and has also made arrangements for Alaska to utilize two slots on the City Common Use Gates on Concourse D to handle its arriving and departing aircraft. Alaska will also utilize shared use baggage make up space and common use baggage claim facilities in the North Terminal. Alaska is leasing all space “as is” and is currently in the process of modifying these facilities to accommodate its operations.

3. If Applicable/Known:

- (a) Contract Type (e.g. Professional Services, Construction Agreement, etc):
- (b) Source Selection:
- (c) Bids/Proposals Due:
- (d) Invitations Issued:
- (e) Number of Bids:
- (f) Proposals Received:
- (g) Bidders/Proponents:
- (h) Term of Contract:

4. Fund Account Center (Ex. Name and number):

Fund: _____ Account: _____ Center: _____

5. Source of Funds: Example: Local Assistance Grant N/A

6. Fiscal Impact:

Example: This legislation will result in a reduction in the amount of _____ to Fund Account Center Number _____.

7. Method of Cost Recovery: Facility rental charges.

Examples:

- a. Revenues generated from the permits required under this legislation will be used to fund the personnel needed to carry out the permitting process.
- b. Money obtained from a local assistance grant will be used to cover the costs of this Summer Food Program.

This Legislative Request Form Was Prepared By: David Sellers

TRANSMITTAL FORM FOR LEGISLATION

TO: MAYOR'S OFFICE

ATTN: CANDACE L. BYRD

Dept.'s Legislative Liaison: Anita Williams

Contact Number: 404-530-6600

Originating Department: Aviation

Committee(s) of Purview: Transportation

Chief of Staff Deadline: 2/21/14

Anticipated Committee Meeting Date(s): 3/12/14

Anticipated Full Council Date: 3/17/14

Legislative Counsel's Signature: Richard Rubin, Senior Assistant City Attorney

Commissioner's Signature: [Signature]

Chief Financial Officer: N/A

Chief Information Officer Signature (for IT Procurements) N/A

Chief Procurement Officer Signature: N/A

CAPTION

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE AN HARTSFIELD-JACKSON ATLANTA INTERNATIONAL AIRPORT AGREEMENT AND LEASE COVERING APPROXIMATELY 851.96 SQUARE FEET OF SPACE AT HARTSFIELD-JACKSON ATLANTA INTERNATIONAL AIRPORT WITH ALASKA AIRLINES, INC.; AND FOR OTHER PURPOSES.

FINANCIAL IMPACT: (if any)

Mayor's Staff Only

Received by CPO: _____
(date)

Received by LC from CPO: _____
(date)

Received by Mayor's Office: _____
(date)

Reviewed by: _____
(date)

Submitted to Council: _____
(date)

Attachment: Alaska Airlines Transmittal (14-R-3291 : Alaska Airlines HJAIA Agreement and Lease)

Legislative White Paper

Committee of Purview: Transportation

Caption:

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE AN HARTSFIELD-JACKSON ATLANTA INTERNATIONAL AIRPORT AGREEMENT AND LEASE COVERING APPROXIMATELY 851.96 SQUARE FEET OF SPACE AT HARTSFIELD-JACKSON ATLANTA INTERNATIONAL AIRPORT WITH ALASKA AIRLINES, INC.; AND FOR OTHER PURPOSES.

Council Meeting Date: 3/17/14

Legislation Title: Alaska Airlines, Inc. Airport Agreement and Lease

Requesting Dept.: Aviation

Contract Type: Lease Agreement

Source Selection: N/A

Bids/Proposals Due: N/A

Invitations Issued: N/A

Number of Bids/

Proposals Received: N/A

Bidders/Proponents: N/A

Background:

Alaska Airlines, Inc. ("Alaska") requires the use of office and operational space to efficiently and effectively provide passenger and /or cargo service out of Hartsfield-Jackson Atlanta International Airport ("Airport"). The purpose of this legislation is to seek authority from the Atlanta City Council to enter into a lease with Alaska for support space.

Alaska Airlines is an airline based in the Seattle suburb of SeaTac, Washington, in the United States. The airline originated in 1932 as McGee Airways. After many mergers and acquisitions of several other airlines, it renamed itself Alaska Airlines in 1944. Over the years, Alaska has substantially expanded and now has service throughout the contiguous United States, Canada, Mexico, and four Hawaiian Islands. Alaska Airlines carries more passengers between Alaska and the contiguous United States than any other airline.

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The Airport has located suitable ticketing and baggage service space for the Alaska operation in the North Terminal and has also made arrangements for Alaska to utilize two slots on the City Common Use Gates on Concourse D to handle its arriving and departing aircraft. Alaska will also utilize shared use baggage make up space and common use baggage claim facilities in the North Terminal. Alaska is leasing all space "as is" and is currently in the process of modifying these facilities to accommodate its operations.

Source of Funds: N/A

Fiscal Impact: None

Term of Contract: September 20, 2017

Method of Cost Recovery: Facility Rental Charges

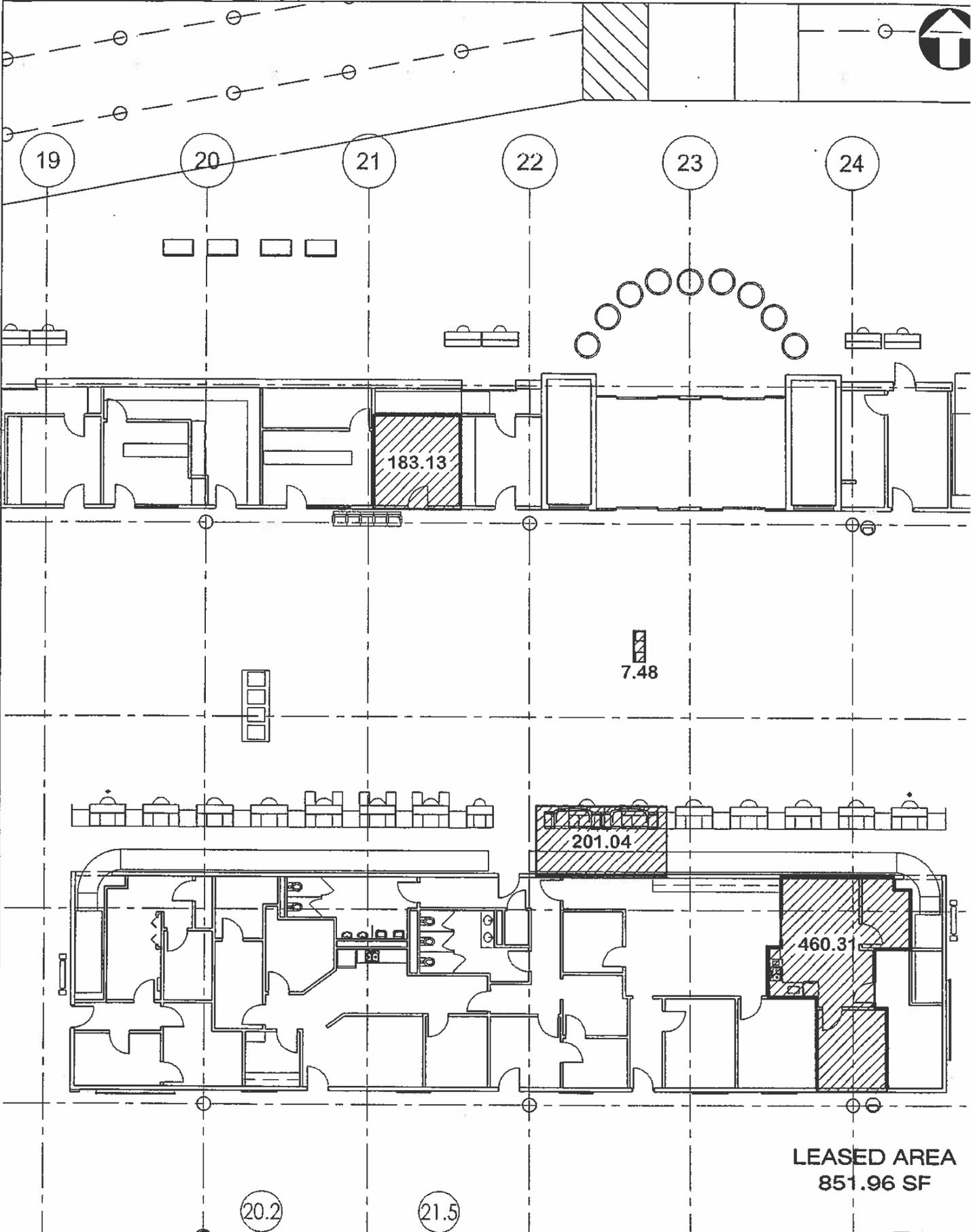
Approvals:

DOF: N/A

DOL: yes

Prepared By: Anita Williams

Contact Number: 404-382-2313



Attachment: Alaska Airlines Transmittal (14-R-3291 : Alaska Airlines HJAIA Agreement and Lease)

DRAFT**HARTSFIELD-JACKSON ATLANTA INTERNATIONAL AIRPORT****AGREEMENT AND LEASE**

This Agreement (the "Agreement") is entered in to this ___ day of _____, 2013, by and between CITY OF ATLANTA ("City"), a municipal corporation of the State of Georgia and ALASKA AIRLINES. ("Tenant"), a corporation organized and existing under the laws of the State of Delaware, who covenant and agree as follows:

Recitals

A. The City owns the Hartsfield-Jackson Atlanta International Airport (the "Airport"), in the Georgia Counties of Fulton and Clayton, and operates the Airport by and through the City's Department of Aviation, the chief executive officer of which is the Aviation General Manager (the "Aviation General Manager"); and

B. Tenant is an aircraft operator servicing the general public and has previously entered into an Airport Use License Agreement with the City of Atlanta, dated December 3, 2012, which authorizes Tenant to provide passenger and/or cargo flight service at the Airport; and

C. In furtherance of its operations described above, Tenant desires to lease from City certain premises and facilities and acquire certain rights, licenses, and privileges in connection with its use of the Airport, and the City is willing to lease and grant the same to Tenant upon the terms, provisions, and conditions hereinafter set forth; and

D. The Aviation General Manager has identified certain available space at the Airport which may be suitable for use by Tenant and has recommended that the City execute a lease for such space with Tenant; and

E. This Agreement has been authorized by Resolution XXXXX adopted by the Atlanta City Council on XXXXX and approved by the Mayor on XXXXX; which is attached hereto as Appendix I.

Now therefore, in exchange for the covenants contained herein the City and Tenant agree as follows:

1. Premises

The rights and obligations described in this Agreement pertain to the leased premises described on the attached Appendix A and shown on the attached Appendix B (the "Premises"), which Appendices are incorporated herein and made a part hereof by reference.

2. Expansion, Contraction, Relocation

The Aviation General Manager and Tenant may from time to time agree to the expansion,

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Alaska Airlines Inc., Lease Agreement**

contraction or relocation of part or all of the Premises (“Space Changes”). If the Aviation General Manager and Tenant do agree to the Space Changes, the rental paid by Tenant shall be adjusted based on the new square footage of the Premises. Such expansion, contraction or relocation shall not require further action of the Atlanta City Council and shall be effected by replacing Appendix A and Appendix B with revised Appendices approved by the Aviation General Manager and Tenant, provided however, that no such expansion shall increase or decrease the Premises by more than 2,000 square feet.

3. Use of the Premises

Tenant shall use the Premises in support of its passenger and/or cargo flight service operations at the Airport (the “Use”) and for no other purpose without the prior written consent of the Aviation General Manager.

4. Effective Date and Term

This Agreement shall be effective as of the 1st day of August 2012, which shall be the “Commencement Date”. The “Termination Date” shall be the earlier of September 20, 2017 or the actual effective date of termination in the event the Agreement is terminated as provided in Section 11, elsewhere in this Agreement, or by operation of law. The period beginning on the Commencement Date and ending on the Termination Date shall be referred to herein as the “Term”.

5. Usufruct; No Assignment or Sublet

Notwithstanding the Term, Tenant shall possess only a usufructuary interest in the Premises. This Agreement is not intended to, and shall not convey an estate for years or any real property rights beyond those benefits associated with a usufruct under the laws of the State of Georgia. Tenant may not assign any right or obligation conferred by this Agreement and may not assign or sublease any part of the Premises to any other party without the prior consent of the City, which consent may be given or withheld in the City’s sole discretion. Notwithstanding the foregoing, this Agreement can be assigned without the City’s consent to any corporation into which Tenant is merged or with which Tenant is consolidated.

6. Access; Compliance; Right of Entry

Tenant shall have access to the Premises at all times, provided that the City shall not be responsible or liable to Tenant for any period during which Tenant is unable to access the Premises due to a full or partial airport closure or any direct or indirect action of any party other than the City. In the event Tenant is prevented from accessing the Premises by a direct act of the City, Tenant’s sole and exclusive remedy shall be a pro rata abatement of rent for the period during which access was denied. Tenant’s right to access the Premises shall be subject to all applicable laws, regulations, rules, policies and directives pertaining to airport security and safety issued by the Transportation Security Administration, Federal Aviation Administration or the City. Tenant shall be solely responsible for the costs of complying with any such laws, regulations, rules, policies or directives. The City reserves the right to enter the Premises during

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the Term of this Agreement for maintenance, repair, and inspection upon reasonable notice to Tenant, unless such notice is impractical under the circumstances in which case no notice shall be required. No notice shall be required in the case of an actual or perceived emergency.

7. Condition and Maintenance of the Premises

Tenant accepts the Premises in its “as-is” condition. City makes no warranty either express or implied, as to the condition of the Premises or that the Premises will be suitable for Tenant’s purpose or needs. Tenant shall be solely responsible for any and all costs of maintaining its Premises. Tenant shall use commercially reasonable efforts to comply with the Terminal Curbside Policies as well as any other policies that deal in part or in whole with maintenance issues that have or may in the future be promulgated by the City.

8. Improvements, Modifications and Repairs

Tenant shall accomplish all necessary improvements, modifications, or repairs (hereinafter referred to collectively as “modifications”) as may be required for the Use at no expense to the City. The City will not reimburse Tenant for any costs incurred in connection therewith. City shall take title to all such modifications, excluding Tenant’s trade fixtures, equipment and other personal property, immediately upon installation or construction. Tenant must obtain the written consent of the Aviation General Manager prior to the commencement of any modifications to the Premises. Tenant must submit a request for modifications to the Aviation General Manager, along with detailed plans, specifications, schematic renderings, materials, color board(s), detailed layout and any other applicable documents or drawings, identifying trade fixtures or other personal property and equipment if known. If the Aviation General Manager requires the removal of the modifications, Tenant shall remove the modifications at termination and restore the Premises to its original condition as it was at the commencement of the Agreement, reasonable wear and tear excepted.

9. Rents and Charges

a. **Rent.** Rent shall be calculated and assessed based on the rate schedule set out in Appendix A, which is incorporated and made a part hereof by reference. Rental rates are subject to change from time to time during the Term upon fifteen (15) days written notice to Tenant. Rent is payable in advance on the first day of each month whether or not an invoice is issued to Tenant.

b. **Maintenance and Operations.** Tenant shall pay its pro rata share of maintenance and operations (“M&O”) charges, including utilities, whether furnished by City or purchased by City on behalf of Tenant, or furnished to Tenant by independent contractors. Tenant shall be invoiced separately for all such M&O charges by the Atlanta Airlines Terminal Corporation (“AATC”).

c. **Shared Costs.** Tenant shall also pay additional charges for the Use of the Premises arising from an allocation of shared costs including, but not limited to, the Automated Guideway Transit System, security, police, fire and insurance. These fees

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shall be due no later than ten (10) days from the date of the invoice.

d. **Tenant Finishes.** Tenant shall also pay its share of various airport improvement projects which are referred to in the various Central Passenger Terminal Complex leases as Tenant Finish Equipment and Systems Costs, or TFES-C rentals.

10. Place of Payment; Late Payment Penalties

a. All amounts due pursuant to this Agreement shall be payable to the CITY OF ATLANTA, DEPARTMENT OF AVIATION, P.O. BOX 920500, ATLANTA, GA 30392, or to such other place as designated in writing from time to time by the Aviation General Manager.

b. Any amount that is not paid within ten (10) days of the due date is subject to a late payment penalty calculated at the rate of ten percent (10%) per month (or fraction thereof) of the unpaid balance until paid, provided that the total amount of such penalty shall not exceed the maximum amount permitted by law. The date of payment shall be determined by the United States Postal Service cancellation date on the envelope transmitting the payment or comparable proof of mailing.

c. The termination of this Agreement shall not relieve Tenant of any liabilities or obligations hereunder which have accrued on or prior to the Termination Date. Tenant shall not abate, suspend, postpone, set-off, or discontinue any payments due hereunder, except as otherwise specifically provided in this Agreement.

11. Termination

a. Either party may terminate this Agreement with or without cause, at any time, upon thirty (30) days prior written notice to the other party.

b. The City may terminate this Agreement for default if Tenant fails to cure such default within ten (10) days of its receipt of written notice of default from the Aviation General Manager or his designee if such default is capable of being cured within such ten (10) day period. If such default is not capable of being cured within such ten (10) day period, City will not terminate this Agreement as long as Tenant commences to cure the default within such ten (10) day period and pursues such cure diligently to completion. Default shall consist of the failure by Tenant to comply with any condition or obligation set forth in this Agreement or with any law of the United States or the State of Georgia, or any ordinance of the City of Atlanta.

c. Tenant may terminate this Agreement for default if City fails to cure such default within ten (10) days of its receipt of written notice of default from Tenant if such default is capable of being cured within such ten (10) day period. If such default is not capable of being cured within such ten (10) day period, Tenant will not terminate this Agreement as long as City commences to cure the default within such ten (10) day period and pursues such cure diligently to completion. Default shall consist of the failure by City to comply with any condition or obligation set forth in this Agreement or with any law of

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the United States or the State of Georgia, or any ordinance of the City of Atlanta.

d. This Agreement is automatically terminated if Tenant becomes bankrupt, makes or proposes to make any arrangement for the benefit of creditors, has been adjudicated insolvent, has applied for reorganization of debts, has applied for the appointment of a receiver of its assets or to conduct its operations or has applied for a voluntary winding up or liquidation of its business.

12. Indemnity and Insurance

a. Tenant agrees to defend, indemnify and hold harmless the City, its officers, agents, officials and employees (hereinafter, collectively referred to as the “Indemnified Parties”) from and against all liability for bodily injuries to or deaths of persons or damage to property arising from the Use, or from Tenant’s occupation of the Premises, or otherwise from Tenant’s operations under this Agreement. Tenant also agrees to indemnify and hold harmless the Indemnified Parties from any and all losses, expenses, demands and claims against the Indemnified Parties sustained or alleged to have been sustained in connection with or to have arisen out of or resulting from the performance pursuant to this Agreement by Tenant, or any of its agents, contractors, subcontractors, officers or employees. Tenant further agrees that its obligation to indemnify and hold harmless the Indemnified Parties shall not be limited to the limits or terms of the liability insurance, required pursuant to this Agreement. However, nothing contained in this Section shall be construed as a release or indemnity by Tenant of an Indemnified Party from or against any loss, liability or claim to the extent arising from the negligence or willful misconduct of that Indemnified Party. Each party hereto shall give to the other prompt and timely written notice of any claim made or suit instituted coming to its knowledge which in any way directly or indirectly, contingently or otherwise, affects or might affect either, and each shall have the right to participate in the defense of the same to the extent of its own interest. This Indemnity and Insurance Section shall survive the termination or expiration of this Agreement.

b. Any and all companies providing insurance required pursuant to this Agreement must meet certain minimum financial security requirements as set forth below. These requirements conform to the ratings published by A.M. Best & Co. in the current Best’s Key rating Guide-Property-Casualty. Each of the companies providing insurance pursuant to this must have current, the following:

- i) Best’s Rating or other internationally recognized ratings acceptable to the City, in City’s reasonable judgment, of not less than A-.
- ii) Best’s Financial Size Category or other internationally recognized ratings acceptable to the City, in City’s reasonable judgment, of not less than Class IX.

If the issuing company does not meet these minimum requirements written notification shall be mailed by City to Tenant, which shall promptly obtain a new policy issued by an insurer meeting such minimum requirements, and shall submit evidence of the same to

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the Aviation General Manager as required herein.

c. Upon failure of Tenant to furnish, deliver and maintain such insurance as herein provided, Tenant shall be in default and, in addition to City’s other remedies, this Agreement, at the election of City, may be terminated. Failure of Tenant to obtain and/or to maintain any required insurance shall not relieve Tenant from any liability pursuant to this Agreement, nor shall these requirements be construed to conflict with Tenant’s indemnification obligations.

d. Any and all insurance required pursuant to this Agreement shall be maintained during the Term, including any extension, thereto. City shall have the right to inquire into the adequacy of the insurance coverages set forth in this Agreement and to require reasonable adjustments as necessary. Each and every agent acting as Authorized Representative on behalf of a company affording coverage pursuant to this Agreement shall warrant when signing the certificate of insurance that specific authorization has been granted by companies for the agent to bind coverage as required and to execute the certificate of insurance as evidence of such coverage. Each agent, contractor and/or subcontractor must meet the same insurance requirements.

e. City shall, without exception, be given not less than thirty (30) days notice prior to cancellation for other than non-payment of premium or for material change of any insurance required by this Agreement. Non-payment of premium shall require ten (10) days notice of cancellation. Confirmation of this mandatory thirty (30)-day notice of cancellation shall appear on the certificate of insurance and on any and all insurance policies required pursuant to this Agreement.

f. City shall be covered as an additional insured, as its interest may appear, under any and all insurance required pursuant to this Agreement, and such insurance shall be primary with respect to the additional insured. Confirmation of this shall appear on the certificate of insurance, and on any and all applicable insurance policies. However, this requirement does not apply to workers’ compensation or professional liability insurance.

g. Required Minimum Insurance Amount

Workers Compensation	Statutory
Bodily Injury by Accident/Disease	\$500,000 each policy

h. Commercial General Liability

Bodily Injury and Property Damage	\$100 Million combined single limit
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The following specific extensions of coverage shall be provided and indicated on the Certificate of Insurance.

- (1) Comprehensive Form
- (2) Contractual Insurance (Blanket or specific to this Agreement)

Attachment: Alaska Airlines Transmittal (14-R-3291 : Alaska Airlines HJAIA Agreement and Lease)

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- (3) Personal Injury
- (4) Broad form Property Damage
- (5) Premises-Operations

i. Airside Vehicle and Aircraft Liability

Bodily Injury and Property Damage \$50 Million combined-single limit.

The following specific extensions of coverage shall be provided and indicated on the Certificate of Insurance:

- (1) Comprehensive Form
- (2) Owned, hired, leased and non-owned vehicles to be covered
- (3) Specific liability for vehicles operated on the Airfield

13. Compliance with Laws

Tenant shall obey all applicable federal, state, local and Airport rules and regulations, as may be amended from time to time, governing conduct and operations at airports. Tenant shall obtain and maintain at its own expense, all present and future permits and licenses required by all local, federal and state authorities, pertaining to the performance of its operations at the Airport.

14. Tenant Obligation with Respect to Environmental Matters

a. During the Term of this Agreement: (i) Tenant shall at its own cost comply with all federal, state, and local Environmental Laws and regulations applicable to its use of the Premises; (ii) except as required in the ordinary course of business and in compliance with applicable Environmental Laws, Tenant shall not take any action that would subject the Premises to requirements under any applicable Environmental Laws for storage, treatment or disposal of Hazardous Materials. As used herein, the term “Hazardous Materials” means any hazardous or toxic substance, material, or waste, which is or becomes regulated by any local governmental authority or the United States Government. Hazardous Materials include, without limitation, any material or substance that is (i) defined as a “hazardous waste” “extremely hazardous waste,” or “restricted hazardous waste,” or similar term under any applicable laws now or hereafter enacted by the United States or the State of Georgia or any political subdivision thereof, or (ii) designated as a “hazardous substance” pursuant to Section 311 of the Federal Water Pollution Control Act (33 U.S.C. §1317), or (iii) defined as a “hazardous waste” pursuant to Section 1004 of the Federal Resources Conservation and Recovery Act, 42 U.S.C. § 6911 et seq. (42 U.S.C. § 903) or (iv) defined as a “hazardous substance” pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 et seq. (42 U.S.C. §9601 et seq.) (42 U.S.C. § 9601).

b. Except in strict compliance with all applicable Environmental Laws (as defined herein) and any other applicable requirements, Tenant shall not allow the entrance of Hazardous Materials, as defined below, from the Leased Premises into the sewage and

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storm water drainage system serving the Airport. Other than those materials necessary for the operation of an air cargo facility, including Tenant's equipment maintenance, Tenant shall not cause or permit any Hazardous Materials to be placed, held, stored, processed, treated, released or disposed of on or at the Leased Premises. Tenant hereby indemnifies the City from and against any breach by Tenant of the obligations stated in the preceding sentences, and agrees to defend and hold the City harmless from and against any and all loss, damage, cost and/or expenses (including, without limitation, fines assessed against the Tenant or the City, diminution in value of the Airport, damages for the loss or restriction on use of rentable or usable space or of any amenity on the Airport, damages arising from any adverse impact on leasing of space on the Airport, and sums paid in settlement of claims, reasonable attorneys' fees, consultant fees, and expert fees) which arise during or after the Term (as defined in Section 3 herein) as a result of such breach. This indemnification of the City by the Tenant also includes, without limitation, costs incurred in connection with any investigation of the site conditions or any cleanup, remedial, removal, or restoration work required by any federal, state or local governmental agency or political subdivision, in accordance with applicable Environmental Laws, because of Hazardous Material present in the soil or ground water on or under the Airport which results from such a breach. Without limiting the foregoing, if the presence of any Hazardous Material on the Airport caused or permitted by the Tenant results in any contamination of the Airport, the Tenant shall promptly take all actions at its sole expense as are reasonably necessary to return the Airport to the condition existing prior to the introduction of such Hazardous Material to the Airport or as are reasonably necessary to comply with applicable Environmental Laws; provided that the City's approval of such actions, and the contractors to be used by the Tenant in connection therewith, shall first be obtained.

As used herein, the term "Hazardous Material" means any hazardous or toxic substance, material, or waste which is or becomes regulated by any local governmental authority or the United States Government. The term "Hazardous Material" includes, without limitation, any material or substance which is (a) defined as a "hazardous waste", "extremely hazardous waste", or "restricted hazardous waste" or similar term under any laws now or hereafter enacted by the United States or the State of Georgia or any political subdivision thereof, or (b) designated as a "hazardous substance" pursuant to Section 311 of the Federal water Pollution Control Act (33 U.S.C. § 1317), or (c) defined as "hazardous waste" pursuant to Section 1004 of the Federal Resource Conservation and Recovery Act, 42 U.S.C. § 6911 et seq. (42 U.S.C. § 903), or (d) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 et seq. (42 U.S.C. § 9601).

As used herein, the term "Environmental Laws" shall mean all federal, state and local statutes, laws, codes, rules, regulations, ordinances, orders, standards, permits, licenses or requirements (including consent decrees, judicial decisions and administrative orders), currently in force, as amended or re-authorized, pertaining to the protection, preservation, conservation, or regulation of the environment, or imposing requirements relating to public or employee health and safety, including, without limitation, the FWPCA, RCRA, CERCLA, the Emergency Planning and Community Right to Know Act, 42 U.S.C. sec.

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11001 et seq., the Clean Air Act, 42 U.S.C. sec. 7401 et seq., the Toxic Substance Control Act, 15 U.S.C. sec. 2601 et seq., the Safe Drinking Water Act, 42 U.S.C. sec. 300F et seq., and the Occupational Safety and Health Act, 29 U.S.C. sec. 651 et seq., each as amended or re-authorized.

c. The City and its employees, representatives and agents shall have access to the Leased Premises during reasonable hours and upon reasonable notice to the Tenant in order to conduct periodic environmental inspections and tests of Hazardous Material contamination on or at the Leased Premises. Such periodic environmental inspections shall not be performed in a manner which will disrupt the operations of the Tenant.

15. Non-Disturbance

Any Use by Tenant or its officers, agents, officials and employees shall be conducted in an orderly and proper manner and shall not otherwise annoy, disturb, create a hazard, or be offensive to surrounding areas, or interfere with other projects on, or the operations of, the Airport. Tenant shall promptly comply, and shall cause its officers, agents, officials and employees to promptly comply, with any request from the Aviation General Manager to correct such demeanor, conduct or any other inappropriate or offensive activities or operations as determined in the reasonable discretion of the Aviation General Manager. By execution of this Agreement, Tenant agrees that in the event Tenant, or its officers, agents, officials and employees, fails to so comply, the Aviation General Manager may, without terminating this Agreement, exercise the right to stop any or all such objectionable operations being performed that are related to Tenant's Use of the Premises or impose a fine for the period of such non-compliance. The fine is ten percent (10%) of the rent due during the period of such noncompliance. City shall not be responsible for any expense or liability resulting from such stoppage or fine pursuant to this section.

16. Non-Discrimination

Tenant agrees that no person shall be excluded from participation, denied benefits, or otherwise discriminated against in connection with Tenant's Use or occupancy of the Premises because of race, color, creed, religion, sex, domestic relationship status, parental status, familial status, sexual orientation, national origin, gender identity, age, or disability, or political affiliation. Tenant shall use the Premises in compliance all requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A and as such Regulations may be amended. Tenant shall maintain and, upon demand, make available to an authorized representative of the City during normal business hours such of its books, records, accounts and other sources of information as may be pertinent to ascertain compliance with this provision.

17. Integrated Agreement, Modification

This Agreement contains all the agreements of the parties with respect to the Premises and the rights and obligations related thereto and, except as otherwise provided herein, cannot be further amended or modified except by written agreement of the parties. If the parties previously

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have entered into or do enter into any other agreement, license or lease covering premises or facilities at the Airport, this Agreement and the terms, conditions, provisions and covenants hereof shall apply only to the Premises herein particularly described, and shall supersede all prior agreements with respect thereto. Neither this Agreement nor any of the terms, conditions, provisions or covenants hereof shall in any way or in any respect change, amend, modify, alter, enlarge, impair or prejudice any of the rights, privileges, duties or obligations of either of the parties hereto under or by reason of any other agreement, lease or license between said parties.

18. Notices

All notices shall be mailed, using first class mail or overnight delivery, return receipt, to the respective parties at the following address:

IF TO CITY:

Aviation General Manager
City of Atlanta
Department of Aviation
6000 N. Terminal Parkway
Suite TA 4000
P.O. Box 20509
Atlanta, GA 30320

IF TO TENANT:

XXXXXXXXXX
XXXXXXXXXX
XXXXXXXXXX
XXXXXXXXXX
XXXXXXXXXX

Attachment: Alaska Airlines Transmittal (14-R-3291 : Alaska Airlines HJAIA Agreement and Lease)

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement by their duly authorized officers.

ATTEST: **ALASKA AIRLINES INC. (seal)**

Chief Operating Officer By: _____
XXXXXXXXXXXXXXXXXXXX

ATTEST: **CITY OF ATLANTA: (seal)**

Municipal Clerk By: _____
Mayor

APPROVED: APPROVED:

Aviation General Manager Chief Procurement Officer

APPROVED AS TO FORM:

Senior Assistant City Attorney

Attachment: Alaska Airlines Transmittal (14-R-3291 : Alaska Airlines HJAIA Agreement and Lease)