



AIRPORT COMMISSION MEETING

Agenda Item Executive Summary

Airport Conference Room, Palm Springs International Airport
3400 E. Tahquitz Canyon Way, Palm Springs, CA 92262
Wednesday, January 15, 2025 - 5:30 P.M.

The following agenda items were distributed on the next regular business day after the Airport Commission agenda packet was distributed to the Airport Commission, and at least 24 hours prior to the Airport Commission meeting.

AGENDA ITEM 8.J – Projects and Airport Capital Improvement Program Update

AGENDA ITEM 9 – Executive Director Report



AIRPORT COMMISSION MEETING AGENDA

Airport Conference Room, Palm Springs International Airport
 3400 E. Tahquitz Canyon Way, Palm Springs, CA 92262
 Wednesday, January 15, 2025 – 5:30 P.M.

To view/listen/participate virtually in the meeting live, please contact Andrew LeCompte at andrew.lecompte@palmspringsca.gov or the following telephone number (760) 318-3832 to register for the Zoom meeting. There will be an email with Zoom credentials sent after registration is complete, to access the meeting and offer public comment. Registration is not required to attend the meeting in person.

In addition, the meeting will also be teleconferenced pursuant to Government Code Section 54953 from the following location(s):

Commissioner Keith Young 161 North Rollins Rd. Millbrae, CA 94030	
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Each location is accessible to the public, and members of the public may address the Airport Commission from any of the locations listed above. Any person who wishes to provide public testimony in public comments is requested to register for the Public Comments portion of the meeting. You may submit your public comments to the Airport Commission electronically. Material may be emailed to: andrew.lecompte@palmspringsca.gov - Transmittal prior to the start of the meeting is required. Any correspondence received during or after the meeting will be distributed to the Airport Commission and retained for the official record.

To view Airport Commission meeting videos, click on [YouTube](#).

City of Palm Springs:		Riverside County: Margaret Park	City of Cathedral City: Christian Samlaska	City of Palm Desert: Kevin Wiseman
Kevin J. Corcoran – Chairman	Todd Burke – Vice Chairman			
Dave Banks	J Craig Fong	City of Indian Wells: Robert Berriman	City of Coachella: Denise Delgado	City of Rancho Mirage: Keith Young
Daniel Caldwell	Ken Hedrick			
Bryan Ebensteiner	Tracy Martin	City of La Quinta: Geoffrey Kiehl	City of Desert Hot Springs: Jan Pye	City of Indio: Rick Wise
David Feltman	Samantha McDermott			
Palm Springs City Staff				
Scott C. Stiles, ICMA-CM		Harry Barrett Jr., A.A.E.		Jeremy Keating, C.M.
City Manager		Executive Director or Aviation		Assistant Airport Director

- 1. CALL TO ORDER – PLEDGE OF ALLEGIANCE**
- 2. POSTING OF AGENDA**
- 3. ROLL CALL**

4. ACCEPTANCE OF AGENDA

5. PUBLIC COMMENTS:

Limited to three minutes on any subject within the purview of the Commission

6. APPROVAL OF MINUTES:

Minutes of the Airport Commission Regular Meeting of November 20, 2024.

7. INTRODUCTIONS:

7.A Lourdes Camarillo - Administrative Assistant

7.B Isabel Sicairos - Administrative Assistant

8. DISCUSSION AND ACTION ITEMS:

8.A. Contract Services Agreement for Customer Experience Program

8.B Leasing Policy

8.C Main Terminal Flooring Project Update

8.D Escalator Replacement Update

8.E Noise Committee Update

8.F Concessions Update

8.G Marketing Update

8.H Financial Update

8.I Employment Update

8.J Projects and Airport Capital Improvement Program Update

9. EXECUTIVE DIRECTOR REPORT

10. COMMISSIONERS REQUESTS AND REPORTS

11. REPORT OF COUNCIL ACTIONS:

11.A Past City Council Actions

11.B Future City Council Actions

12. RECEIVE AND FILE:

12.A Airline Activity Report December 2024

12.B Airline Activity Report Fiscal Year Comparison

13. COMMITTEES:

13.A Future Committee Meetings

13.B Committees Roster

ADJOURNMENT:

The Airport Commission will adjourn to the Regular Meeting on February 19, 2025, at 5:30 P.M.

AFFIDAVIT OF POSTING

I, Harry Barrett, Jr., Executive Director of Aviation, City of Palm Springs, California, hereby certify this agenda was posted on January 9, 2025, in accordance with established policies and procedures.

PUBLIC NOTICES

Pursuant to G.C. Section 54957.5(b)(2) the designated office for inspection of records in connection with the meeting is the Office of the City Clerk, City Hall, 3200 E. Tahquitz Canyon Way. Complete Agenda Packets are available for public inspection at: City Hall Office of the City Clerk. Agenda and staff reports are available on the City's website www.palmspringsca.gov. If you would like additional information on any item appearing on this agenda, please contact the Office of the City Clerk at (760) 323-8204.

It is the intention of the City of Palm Springs to comply with the Americans with Disabilities Act (ADA) in all respects. If, as an attendee or a participant at this meeting, or in meetings on a regular basis, you will need special assistance beyond what is normally provided, the City will attempt to accommodate you in every reasonable manner. Please contact the Department of Aviation, (760) 318-3800, at least 48 hours prior to the meeting to inform us of your particular needs and to determine if accommodation is feasible.



AIRPORT COMMISSION

**MINUTES OF THE REGULAR MEETING OF THE AIRPORT COMMISSION OF
THE PALM SPRINGS INTERNATIONAL AIRPORT**

Wednesday, November 20, 2024 – 5:30 P.M.

1. CALL TO ORDER:

Chairman Corcoran called the Airport Commission meeting to order at 5:30 P.M. The meeting was held in-person and via videoconference.

2. POSTING OF AGENDA: Posted on November 14, 2024.

3. ROLL CALL:

Commissioner’s Present:

Dave Banks (Palm Springs)	Geoffrey Kiehl (La Quinta)
Robert Berriman (Indian Wells)	Tracy Martin (Palm Springs)
Daniel Caldwell (Palm Springs)	Samantha McDermott (Palm Springs)
Kevin Corcoran (Palm Springs) - Chairman	Margaret Park (Riverside County)
Denise Delgado (Coachella)	Jan Pye (Desert Hot Springs)
Bryan Ebensteiner (Palm Springs)	Christian Samlaska (Palm Springs)
David Feltman (Palm Springs)	Kevin Wiseman (Palm Desert)
J Craig Fong (Palm Springs)	Keith Young (Rancho Mirage)

Commissioners Absent: Todd Burke (Palm Springs) and Ken Hedrick (Palm Springs)

Staff Present:

Scott Stiles, City Manager
 Harry Barrett, Jr., Executive Director of Aviation
 Jeremy Keating, Assistant Airport Director
 Daniel Meier, Deputy Director of Aviation, Marketing and Air Service
 Victoria Carpenter, Airport Administration Manager
 Christina Brown, Executive Program Administrator
 Andrew LeCompte, Executive Administrative Assistant
 Tanya Perez, Administrative Specialist
 Jake Ingrassia, Marketing and Communications Specialist
 Harman Singh, Project Manager
 Jeremy Holm, City Attorney
 Paul Alvarado, Fire Chief

Others Present:

Stephanie Nikho, Mead & Hunt, Inc.
Brian Carranza, Mead & Hunt, Inc.
Mark Waier, Daley Strategies
Debby Chen, Daley Strategies

4. ACCEPTANCE OF AGENDA:

ACTION: Accept the Agenda as presented. **Moved by Commissioner Wiseman, seconded by Commissioner Young, and unanimously approved noting the absence of Commissioners Burke and Hedrick.**

5. PUBLIC COMMENTS:

Member of the public, Gary Wexler, made comments related to the Master Plan.

6. APPROVAL OF MINUTES:

ACTION: Approve the minutes of the Airport Commission Meeting of July 10, 2024, **Moved by Commissioner Wise, seconded by Commissioner Wiseman, and approved 14 Yes; 2 Abstained noting the absence of Commissioners Burke and Hedrick.**

ACTION: Approve the minutes of the Airport Commission Meeting of September 12, 2024, **Moved by Commissioner Young, seconded by Commissioner Wiseman, and approved 14 Yes; 2 Abstained noting the absence of Commissioners Burke and Hedrick.**

7. INTRODUCTIONS:

7.A Harman Singh – Project Manager

Executive Director of Aviation Barrett introduced Project Manager Singh.

8. DISCUSSION AND ACTION ITEMS:

8.A Master Plan Update

Executive Director of Aviation Barrett provided a brief history of the Master Plan, the function of the Master Plan and the Airport Commission's role with the Master Plan.

Fire Chief Alvarado gave a presentation on the Palm Springs Fire Department, the department's history, station locations and emergency call response times.

Chief Alvarado highlighted the specific functions and training related to the Airport. Chief Alvarado gave a detailed overview of emergency call response times and the coverage map for each station. Commissioner Samlaska asked for information regarding Mutual Aid from neighboring cities. Chief Alvarado detailed how mutual aid functions between the City of Palm Springs and neighboring cities. Chief Alvarado mentioned that he was continuing to improve Mutual Aid policies and relationships to ensure it worked more efficiently for the City and its neighboring cities. Commissioner Delgado asked if Station 3 needed additional assistance from other stations, how did that work and which station would assist. Chief Alvarado stated that all stations had contingencies in place that would determine which stations would assist another station when needed. Commissioner Delgado explained how the Fire Stations in Coachella assisted each other. Chairman Corcoran asked if there was a plan in place for the potential of the Airport's enplanements doubling in the future. Chief Alvarado detailed his plan for the next ten years to account for the Airport's growth. Commissioner Fong asked how often incidents occur on the airfield. Chief Alvarado stated it varied week to week and the type of incidents varied as well. Commissioner Samlaska asked in the event of an incident on the airfield, would that automatically stop incoming air traffic. Chief Alvarado stated that it would be a mutual decision made with the Executive Director of Aviation, and Air Traffic Control.

Mark Waier and Debby Chen, representatives of Daley Strategies gave an update on the Master Plan Stakeholder presentations and the feedback received. Ms. Chen mentioned they had completed twenty-two Stakeholder presentations with eight additional scheduled. Mr. Waier highlighted feedback received from stakeholders including advantages and disadvantages for each of the Rental Car Center alternatives. Mr. Waier had presented the feedback to the Master Plan committee leadership and a third Rental Car Center alternative was created to address the stakeholder concerns regarding Rental Car Center Alternatives 1 and 2. Mr. Waier further explained that Rental Car Center Alternative 3 would be a hybrid facility with the North location being a smaller-scale facility that would focus on customer experience and the South location would function as storage, QTA (Quick Turn Around) and would house rental car administration offices. Mr. Waier stated Airport Staff was recommending Rental Car Center Alternative 3 and would be presenting Rental Car Center Alternative 3 at the December 5th, 2024, Master Plan Open House. Chairman Corcoran provided further detail on the construction phases for Rental Car Center Alternative 3 and functions for each location. Commissioner Martin asked if Rental Car Center Alternative 3 would be more expensive than Rental Car Center Alternatives 1 and 2. Mr. Waier stated that the cost of the North location cost would be reduced with the facility being changed from a five-story facility to a three-story facility. Regarding the South facility, Mr. Waier stated that it would only be built if needed in the future and would be a two-story facility built at a lower cost. Stephanie Nikho, representative of Mead & Hunt stated that the estimated cost for Rental Car

Center Alternative 3 would be similar to Rental Car Center Alternatives 1 and 2. Commissioner Berriman asked if the additional property needed for Rental Car Center Alternative 2 would still be purchased with Rental Car Center Alternative 3. Chairman Coracan stated that purchasing the additional property would still move forward with Rental Car Center Alternative 3. Commissioner Wise asked if car rental companies had provided feedback on Rental Car Center Alternative 3. Mr. Waier stated they had not. Commissioner Fong asked what the disadvantages of Rental Car Center Alternative 3 were and mentioned he believed one disadvantage being cannibalizing limited Airport land. Mr. Barrett stated that with the construction of the North Rental Car Center, it should alleviate any potential future parking capacity issues. Commissioner Wiseman offered his support for Rental Car Center Alternative 3. Chairman Corcoran asked if the planned phasing of Rental Car Center Alternative 3 and building the North facility at a smaller scale and cost would make the project a more feasible option than either Rental Car Center Alternatives 1 and 2. Mr. Barrett stated Rental Car Center Alternative 3 was more feasible and all decisions related to finances will be made later. Commissioner McDermott expressed her support for Rental Car Center Alternative 3 and the flexibility it provided for the future. Commissioner Berriman stated that he agreed with the statements made by Commissioner McDermott. Commissioner Wiseman stated that he believed having only one level below ground and two stories above ground should be considered for the North facility in Rental Car Center Alternative 3. Commissioner Delgado asked what was the planning period for the Master Plan. Mr. Barrett stated it was twenty years. Commissioner Delgado asked if the South facility in Rental Car Center Alternative 3 was not built within the twenty years, would the process have to be restarted with a new Master Plan. Mr. Barrett stated that it would not need to be restarted with a new Master Plan. Commissioner Delgado stated that more funding could be made available, the closer the project gets to the start of construction. Commissioner Ebensteiner asked how many years out the Master Plan states the North facility in Rental Car Center Alternative 3 was needed. Mr. Barrett stated it was needed at the current time. Commissioner Ebensteiner asked how many years out in the Master Plan states the South facility in Rental Car Center Alternative 3 was needed. Mr. Barrett stated it was fifteen years. Chairman Corcoran emphasized the flexibility and financial benefits of Rental Car Center Alternative 3. Commissioner Young asked for clarification that all customer-facing functions would only be in the North facility in Rental Car Center Alternative 3. Mr. Barrett confirmed that all customer-facing functions would only be in the North facility. Commissioner Wiseman asked if the QTA function in phase one would be housed outside of the North facility. Mr. Barrett confirmed QTA would not be in the North facility. Commissioner Martin asked if a cost analysis was completed to expand the current QTA area to meet future needs. Ms. Nikho and Mr. Waier both confirm that a cost analysis was not completed.

Stephanie Nikho, representative of Mead & Hunt, presented a brief overview of the scale of Rental Car Center Alternative 3. Ms. Nikho emphasized that two levels of the North facility would be underground and that only one level with rooftop parking would be above ground. Ms. Nikho stated that the facility would be shorter in height than the existing terminal. Chairman Corcoran asked about design details related to roof parking on the North facility. Mr. Barrett stated that all decisions related to design would be made later during the design phase of the project. Commissioner Martin asked what the cost difference between one level and two levels below ground was. Mr. Waier stated that for every level built below ground it would add approximately 30% to the cost of the North facility. Ms. Nikho stated that the approximate cost for the North facility would be \$296 million with one level below ground and two levels above ground and the approximate cost for the North facility would be \$323 million with two levels below ground and one level above ground. Commissioner Keihl asked if a traffic study was completed for Rental Car Center Alternative 3. Brian Carranza, representative of Mead & Hunt stated that a traffic study was not completed and Alternative 3 did not expect to have any additional traffic impacts from either Rental Car Center Alternative 1 and 2. Commissioner Ebensteiner asked if there were any known impacts with keeping QTA in its current location while only having the use of the North facility during phase one of the Rental Car Center Alternative 3. Mr. Barrett stated that area QTA was located was designated as Airside and was for Airport Operations. Ms. Nikho confirmed that the current location of QTA can be reverted to Airside use once the South facility was built. Commissioner Keihl asked if they would be voting on recommending Rental Car Center Alternative 3 without knowing the full cost of the project. Mr. Barrett confirmed that all decisions related to design and finances would come later. Commissioner Delgado reminded the commission that the project needs to be fully designed and ready to be built, to secure the financing needed to complete the project. Commissioner Ebensteiner asked if the Airport needs changed in the next fifteen years and a large facility was not needed, was there a plan in place. Mr. Barrett said Master Plans are designed to be flexible. Chairman Corcoran reminded the Commission that the design phase will come later in the process and that this needs to be emphasized at public facing events as well.

Chairman Corcoran opened public comments.

Member of the Public, Peter Moruzzi, commented that the Historic Society supported the North facility having two levels below ground and one level above ground. Mr. Moruzzi also asked for the exact height of the North facility and if the NEPA process was considered. Mr. Barrett stated that NEPA process will be completed as required. Commissioner Wiseman asked Mr. Moruzzi if there were any issues with the existing USO Building on the site where the North facility would be built. Mr. Moruzzi said no, because it was further north and not directly across the street from City Hall.

Member of the Public, Nickie McLaughlin, asked for the height of the North facility and if it would block the City Hall views.

Member of the Public, Chris Minard, asked for the height of the North facility.

Ms. Nikho stated that the approximate height of the North facility would be 15 feet per level. Mr. Carranza stated that the exact height of the North facility would not be known until the design phase.

Member of the Public, Chris Minard, asked for the height of the Terminal expansion.

Ms. Nikho stated the exact height for the Terminal expansion was not known. Chairman Corcoran asked if the terminal expansion would be a similar height of the Bono Terminal. Ms. Nikho stated it could potentially be the same height.

Public Comments were closed.

Commissioner Martin asked if there was future flexibility related to how many levels the North facility could be. Mr. Barrett stated that there was flexibility.

ACTION: Motion to vote to Recommend Rental Car Center Alternative 3. **Moved by Commissioner Calwell, seconded by Commissioner Park, and unanimously approved noting the absence of Commissioners Burke and Hedrick.**

8.B Federal Inspection Station Feasibility

Executive Director of Aviation Barrett presented the Federal Inspection Station (FIS) Feasibility. Mr. Barrett emphasized the importance of implementing a FIS facility to accommodate the need for international flights. Mr. Barrett mentioned that without an FIS facility, the Airport continued to lose potential business to other local airports. Commissioner Fong asked if an FIS facility at the Airport would be under the jurisdiction of the Customs and Border Protection (CBP) Director of the Los Angeles or San Diego region. Mr. Barrett confirmed it would be under the jurisdiction of Los Angeles. Commissioner Fong asked if it was possible that the CBP jurisdiction could be moved to the San Diego region in the future. Mr. Barrett responded that he could not confirm that at this time.

8.C Measure J Projects Update

Assistant Airport Director Keating and Project Manager Singh presented the Measure J Projects update. Mr. Keating gave a brief update on the history of Measure J Projects and the desire to reallocate Measure J funds from the Shade Structure project to the Terminal Floor project.

Mr. Singh provided a brief update on the Airport Outdoor Seating project. Chairman Corcoran asked which Commissioner originally proposed the Outdoor Seating project. Airport Administration Manager Carpenter confirmed it was former Commissioner Adams.

Commissioner Feltman questioned why the Airport does not want to move forward with the Shade Structure project as this was a priority for the local hospitality industry. Mr. Keating said there was a likelihood that the TNC area proposed for the Shade Structure project would be moved in the future and with that in mind, Airport staff would not want to commit Measure J funds to the Shade Structure project. Mr. Keating continued that the Terminal Floor project was a higher priority for the Airport, and it was determined that it would be a better utilization of Measure J funds. Commissioner Feltman asked when the TNC could be potentially moved. Executive Director of Aviation Barrett said that there are projects in place that would necessitate moving the TNC, an exact timeline was not known at this time. Commissioner Feltman reemphasized that the Shade Structure project was a high priority for the local hospitality industry. Chairman Corcoran gave a brief history of the Flooring Project and how it has evolved over time. Commissioner Wiseman asked for more information on what staff needed from the Commission to move forward with Measure J projects. Mr. Barrett stated that staff need the Commission to vote on recommending reallocating Measure J fund from the Shade Structure project to the Terminal Flooring project. Commissioner Wiseman asked when the next installment of Measure J funds would be deposited. Ms. Carpenter confirmed that Measure J funds are received on a continuous basis and the current amount of available Measure J funds was \$938,000. Chairman Corcoran confirmed that the estimated cost of the Shade Structure project was \$1,000,000 and provided more detail on steps needed to be completed before either the Shade Structure project or the Terminal Flooring project could commence. Mr. Barrett reemphasized that with the likelihood of the TNC being moved in the future and the unknowns related to the Historical Society approving the Shade Structures, there was less risk involved with the Terminal Flooring project. Commissioner Feltman stated that this could be true of any project in the Master Plan. Chairman Corcoran restated the lower risks involved with the Terminal Flooring project. Commissioner Feltman stated that there were no previous objections to the Shade Structure project and asked if there were new objections. Mr. Barrett said the official objection process from the Historical Society's had not commenced. Mr. Barrett continued that concerns from Airport staff where related to the TNC being moved in the next two years.

Commissioner Delgado left the meeting.

Chairman Corcoran opened Public Comments.

Member of the Public, Fred Bell, commented that he supports the Terminal Flooring project as it would reduce costs related to the upkeep of carpeting.

Commissioner Park left the meeting.

Member of the Public, Fred Bell, also commented he supports adding electric car charging stations at the Airport.

Public Comments were closed.

Chairman Corcoran gave a summary of the Shade Structure Project and the Terminal Flooring project. Commissioner Feltman asked if funds were reallocated to a new project, would it need to be presented to the Measure J Committee. Ms. Carpenter commented that she did not have an answer at this time. Commissioner Feltman asked for the City Attorney's opinion related to his question. City Attorney Holm recommended postponing the vote to reallocate Measure J funds to the next Commission meeting to allow for more information to be gathered. Commissioner Kiehl asked Ms. Carpenter to provide information regarding Measure D funds. Ms. Carpenter responded that a discussion related to Measure D funds could be added to the agenda at a future Airport Commission meeting. Commissioner Caldwell asked if the Shade Structure could be built in a manner that would allow it to be relocated in the future. Mr. Barrett stated that it would be challenging to build the Shade Structure in that manner.

ACTION: Motion to Postpone vote on reallocating Measure J Funds to the December 18, 2024, meeting. **Moved by Commissioner Wise, seconded by Commissioner Young, and unanimously approved noting the absence of Commissioners Burke, Delgado, Hedrick and Park.**

8.D Holiday Season Preparations

Marketing and Communications Specialist Ingrassia provided an update on holiday season preparations. Mr. Ingrassia mentioned specific messaging was being sent out to notify passengers to expect longer waiting times during the holiday season, including longer TSA lines. Commissioner Samlaska asked if the TSA Clear lines are expected to be longer as well. Mr. Ingrassia stated that they would still be shorter than traditional TSA lines.

8.E Operations, Properties & Facilities Committee Update

Operations, Properties & Facilities Committee Chairman Wiseman gave a brief recap of the November 20, 2024, Operations, Properties & Facilities Committee meeting.

Chairman Corcoran opened public comments.

Member of the Public, Fred Bell, Vice Chairman/ Manager Director of the Palm Springs Air Museum comment that the Palm Springs Air Museum was offering to place a Winglet Art display at the Airport. Chairman Corcoran mentioned that the Winglet Art would be added to the agenda for the next Airport Commission meeting.

Public Comments were closed.

8.F Marketing and Business Development Committee Update

Marketing and Business Development Committee Chairwoman McDermott gave a brief recap of the November 7, 2024, Marketing and Business Development Committee meeting, including an overview of the Fly My Airport website and its functionality and benefits. Commissioner Samlaska asked if Fly My Airport captures data related to passengers searching for routes the Airport currently does not service. Commissioner McDermott confirmed that Fly My Airport does capture this data.

8.G Financial Update

Airport Administration Manager Carpenter stated that the Financial Update was included in the agenda packet.

8.H Concessions Update

Airport Assistant Director Keating gave a brief update on Concessions.

8.I Employment Update

Chairman Corcoran gave a brief history of the Airports employment recruitment challenges. Executive Director of Aviation Barrett gave a brief Employment update. Chairman Corcoran shared more context related to employment recruiting challenges.

8.J Project and Airport Capital Improvement Program Update

Executive Director of Aviation Barrett stated that the Project and Airport Capital Improvement Program update was included in the agenda packet.

9. EXECUTIVE DIRECTOR REPORT

Executive Director of Aviation Barrett stated that the Executive Director report was included in the agenda packet.

10. COMMISSIONERS REQUESTS AND REPORTS:

11. REPORT OF COUNCIL ACTIONS:

- 11.A. Past City Council Actions
- 11.B. Future City Council Actions

12. RECEIVE AND FILE:

- 12.A Airline Activity Report September 2024
- 12.B Airline Activity Report Fiscal Year Comparison
- 12.C Feasibility Report October 2024

13. COMMITTEES:

- 13.A Future Committee Meetings
- 13.B Committee's Roster

ADJOURNMENT:

The Airport Commission adjourned at 8:02 P.M. to a Regular Meeting on December 18, 2024, at 5:30 P.M.



Andrew LeCompte
Executive Administrative
Assistant



AIRPORT COMMISSION STAFF REPORT

DATE: January 15, 2025

SUBJECT: APPROVE CONTRACT SERVICES AGREEMENT NO. 24P394 WITH PSM SQUARED, INC. FOR A CUSTOMER EXPERIENCE PROGRAM

FROM: Harry Barrett Jr., Executive Director of Aviation

BY: Department of Aviation

SUMMARY:

This action will recommend to the City Council the approval of Contract Services Agreement No. 24P394 with PSM Squared, Inc. in an amount not to exceed \$275,000, for a Customer Experience (CX) Program for the Palm Springs International Airport (Airport).

RECOMMENDATION:

This action will recommend to the City Council the approval of Contract Services Agreement No. 24P394 (**Attachment A**) with PSM Squared, Inc. for a customer experience program for the Palm Springs International Airport in an amount not to exceed \$275,000 for the three-year term beginning January 27, 2025 through January 26, 2028.

BACKGROUND:

The Airport is committed to enhancing passenger services and becoming one of the most accessible and customer-friendly Airports in the country. To support this effort, the Airport intends to implement a three-year CX Program. This initiative aims to deliver seamless, inclusive, and memorable travel experiences while addressing the rising passenger volumes and planned expansions. The program is designed to be fully implemented and executed within three years of its launch.

The CX Program will focus on several key areas:

- Developing job descriptions and training programs to equip new staff with the necessary skills to manage the program effectively.
- Establishing an accessibility program in compliance with the Americans with Disabilities Act (ADA) and incorporating advanced technology to enhance accessibility.
- Expanding the Volunteer Airport Navigator Program to better assist passengers.
- Ensuring consistent customer service during expansion projects, minimizing disruptions and maintaining high service standards.
- Introducing policies for passenger assistance, recognition programs, wayfinding, and queue management.
- Leveraging feedback and data to monitor performance and improve services.

The CX Program will include a detailed accessibility plan that ensures all services meet ADA compliance standards. This plan will not only help the Airport meet legal requirements, and it will also set a benchmark for accessibility, providing an inclusive and convenient travel experience for all passengers.

The Volunteer Airport Navigators Program plays a key role in assisting travelers with wayfinding, locating airport facilities, paging services, and directing passengers to ground transportation. They also work closely with airline representatives and Airport staff to ensure a positive experience. The Navigators are stationed year-round at an information desk located between the central lobby and baggage claim. During the busy tourist season, they staff portable information booths in the post-security courtyard, baggage claim, and ticket lobby, to help direct passengers to the appropriate Transportation Security Administration (TSA) security checkpoint lanes. The CX Program will identify opportunities for improvement or expansion of the Volunteer Airport Navigators Program.

The CX Program will also address seasonal travel demands, special events, and operational challenges, such as reducing car rental wait times and improving passenger flow. The Airport currently averages 67 to 77 flights daily during the busy tourist season and averages 20 to 25 flights daily in the summer months. The CX Program will take these seasonal fluctuations into account and recommend program adjustments as necessary to manage varying passenger traffic throughout the year.

During expansion projects, the CX Program will play a vital role in ensuring a positive passenger experience. Construction efforts often lead to temporary disruptions and the CX Program will ensure clear signage, wayfinding, and staff support to guide passengers through affected areas. This coordinated approach will minimize inconvenience and help passengers navigate construction zones smoothly, ensuring they feel supported and informed throughout the Airport.

Historically, the introduction of policies for passenger assistance, recognition programs, and queue management has been managed on an ad-hoc basis, requiring significant time

and resources. With the implementation of the CX Program, the Airport will have a structured and consistent approach to these initiatives, improving efficiency. This will enhance the overall passenger experience.

The Airport has set significant records in passenger traffic over the last two years, reflecting its growing importance as a travel hub. The ongoing Airport Master Plan update includes major terminal expansion plans, which will improve capacity and facilities. The CX Program will provide strategic recommendations for expanding the customer experience program post-expansion. Additionally, the CX Program will be essential for maintaining an excellent customer experience during the expansion of the baggage claim area and other facilities which will ensure a smooth transition and minimal disruption for travelers.

On February 13, 2024, Airport staff met with Airport Commissioners Burke and Feltman and Julie Sinclair, Visit Greater Palm Springs' Director of Brand Communications, to get their feedback on the development of the CX Program RFP scope of work. The meeting participants provided their feedback and agreed that it would be beneficial for the Airport staff to solicit a formal bid for professional consultant services to assist the Airport staff with the CX Program design.

On April 2, 2024, the Airport staff provided an overview of the feedback that was received at meeting that was held on February 13, 2024 to the Marketing and Business Development Committee (Committee), and the Committee was notified that staff would be working with the Procurement Department to solicit a formal bid.

On April 17, 2024, Marketing and Business Development Committee Chairman Burke notified the Airport Commission that staff would be working with the Procurement Department to solicit a formal bid for professional consultant services to assist the Airport staff with the CX Program design.

STAFF ANALYSIS:

The Aviation Department worked with the Procurement and Contracting Department to issue a Request for Proposals (RFP) to find a contractor for the needed services. The RFP was advertised in the local newspaper and published on the PlanetBids website. Three proposals were received by the deadline of November 20, 2024 as follows:

- 16x9 Inc. – Oakville, Ontario, Canada
- Customer Service Experts, Inc. DBA CXE Inc. – Oakland, MD
- PSM Squared, Inc. – Tempe, AZ (local office: El Segundo, CA)

The evaluation team made up of City staff from the Aviation Department and Visit Greater Palm Springs evaluated the proposals received against published criteria that included the firms experience, the staff experience, the understanding of the scope of work, local

preference, price, and interviews.

PSM Squared, Inc. was ranked the highest by the evaluation team and is being recommended for the award of the contract.

In December 2024, the Airport finalized a 2025-2029 Strategic Plan that established five interconnected strategic priorities that will guide the Airport's development:

1. People and Culture - Focuses on workforce development, training programs, and fostering an inclusive culture
2. Operational Excellence - Emphasizes safety, security, guest experience, and business development standards
3. Partnerships - Aims to maximize relationships with aviation organizations and community stakeholders
4. Infrastructure - Prioritizes sustainable modernization while preserving the airport's iconic architecture
5. Sustainability - Addresses environmental, financial, and social sustainability goals

The CX Program will be a key component for providing guidance that will be in alliance with the Airport's 2025-2029 Strategic Plan.

Staff recommends the Airport Commission recommend to City Council the approval of Contract Services Agreement No. 24P394 with PSM Squared, Inc. for the CX Program at the Airport. This recommendation is based on the vendor's proven expertise and their alignment with the Airport's strategic goals of enhancing accessibility, passenger services, and operational excellence. PSM Squared, Inc.'s approach prioritizes inclusive travel experiences, ensuring the program addresses the diverse needs of passengers.

FISCAL IMPACT:

Sufficient funds are budgeted in Fiscal Year 2024-25 in the Department of Aviation, Advertising Account 4157020-50145, the remaining annual amounts will be budgeted in future fiscal years.

ATTACHMENTS:

- A. Contract Services Agreement No. 24P394 (The following Agreement exhibits have been excluded to reduce the number of pages being provided in the agenda packet: Exhibit "B" – Insurance Provisions (pages 16–19), Exhibit "C" – Executive Order N-6-22 Certification (page 20), and Exhibit "D" – Federal Provisions (pages 21–66). The full agreement can be provided upon request to Andrew.LeCompte@palmspringsca.gov).

ATTACHMENT "A"
CONTRACT SERVICES AGREEMENT NO. 24P394
(THE FOLLOWING AGREEMENT EXHIBITS HAVE BEEN EXCLUDED TO REDUCE THE NUMBER OF PAGES BEING PROVIDED IN THE AGENDA PACKET: EXHIBIT "B" – INSURANCE PROVISIONS (PAGES 16–19), EXHIBIT "C" – EXECUTIVE ORDER N-6-22 CERTIFICATION (PAGE 20), AND EXHIBIT "D" – FEDERAL PROVISIONS (PAGES 21–66). THE FULL AGREEMENT CAN BE PROVIDED UPON REQUEST TO ANDREW.LECOMPTTE@PALMSPRINGSCA.GOV).



CONTRACT SERVICES AGREEMENT 24P394
CUSTOMER EXPERIENCE PROGRAM FOR PALM SPRINGS
INTERNATIONAL AIRPORT

THIS AGREEMENT FOR CONTRACT SERVICES ("Agreement") is made and entered into on January 27, 2025, by and between the City of Palm Springs, a California charter city and municipal corporation ("City"), and PSM Squared, Inc., an Arizona Corporation, ("Contractor"). City and Contractor are individually referred to as "Party" and are collectively referred to as the "Parties".

RECITALS

- A. City requires the services of a licensed and qualified vendor to provide Customer Experience Program for the Palm Springs International Airport, ("Project").
- B. Contractor has submitted to City a proposal to provide Customer Experience Program for the Palm Springs International Airport, under the terms of this Agreement.
- C. Based on its experience, education, training, and reputation, Contractor is qualified and desires to provide the necessary services to City for the Project.
- D. City desires to retain the services of Contractor for the Project.

NOW, THEREFORE, in consideration of the promises and mutual obligations, covenants, and conditions contained herein, and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

AGREEMENT

1. CONTRACTOR SERVICES

1.1 Scope of Services. In compliance with all terms and conditions of this Agreement, Contractor shall provide services to City as described in the Scope of Services/Work attached to this Agreement as Exhibit "A" and incorporated herein by reference (the "Services" or "Work"). Exhibit "A" includes the agreed upon schedule of performance and the schedule of fees. Contractor warrants that the Services shall be performed in a competent, professional, and satisfactory manner consistent with the level of care and skill ordinarily exercised by high quality, experienced, and well qualified members of the profession currently practicing under similar conditions. In the event of any inconsistency between the terms contained in the Scope of Services/Work and the terms set forth in this Agreement, the terms set forth in this Agreement shall govern.

1.2 Compliance with Law. Contractor shall comply with all applicable federal, state, and local laws, statutes and ordinances and all lawful orders, rules, and regulations when performing the Services. Contractor shall be liable for all violations of such laws and regulations in connection with the Services and this Agreement.

1.3 Licenses and Permits. Contractor shall obtain at its sole cost and expense such licenses, permits, and approvals as may be required by law for the performance of the Services required by this Agreement.

1.4 Familiarity with Work. By executing this Agreement, Contractor warrants that it has carefully considered how the Work should be performed and fully understands the facilities, difficulties, and restrictions attending performance of the Work under this Agreement.

2. TIME FOR COMPLETION

The time for completion of the Services to be performed by Contractor is an essential condition of this Agreement. Contractor shall prosecute regularly and diligently the work of this Agreement according to the agreed upon schedule of performance set forth in Exhibit "A." Neither Party shall be accountable for delays in performance caused by any condition beyond the reasonable control and without the fault or negligence of the non-performing Party. Delays shall not entitle Contractor to any additional compensation regardless of the Party responsible for the delay.

3. COMPENSATION OF CONTRACTOR

3.1 Compensation of Contractor. Contractor shall be compensated and reimbursed for the services rendered under this Agreement in accordance with the schedule of fees set forth in Exhibit "A". The total amount of Compensation shall not exceed \$275,000.

3.2 Method of Payment. In any month in which Contractor wishes to receive payment, Contractor shall submit to City an invoice for Services rendered prior to the date of the invoice, no later than the first working day of such month, in the form approved by City's finance director. Payments shall be based on the schedule of fees set forth in Exhibit "A" for authorized services performed. City shall pay Contractor for all expenses stated in the invoice that are approved by City and consistent with this Agreement, within thirty (30) days of receipt of Contractor's invoice.

3.3 Changes. In the event any change or changes in the Services is requested by City, Parties shall execute a written amendment to this Agreement, specifying all proposed amendments, including, but not limited to, any additional fees. An amendment may be entered into:

A. To provide for revisions or modifications to documents, work product, or Work, when required by the enactment or revision of any subsequent law; or

B. To provide for additional services not included in this Agreement or not customarily furnished in accordance with generally accepted practice in Contractor's profession.

3.4 Appropriations. This Agreement is subject to, and contingent upon, funds being appropriated by the City Council of City for each fiscal year. If such appropriations are not made, this Agreement shall automatically terminate without penalty to City.

4. PERFORMANCE SCHEDULE

4.1 Time of Essence. Time is of the essence in the performance of this Agreement.

4.2 Schedule of Performance. All Services rendered under this Agreement shall be performed under the agreed upon schedule of performance set forth in Exhibit "A." Any time period extension must be approved in writing by the Contract Officer.

4.3 Force Majeure. The time for performance of Services to be rendered under this Agreement may be extended because of any delays due to a Force Majeure Event if Contractor notifies the Contract Officer within ten (10) days of the commencement of the Force Majeure Event. A Force Majeure Event shall mean an event that materially affects the Contractor's performance and is one or more of the following: (1) Acts of God or other natural disasters occurring at the project site; (2) terrorism or other acts of a public enemy; (3) orders of governmental authorities (including, without limitation, unreasonable and unforeseeable delay in the issuance of permits or approvals by governmental authorities that are required for the Work); and (4) pandemics, epidemics or quarantine restrictions. For purposes of this section, "orders of

governmental authorities," includes ordinances, emergency proclamations and orders, rules to protect the public health, welfare and safety, and other actions of the City in its capacity as a municipal authority. After Contractor notification, the Contract Officer shall investigate the facts and the extent of any necessary delay, and extend the time for performing the Services for the period of the enforced delay when and if, in the Contract Officer's judgment, such delay is justified. The Contract Officer's determination shall be final and conclusive upon the Parties to this Agreement. The Contractor will not receive an adjustment to the contract price or any other compensation. Notwithstanding the foregoing, the City may still terminate this Agreement in accordance with the termination provisions of this Agreement.

4.4 Term. Unless earlier terminated in accordance with Section 4.5 of this Agreement, this Agreement shall continue in full force and effect for a period of three years, commencing on January 27, 2025, and ending on January 26, 2028, unless extended by mutual written agreement of the Parties.

4.5 Termination Prior to Expiration of Term. City may terminate this Agreement at any time, with or without cause, upon thirty (30) days written notice to Contractor. Where termination is due to the fault of Contractor and constitutes an immediate danger to health, safety, and general welfare, the period of notice shall be such shorter time as may be determined by the City. Upon receipt of the notice of termination, Contractor shall immediately cease all Services except such as may be specifically approved by the Contract Officer. Contractor shall be entitled to compensation for all Services rendered prior to receipt of the notice of termination and for any Services authorized by the Contract Officer after such notice. City shall not be liable for any costs other than the charges or portions thereof which are specified herein. Contractor shall not be entitled to payment for unperformed Services, and shall not be entitled to damages or compensation for termination of Work. If the termination is for cause, the City shall have the right to take whatever steps it deems necessary to correct Contractor's deficiencies and charge the cost thereof to Contractor, who shall be liable for the full cost of the City's corrective action. Contractor may not terminate this Agreement except for cause, upon thirty (30) days written notice to City.

5. COORDINATION OF WORK

5.1 Representative of Contractor. The following principal of Contractor is designated as being the principal and representative of Contractor authorized to act and make all decisions in its behalf with respect to the specified Services: Alicia Robertson, President/CEO. It is expressly understood that the experience, knowledge, education, capability, and reputation of the foregoing principal is a substantial inducement for City to enter into this Agreement. Therefore, the foregoing principal shall be responsible during the term of this Agreement for directing all activities of Contractor and devoting sufficient time to personally supervise the Services under this Agreement. The foregoing principal may not be changed by Contractor without prior written approval of the Contract Officer.

5.2 Contract Officer. The Contract Officer shall be the City Manager or his/her designee ("Contract Officer"). Contractor shall be responsible for keeping the Contract Officer fully informed of the progress of the performance of the Services. Contractor shall refer any decisions that must be made by City to the Contract Officer. Unless otherwise specified, any approval of City shall mean the approval of the Contract Officer.

5.3 Prohibition Against Subcontracting or Assignment. The experience, knowledge, education, capability, and reputation of Contractor, its principals, and employees, were a substantial inducement for City to enter into this Agreement. Contractor shall not contract with any other individual or entity to perform any Services required under this Agreement without the City's express written approval. In addition, neither this Agreement nor any interest may be assigned or transferred, voluntarily or by operation of law, without the prior written approval of City. Subcontracts, if any, shall contain a provisions making them subject to all provisions

stipulated in this Agreement including without limitation the insurance and indemnification requirements. If Contractor is permitted to subcontract any part of this Agreement by City, Contractor shall be responsible to City for the acts and omissions of its subcontractor(s) in the same manner as it is for persons directly employed. Nothing contained in this Agreement shall create any contractual relationships between any subcontractor and City.

5.4 Independent Contractor. Neither City nor any of its employees shall have any control over the manner, mode, or means by which Contractor, its agents, or employees, perform the Services required, except as otherwise specified. Contractor shall perform all required Services as an independent contractor of City and shall not be an employee of City and shall remain at all times as to City a wholly independent contractor with only such obligations as are consistent with that role; however, City shall have the right to review Contractor's work product, result, and advice. Contractor shall not at any time or in any manner represent that it or any of its agents or employees are agents or employees of City. Contractor shall pay all wages, salaries, and other amounts due personnel in connection with their performance under this Agreement and as required by law. Contractor shall be responsible for all reports and obligations respecting such personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance, and workers' compensation insurance. Contractor shall not have any authority to bind City in any manner.

5.5 Personnel. Contractor agrees to assign the following individuals to perform the services in this Agreement. Contractor shall not alter the assignment of the following personnel without the prior written approval of the Contract Officer. Acting through the City Manager, the City shall have the unrestricted right to order the removal of any personnel assigned by Contractor by providing written notice to Contractor.

Name:	Title:
Barbara Yamamoto	Project Manager
Alice Bimrose	Project Support
Alicia Robertson	President/CEO, Role: Executive Program Support

5.6 California Labor Code Requirements.

A. Contractor is aware of the requirements of California Labor Code Sections 1720 et seq. and 1770 et seq., which require the payment of prevailing wage rates and the performance of other requirements on certain "public works" and "maintenance" projects ("Prevailing Wage Laws"). If the Services are being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and if the total compensation is \$15,000 or more for maintenance or \$25,000 or more for construction, alteration, demolition, installation, or repair, Contractor agrees to fully comply with such Prevailing Wage Laws. Contractor shall defend, indemnify, and hold the City, its officials, officers, employees, and agents free and harmless from any claims, liabilities, costs, penalties, or interest arising out of any failure or alleged failure to comply with the Prevailing Wage Laws. It shall be mandatory upon the Contractor and all subcontractors to comply with all California Labor Code provisions, which include but are not limited to prevailing wages (Labor Code Sections 1771, 1774 and 1775), employment of apprentices (Labor Code Section 1777.5), certified payroll records (Labor Code Sections 1771.4 and 1776), hours of labor (Labor Code Sections 1813 and 1815) and debarment of contractors and subcontractors (Labor Code Section 1777.1).

B. If the Services are being performed as part of an applicable "public works" or "maintenance" project and if the total compensation is \$15,000 or more for maintenance or \$25,000 or more for construction, alteration, demolition, installation, or repair, then pursuant to Labor Code Sections 1725.5 and 1771.1, the Contractor and all subcontractors performing such Services must be registered with the Department of Industrial Relations. Contractor shall maintain registration for the duration of the Project and require the same of any subcontractors, as applicable. This Agreement may also be subject to compliance monitoring and enforcement by

the Department of Industrial Relations. It shall be Contractor's sole responsibility to comply with all applicable registration and labor compliance requirements.

6. INSURANCE

Contractor shall procure and maintain, at its sole cost and expense, policies of insurance as set forth in the attached Exhibit "B", incorporated herein by reference.

7. INDEMNIFICATION.

7.1 Indemnification. To the fullest extent permitted by law, Contractor shall defend (at Contractor's sole cost and expense), indemnify, protect, and hold harmless City, its elected officials, officers, employees, agents, and volunteers (collectively the "Indemnified Parties"), from and against any and all liabilities, actions, suits, claims, demands, losses, costs, judgments, arbitration awards, settlements, damages, demands, orders, penalties, and expenses including legal costs and attorney fees (collectively "Claims"), including but not limited to Claims arising from injuries to or death of persons (Contractor's employees included), for damage to property, including property owned by City, for any violation of any federal, state, or local law or ordinance or in any manner arising out of, pertaining to, or incident to any acts, errors or omissions, or willful misconduct committed by Contractor, its officers, employees, representatives, and agents, that arise out of or relate to Contractor's performance of Services or this Agreement. This indemnification clause excludes Claims arising from the sole negligence or willful misconduct of the Indemnified Parties. Under no circumstances shall the insurance requirements and limits set forth in this Agreement be construed to limit Contractor's indemnification obligation or other liability under this Agreement. Contractor's indemnification obligation shall survive the expiration or earlier termination of this Agreement until all actions against the Indemnified Parties for such matters indemnified are fully and finally barred by the applicable statute of limitations or, if an action is timely filed, until such action is final.

7.2 Design Professional Services Indemnification and Reimbursement. If Contractor's obligation to defend, indemnify, and/or hold harmless arises out of Contractor's performance as a "design professional" (as that term is defined under Civil Code section 2782.8), then, and only to the extent required by Civil Code section 2782.8, which is fully incorporated herein, Contractor's indemnification obligation shall be limited to the extent which the Claims arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Contractor in the performance of the Services or this Agreement, and, upon Contractor obtaining a final adjudication by a court of competent jurisdiction, Contractor's liability for such claim, including the cost to defend, shall not exceed the Contractor's proportionate percentage of fault.

8. RECORDS AND REPORTS

8.1 Reports. Contractor shall periodically prepare and submit to the Contract Officer reports concerning the performance of the Services required by this Agreement, or as the Contract Officer shall require.

8.2 Records. Contractor shall keep complete, accurate, and detailed accounts of all time, costs, expenses, and expenditures pertaining in any way to this Agreement. Contractor shall keep such books and records as shall be necessary to properly perform the Services required by this Agreement and enable the Contract Officer to evaluate the performance of such Services. The Contract Officer shall have full and free access to such books and records at all reasonable times, including the right to inspect, copy, audit, and make records and transcripts from such records.

8.3 Ownership of Documents. All drawings, specifications, reports, records, documents, and other materials prepared by Contractor in the performance of this Agreement shall be the property of City. Contractor shall deliver all above-referenced documents to City upon request of the Contract Officer or upon the termination of this Agreement. Contractor shall have no claim for further employment or additional compensation as a result of the exercise by City of

its full rights or ownership of the documents and materials. Contractor may retain copies of such documents for Contractor's own use. Contractor shall have an unrestricted right to use the concepts embodied in such documents.

8.4 Release of Documents. All drawings, specifications, reports, records, documents, and other materials prepared by Contractor in the performance of Services under this Agreement shall not be released publicly without the prior written approval of the Contract Officer.

8.5 Audit and Inspection of Records. After receipt of reasonable notice and during the regular business hours of City, Contractor shall provide City, or other agents of City, such access to Contractor's books, records, payroll documents, and facilities as City deems necessary to examine, copy, audit, and inspect all accounting books, records, work data, documents, and activities directly related to Contractor's performance under this Agreement. Contractor shall maintain such books, records, data, and documents in accordance with generally accepted accounting principles and shall clearly identify and make such items readily accessible to such parties during the term of this Agreement and for a period of three (3) years from the date of final payment by City hereunder.

9. ENFORCEMENT OF AGREEMENT

9.1 California Law. This Agreement shall be construed and interpreted both as to validity and to performance of the parties in accordance with the laws of the State of California. Legal actions concerning any dispute, claim, or matter arising out of or in relation to this Agreement shall be instituted in the Superior Court of the County of Riverside, State of California, or any other appropriate court in such county, and Contractor covenants and agrees to submit to the personal jurisdiction of such court in the event of such action.

9.2 Interpretation. This Agreement shall be construed as a whole according to its fair language and common meaning to achieve the objectives and purposes of the Parties. The terms of this Agreement are contractual and the result of negotiation between the Parties. Accordingly, any rule of construction of contracts (including, without limitation, California Civil Code Section 1654) that ambiguities are to be construed against the drafting party, shall not be employed in the interpretation of this Agreement. The caption headings of the various sections and paragraphs of this Agreement are for convenience and identification purposes only and shall not be deemed to limit, expand, or define the contents of the respective sections or paragraphs.

9.3 Waiver. No delay or omission in the exercise of any right or remedy of a non-defaulting Party on any default shall impair such right or remedy or be construed as a waiver. No consent or approval of City shall be deemed to waive or render unnecessary City's consent to or approval of any subsequent act of Contractor. Any waiver by either Party of any default must be in writing. No such waiver shall be a waiver of any other default concerning the same or any other provision of this Agreement.

9.4 Rights and Remedies are Cumulative. Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the parties are cumulative. The exercise by either Party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other Party.

9.5 Legal Action. In addition to any other rights or remedies, either Party may take legal action, in law or in equity, to cure, correct, or remedy any default, to recover damages for any default, to compel specific performance of this Agreement, to obtain injunctive relief, a declaratory judgment, or any other remedy consistent with the purposes of this Agreement.

9.6 Attorney Fees. In the event any dispute between the Parties with respect to this Agreement results in litigation or any non-judicial proceeding, the prevailing Party shall be entitled, in addition to such other relief as may be granted, to recover from the non-prevailing Party all reasonable costs and expenses. These include but are not limited to reasonable attorney fees,

expert contractor fees, court costs and all fees, costs, and expenses incurred in any appeal or in collection of any judgment entered in such proceeding.

10. CITY OFFICERS AND EMPLOYEES: NON-DISCRIMINATION

10.1 Non-Liability of City Officers and Employees. No officer or employee of City shall be personally liable to the Contractor, or any successor-in-interest, in the event of any default or breach by City or for any amount which may become due to the Contractor or its successor, or for breach of any obligation of the terms of this Agreement.

10.2 Conflict of Interest. Contractor acknowledges that no officer or employee of the City has or shall have any direct or indirect financial interest in this Agreement, nor shall Contractor enter into any agreement of any kind with any such officer or employee during the term of this Agreement and for one (1) year thereafter. Contractor warrants that Contractor has not paid or given, and will not pay or give, any third party any money or other consideration in exchange for obtaining this Agreement.

10.3 Covenant Against Discrimination. In connection with its performance under this Agreement, Contractor shall not discriminate against any employee or applicant for employment because of actual or perceived race, religion, color, sex, age, marital status, ancestry, national origin (*i.e.*, place of origin, immigration status, cultural or linguistic characteristics, or ethnicity), sexual orientation, gender identity, gender expression, physical or mental disability, or medical condition (each a "prohibited basis"). Contractor shall ensure that applicants are employed, and that employees are treated during their employment, without regard to any prohibited basis. As a condition precedent to City's lawful capacity to enter this Agreement, and in executing this Agreement, Contractor certifies that its actions and omissions hereunder shall not incorporate any discrimination arising from or related to any prohibited basis in any Contractor activity, including but not limited to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship; and further, that Contractor is in full compliance with the provisions of Palm Springs Municipal Code Section 7.09.040, including without limitation the provision of benefits, relating to non-discrimination in city contracting.

11. MISCELLANEOUS PROVISIONS

11.1 Notice. Any notice, demand, request, consent, approval, or communication that either Party desires, or is required to give to the other Party or any other person shall be in writing and either served personally or sent by pre-paid, first-class mail to the address set forth below. Notice shall be deemed communicated seventy-two (72) hours from the time of mailing if mailed as provided in this Section. Either Party may change its address by notifying the other Party of the change of address in writing.

To City: City of Palm Springs
Attention: City Manager/ City Clerk
3200 E. Tahquitz Canyon Way
Palm Springs, California 92262

To Contractor: PSM Squared, Inc.
Attention: Alicia Robertson
2121 South 48th Street, Suite 105
Tempe, AZ 85282

11.2 Integrated Agreement. This Agreement constitutes the entire understanding between the Parties and supersedes and cancels all prior negotiations, arrangements, agreements, representations, and understandings, if any, made by or among the Parties with respect to the subject matter in this Agreement.

11.3 Amendment. No amendments or other modifications of this Agreement shall be binding unless through written agreement signed by all Parties.

11.4 Severability. Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable law. In the event that any one or more of the phrases, sentences, clauses, paragraphs, or sections contained in this Agreement shall be declared invalid or unenforceable by valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining phrases, sentences, clauses, paragraphs, or sections of this Agreement, which shall be interpreted to carry out the intent of the Parties.

11.5 Successors in Interest. This Agreement shall be binding upon and inure to the benefit of the Parties' successors and assignees.

11.6 Third Party Beneficiary. Except as may be expressly provided for in this Agreement, nothing contained in this Agreement is intended to confer, nor shall this Agreement be construed as conferring, any rights, including, without limitation, any rights as a third-party beneficiary or otherwise, upon any entity or person not a party to this Agreement.

11.7 Recitals. The above-referenced Recitals are hereby incorporated into the Agreement as though fully set forth in this Agreement and each Party acknowledges and agrees that such Party is bound, for purposes of this Agreement, by the same.

11.8 Authority. The persons executing this Agreement on behalf of the Parties warrant that they are duly authorized to execute this Agreement on behalf of Parties and that by so executing this Agreement the Parties are formally bound to the provisions of this Agreement.

11.9 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.

12. COMPLIANCE WITH ECONOMIC SANCTIONS IN RESPONSE TO RUSSIA'S ACTIONS IN UKRAINE.

When funding for the services is provided, in whole or in part, by an agency controlled of the State of California, Consultant shall fully and adequately comply with California Executive Order N-6-22 ("Russian Sanctions Program"). As part of this compliance process, Consultant shall also certify compliance with the Russian Sanctions Program by completing the form located in Exhibit "C" (Russian Sanctions Certification), attached hereto and incorporated herein by reference. Consultant shall also require any subconsultants to comply with the Russian Sanctions Program and certify compliance pursuant to this Section.

13. FEDERAL PROVISIONS.

Since funding for the Services is provided, in whole or in part, by the Federal Aviation Administration, Supplier shall also fully and adequately comply with the provisions included in Exhibit "D" attached hereto and incorporated herein by reference ("Federal Provisions"). With respect to any conflict between such Federal Provisions and the terms of this Agreement and/or the provisions of state law, the more stringent requirement shall control.

[SIGNATURES ON NEXT PAGE]

**SIGNATURE PAGE TO CONTRACT SERVICES AGREEMENT
BY AND BETWEEN THE CITY OF PALM SPRINGS AND PSM SQUARED, INC.**

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the dates stated below.

CONTRACTOR:

By: _____
Signature

By: _____
Signature
(2nd signature required for Corporation)

Date: _____

Date: _____

CITY OF PALM SPRINGS:

APPROVED BY CITY COUNCIL:

Date: _____ Item No. _____

APPROVED AS TO FORM:

ATTEST:

By: _____
City Attorney

By: _____
City Clerk

APPROVED:

By: _____ Date: _____
City Manager – over \$50,000
Deputy/Assistant City Manager – up to \$50,000
Director – up to \$25,000
Manager – up to \$5,000

EXHIBIT "A"

SCOPE OF SERVICES/WORK

Including,

Schedule of Fees

And

Schedule of Performance

1.1 Background:

- A. The Contractor shall create a Customer Experience (CX) Program for the Palm Springs International Airport (Airport) . The three-year program will be starting with by creating job descriptions and training programs for the staff, followed by timelines and milestones in each year to add additional amenities and participants. The goal is to have the program fully executed within three years of the launch.
- B. Palm Springs International Airport aspires to become one of the most accessible airports in the country by implementing a robust and comprehensive accessibility program as part of the overall Customer Experience effort. To achieve this, the Airport expects the Contractor to include a detailed plan that fully develops an accessibility program as part of the CX program. The plan should include strategies for integrating advanced technology for seamless travel experiences and ensuring all proposed services meet ADA compliance standards. Through these efforts, PSP aims to set a benchmark for accessibility, ensuring a convenient and inclusive travel experience.
- C. The Airport has set remarkable records in passenger traffic for last two consecutive years, reflecting its growing popularity and importance as a travel hub the Airport is currently undertaking an Airport Master Plan update. This comprehensive update includes significant terminal expansion plans, improving capacity and facilities. These documents are available at PalmSpringsAirportMasterPlan.com. The Contractor shall be prepared to include strategic recommendations for expanding new customer experience program post-expansion. Additionally, a process for maintaining an excellent customer experience during the expansion of the baggage claim and future expansions is crucial to ensure a seamless transition and minimal disruption for travelers.
- D. Volunteer Airport Navigators offer important assistance to travelers such as general way-finding information and help in locating airport facilities, assistance in paging, accessing ground transportation services etc. They communicate with airline representatives and airport staff to make travelers' airport experience a positive one. The volunteer Airport Navigators are stationed year-round at an information desk located between the central lobby and baggage claim. During the busy tourist season, they also staff portable information booths in the post-security courtyard, baggage claim, and ticket lobby, and assist in directing passengers to the appropriate TSA security checkpoint lane. Volunteers are generally working from 9:00 AM to 9:00 PM seven days a week. The Contractor's work should include a review of this program and determine opportunities to expand or improve these services.
- E. The Airport offers 67 to 77 daily flights during the busy tourist season, while the summer months average 20 to 25 daily flights. The Airport encourages the Contractor to take this into consideration and make recommendations to expand and contract the proposed program based on the time of year, as necessary, to accommodate fluctuations in passenger traffic.

1.2 Scope:

- A. The Contractor shall develop policies and procedures for integrated training that will include the following:
 - 1. Training program for Customer Experience staff
 - 2. Training program for Palm Springs International Airport employees
 - 3. Training program for tenant employees
 - 4. Methods and best practices to provide training to each group of employees

- B. The Contractor shall develop a problem reporting plan that include:
 - 1. Employee hotline and informational lanyard cards
 - 2. Facility familiarization program for new staff
 - 3. Any additional recommendations or best practices
- C. The Contractor shall develop a program timeline that includes:
 - 1. A three-year timeline from first steps to fully realized program.
 - 2. A determination of which proposed amenities/programs to launch in each year of the three-year plan
 - 3. Milestones to achieve in each year of the program launch schedule
- D. The Contractor shall create positions and job descriptions as follows:
 - 1. Determine positions to be created to properly support the proposed program
 - 2. Develop job descriptions for all recommended positions
 - 3. Develop reporting structure for program staff
 - 4. Hours of operation for years one, two, and three
 - 5. Goal is to operate seven days per week by the end of the three-year plan
 - 6. Develop initial and recurring training schedules for various groups
 - 7. Develop milestones to determine when to add each recommended position
 - 8. Other recommendations for program staff development
- E. The Contractor shall determine and develop key performance indicators to measure success to include:
 - 1. Success of each individual initiative
 - 2. Monthly, quarterly, and annual tracking plan
 - 3. Overall program success
 - 4. Additional ways to measure success
 - 5. A process to automate measurements
- F. The Contractor shall develop a "Good Customer Service" recognition program which includes:
 - 1. Recognition and awards for each group: Customer Experience, Airport, and tenant staff
 - 2. On The Spot awards to instantly recognize good customer service
 - 3. Monthly, quarterly, and/or annual customer experience awards
 - 4. Plans to identify top fliers/airport passengers and integrate them into the "on the spot" awards program
 - 5. Any additional ideas for recognition
- G. The Contractor shall define and develop plan to add, enhance, and expand accessibility programs that include:

1. Accessibility is a top priority for PSP
 2. Accessibility programs to meet and exceed industry standards
 3. Plans to initiate, build, and launch each recommended program
 4. Tools to measure success of each recommended program
 5. Procedures to review future opportunities to add more accessibility programs
- H. The Contractor shall develop policies and procedures for Passenger Assistance Programs that includes:
1. A plan to improve and expand existing volunteer program
 2. A plan to implement animal therapy
 3. A plan to implement quiet airport program
 4. A plan to implement curbside to gate assistance, either from staff or third-party vendor
 5. Other recommendations
- I. The Contractor shall develop audit programs that include:
1. Concessions street pricing
 2. Facilities appearance and cleanliness
 3. Customer service/Secret shopping
 4. Other recommendations
- J. The Contractor shall develop a plan to capture feedback via multiple streams from PSP staff, tenant staff, passengers, community, and stakeholders to include the following:
1. A program to capture online and in person feedback and comments, consolidate data from multiple resources to create databases, create Net Promoter Scores, and reporting capabilities.
 2. A plan for Customer Experience staff to review and respond to inquiries seven days per week through social media, website, and other avenues, and record, sort, and analyze customer comments to gauge success of initiatives and effort.
 3. Development of a system for various groups to provide customer experience feedback via their mobile device including:
 - a. An App or widget on airport website (must be mobile friendly)
 - b. A map of proposed terminal locations to place signage to promote feedback for maximum engagement from all groups.
 - c. An evaluation of the effectiveness of PSP's current use of signage with QR codes linked to a survey form on the airport's website posted in various places around the terminal, with any possible recommendations for improvement.
 4. Develop a method to gather and analyze feedback on destination welcoming, including aspects such as availability of tourism information and the arrival experience at PSP.

- K. The Contractor shall create policies and procedures for special events including:
 - 1. Hosting public events in general
 - 2. Live music series
 - 3. Festival welcome activations
 - 4. Community engagement
 - 5. Program to celebrate various holidays throughout the year
 - 6. Other recommendations
- L. The Contractor shall create customer service plans for various construction projects to include:
 - 1. Identifying potential customer experience concerns during the upcoming baggage claim and terminal expansions
 - 2. Developing a plan to maintain a good Customer Experience during all planned construction
- M. The Contractor shall develop a method to track and better understand passenger movement, allowing the airport to segment by time of day and monitor the distribution and flow of passengers throughout the terminal complex, including parking lots, baggage claim, and rental car areas. This will help better manage facilities, determine optimal hours of operation for concessions, and address future needs.
- N. The Contractors shall research and propose potential options to shorten rental car counter lines. During the busy tourist season, these lines can extend up to an hour. Also assist the Airport in discovering ways the airport can help reduce the time arriving passengers spend in line.
- O. The Contractor shall develop a plan to improve Wayfinding and queue management.
- P. The Contractor shall suggest for consideration any additional customer experience recommendations they may have.

1.3 Schedule:

Work under this contract will commence on issuance of notice to proceed. The Contractor will have approximately six months to deliver the customer experience program plan, and all work shall be completed by the end of the contract term. Palm Springs International Airport aims to officially begin implementing the plan once delivered in approximately six months from notice to proceed, with the goal of rolling it out gradually over three years.

1.4 Compensation:

Work will be compensated on Lump Sum basis. Contract pricing includes all labor, expenses, and incidentals to complete the work outlined in the contract scope. The Contractor may request monthly payments based on the percentage of work completed for the previous month as long as a detailed progress report is provided to support the amount requested. No additional compensation will be due by the City unless the contract is modified for additional work requested by the City.

ATTACHMENT "G"
COST PROPOSAL
REQUEST FOR PROPOSAL (RFP 18-24)
CUSTOMER EXPERIENCE PROGRAM FOR PALM SPRINGS INTERNATIONAL AIRPORT

THIS FORM MUST BE COMPLETED AND SUBMITTED IN SEPARATE ELECTRONIC FILE #2 "Cost Proposal", NOT with Electronic File #1, Technical/Work Proposal*)

ITEM	DESCRIPTION	QTY	UNIT OF MEASURE	TOTAL
1	Customer Experience Program	1	Lump Sum	\$275,000.00

This cost reflects 6 months delivery of the Customer Experience Program Plan

Firm Name: PSM Squared Inc.

Signature of Authorized Person: 

Printed Name: Alicia Robertson

Title: President/CEO

Date: 11/20/2024



AIRPORT COMMISSION STAFF REPORT

DATE: JANUARY 15, 2025

SUBJECT: RECOMMEND THE ADOPTION OF AN AIRPORT LEASING POLICY,
GROUND AND TERMINAL LEASE TEMPLATES FOR THE PALM SPRINGS
INTERNATIONAL AIRPORT

FROM: Harry Barrett, Jr., Executive Director of Aviation

SUMMARY:

Palm Springs International Airport (Airport) proposes to recommend to City Council the adoption and implementation of an Airport Leasing Policy along with standardized ground and terminal lease templates for the Airport.

RECOMMENDATION:

This action will recommend to City Council the adoption of an Airport Leasing Policy (**Attachment A**), and the ground lease (**Attachment A-1**) and terminal lease (**Attachment A-2**) templates for the Airport.

BACKGROUND:

The FAA-approved the Airport Layout Plan (ALP) on January 10, 2011, which strategically allocates airport land for operational and support functions. The Airport currently manages over 940 acres of airport property with approximately 30 acres designated for future aeronautical development, 10 acres for non-aeronautical development, and over 280,000 square feet of terminal space for the opportunity to lease.

The Airport utilizes multiple lease types, including terminal, concessions, and land leases, each serving distinct operational needs. The Airports leasing objectives focus on revenue maximization, minimizing financial obligations in leased areas, fulfilling customer service goals, and attracting private investment rather than incurring airport debt. Currently, no formal leasing policy exists to govern these activities, making standardization essential for compliance with FAA guidelines and market demands.

To streamline the leasing process and ensure consistency in lease agreements, it is essential to develop standardized ground lease and terminal lease templates that complement the Airport Leasing Policy. These templates will serve as ready-to-use documents that incorporate standard terms and conditions, while allowing for customization based on specific

tenant needs and requirements. Having these templates readily available will not only expedite the leasing process but also ensure uniformity in lease administration and compliance with established airport policies.

The Airport generated revenue from non-aeronautical leases totaling \$640,370, aeronautical leases totaling \$1,271,130, and terminal leases totaling \$3,415,329 of the \$47,73,670 total revenue in FY24.

In the Executive Director Report dated November 18, 2024, under Emerging Developments, the need for an airport leasing policy was included as an item but not discussed. The Airport Leasing Policy, listed as Item 8.D was removed from the December 18, 2024 agenda so as to further refine the language regarding the length of term of leases. Additional language was inserted clarifying the calculation of rental rates for the Passenger Terminal Building.

The airport does not have a formalized leasing policy to govern the process of leasing land and terminal facilities at the Airport. In order to comply with current FAA guidelines and market requests, establishing a Leasing Policy is necessary.

STAFF ANALYSIS:

Airport staff engaged Frasca & Associates, LLC to develop a leasing policy that would provide guidelines in equitably developing new business relationships for the Airport. To ensure consistency in the development of these new business relationships, Frasca also created a ground lease and a terminal lease template. The leasing policy and accompanying templates were reviewed and feedback was provided by the City of Palm Springs, City Attorney.

Following this review, the Leasing Policy and Lease Templates were finalized in accordance with FAA orders and guidelines, incorporating market-based principles for rate setting. Rental rates for Signatory and Non-Signatory Airline tenants shall be calculated pursuant to the term of the Airport Use and Lease Agreement. The Leasing Policy defines that nonairline tenants be charged commercial rates that at least approximate the rates paid by Non-Signatory Airline tenants. Periodic market appraisals of Airport property are used in order to comply with FAA guidance related to fair market value. To maintain the value of these rates over time, the Leasing Policy identifies that rental rates shall be escalated annually each July 1 based on the Consumer Price Index.

An analysis was conducted on the future use of the leasing policy and lease templates. The following is a summary of that analysis.

Pros:

- Allow for the public use of the Airport in a manner that is fair, reasonable, and not unjustly discriminatory to its users.
- Ensure compliance with all applicable federal, state, and local laws, regulations, codes, executive orders, policies, guidelines, and requirements, including as they relate to the acceptance of grant funds.

- Establish a leasing structure which allows for the Airport to operate self-sufficiently and in a manner that promotes effective and efficient management by the City.
- Provide for the highest and best use of the Airport's facilities and land, with a preference towards Aeronautical Activities and meeting the aviation needs of the Palm Springs community.

Cons:

- The leasing policy and templates will not alter or modify any existing lease agreements with the City, including rents, fees, and requirements, but will be utilized as leases expire or are amended.
- All entities seeking to do business with the City at the Airport would still need to meet the requirements as outlined by the Airport's Minimum Standards document.
- Any request for a lease of more than five years would require the City to issue a Request for Proposal (RFP) to determine the market demand and level of competitiveness for the use of the given Premises.
- Any request for a lease of more than thirty years would require the City to complete a detailed economic analysis that quantifies the anticipated economic value received by the City. With the emergence of Advance Air Mobility, Autonomous Aerial Vehicle, and Unmanned Aircraft Systems, the FAA has provided guidance to prioritize the use of airport land for aeronautical purposes. Establishing the economic value analysis for leases exceeding 30 years provides the Director of Aviation the latitude to weigh the economic interests of the City of Palm Springs versus the FAA guidance on aeronautical purposes.

This policy documents cannot anticipate all conditions and circumstances encountered but serve as a more standardized path for leasing as interest in and development at the Airport continues.

Pursuant to City of Palm Springs Municipal Code §2.16.060 (4), staff recommends formalizing airport leasing practices to create equity and consistency through the proposed airport leasing policy, ground and terminal leasing templates.

FISCAL IMPACT:

The fiscal impact of this leasing policy and lease templates will be indirect at first with improved efficiency and productivity of the staff. Future impact would come from the introduction of new business relationships at the Airport. As existing leases expire, reversionary interests are exercised, and as new lease agreements are entered into, Airport revenues are expected to increase.

ATTACHMENT:

- A. Airport Leasing Policy
- A-1.Ground Lease Templates
- A-2.Terminal Lease Template

Attachment A
AIRPORT LEASING POLICY

AIRPORT LEASING POLICY
Palm Springs International Airport

SECTION 1: GENERAL STATEMENT OF POLICY

The City of Palm Springs, owner and operator of Palm Springs International Airport, has established this Leasing Policy to standardize the process for leasing Airport land and facilities.

The intent of the Leasing Policy is to achieve the following objectives:

- A. Allow for the public use of the Airport in a manner that is fair, reasonable, and not unjustly discriminatory to its users
- B. Ensure compliance with all applicable federal, state, and local laws, regulations, codes, executive orders, policies, guidelines, and requirements, including as they relate to the acceptance of grant funds
- C. Establish a leasing structure which allows for the Airport to operate self-sufficiently and in a manner that promotes effective and efficient management by the City
- D. Provide for the highest and best use of the Airport's facilities and land, with a preference towards Aeronautical Activities and meeting the aviation needs of the Palm Springs community

The rents, fees, and requirements established within this Leasing Policy shall be used in the development of new Agreements. Although this Leasing Policy does not alter existing Agreements between the City and pre-existing Lessees unless otherwise approved by the City, as a condition to any modification, amendment, waiver, extension, or other action a Lessee may request, the City shall require that the Lessee agree to modifications conforming of the Lessee's Agreement to this Leasing Policy. Upon the expiration or other termination of any such Agreements, the City shall require that any new or successor Agreements incorporate terms conforming to the provisions of this Leasing Policy.

In addition to fulfilling the requirements of this Policy, all entities seeking to provide Aeronautical Activity on Airport Property shall also meet the requirements outlined in the Airport's Minimum Standards document.

This Policy is not intended to, and does not waive, modify, or in any way limit or preclude the exercise of any rights the City may have under existing law and/or Agreements, and all such rights are and shall be expressly reserved.

A. Policy

It is the policy of the City that all Persons obtain an Agreement, in a form approved by the Director of Aviation and containing customary provisions included in the City's other similar Agreements, prior to engaging in any activity on the Airport. The City is not obligated to grant a Person an Agreement for the use and lease of Airport facilities, except as expressly provided for by the Applicable Laws.

To ensure financial sustainability of the Airport and its use in a fair, reasonable, and not unjustly discriminatory manner, it is also the City's policy to charge for land and building and other facility rentals

using a market-value approach, with rates regularly updated by appropriate Inflationary Indices, and periodically updated by Appraisal Study as appropriate for the Term of the Agreement, as described further in the following, in order to ensure that the rental rates charged by the City for Airport facilities reflect inflation and other market-driven changes.

B. Procedure

This Policy, including enforcement thereof, shall be maintained on behalf of the City by the Director of Aviation or his or her designee and updated from time to time as it deems necessary to ensure compliance with the Applicable Laws and the General Statement of Policy contained herein.

All Agreements shall be prepared by the City's staff and legal counsel and shall be reviewed prior to execution for compliance with this Policy and for general consistency with the City's other similar Agreements.

It is acknowledged that the City regularly issues competitive solicitations for the use, lease, and improvement of Airport property, subject to the City's Procurement Policy and applicable federal, state, and local rules and regulations, all of which shall govern in the event of a conflict with this Policy.

The City reserves the right to authorize variances from this Leasing Policy. All requests for variances from prospective lessees must be submitted to the City in writing. If approved, all variances must be described in writing with an associated justification in the City Council Staff Report accompanying the Agreement for approval.

To promote consistent use and efficient administration of this Policy, a Leasing Policy Guidebook has been developed in parallel to provide more detailed guidance on Policy implementation.

SECTION 2: DEFINITIONS

Aeronautical Activity—Means that term as defined in Section 16.02.015 of the City's Municipal Code.

Agreement—A written contract, executed between the City and a Person, and enforceable by law between the City and a Person, for the use and lease of Airport property, including but not limited to, transferring rights or interest in land and/or improvements, granting a concession, and/or otherwise authorizing and/or prohibiting the conduct of certain activities at the Airport.

Airport Use and Lease Agreement (AULA)—The Signatory Airline-Airport Use and Lease Agreement between the City and the Signatory Airlines serving the Airport, as the same may be modified, amended, or altered from time to time, including any successor agreements governing the use of the Airport by airlines.

Airport—The Palm Springs International Airport.

Airport Layout Plan (ALP)—The FAA approved scaled drawings depicting the existing physical layout for the Airport.

Applicable Laws—All applicable present and future federal, state, and local laws, rules, regulations, ordinances, and codes, as they may be amended from time to time, whether foreseen or unforeseen, ordinary as well as extraordinary.

Assignment—The transfer of all rights and provisions of a lease to any Person or group acting of more than 25% of present control of Lessee.

Appraisal Study—A study prepared in compliance with the Uniform Standards of Professional Appraisal Practice (USPAP) and FAA Compliance Guidance Letter 2018-3, *Appraisal Standards for the Sale and Disposal of Federally Obligated Airport Property*, as they may be updated from time to time, that is used to determine the fair market value of a specific, or substantially comparable, Airport facility.

City—The City of Palm Springs, California, owner and operator of Palm Springs International Airport.

City Council—The City Council that serves as the legislative body for the City of Palm Springs.

Commission—The Airport Commission of the City of Palm Springs, with responsibilities as specified by Section 2.16.060 of the City of Palm Springs Municipal Code.

Director of Aviation—The Executive Director of the Airport, as designated by the City from time to time to manage the Airport for the City and to act for the City with respect to this Policy.

FAA—The Federal Aviation Administration of the U.S. Government or any federal agencies succeeding to its jurisdiction.

Fire Code—The California Fire Code as adopted by reference, with some modifications, by the City of Palm Springs in Article VI of Chapter 8.04 of Title 8 of the Palm Springs Municipal Code.

Inflationary Index—The Consumer Price Index for all Urban Consumers (CPI-U) for the Riverside-San Bernardino-Ontario Metropolitan Statistical Area (MSA), as published by the Bureau of Labor Statistics, its successor, or substantively similar, widely adopted measurement of cost inflation for the Palm Springs region.

Lease—An agreement in which the City agrees to give the Lessee the exclusive right to occupy real property in exchange for rent to be paid by the Lessee. A Lease transfers to the Lessor a leasehold interest in the real property.

Leasing Policy—This Airport Leasing Policy for Palm Springs International Airport, as may be amended from time to time.

Lessee—A Person entering into an Agreement for use and lease of Premises at the Airport.

License—An agreement that gives the permission of a Person to use real property of the City for a specific purpose but does not transfer an interest in the real property. .

Minimum Standards—The qualifications, standards, and criteria set forth by the City, which must be met as a condition for the right to engage in any activity at the Airport.

Non-Aeronautical Activities—All activities at the Airport which do not fall under the categorization of an Aeronautical Activity.

Non-Signatory Airlines—Airlines not signatory to the AULA that have entered into a Non-Signatory Permit Agreement with the City.

Option Area—Additional Premises that a Lessee has the right or obligation to lease subject to certain conditions.

Permit—A permit is an official document that grants a Person permission to perform a specific activity, typically regulated by a government or regulatory agency. It does not grant exclusive use or possession of a property, only the right to conduct the permitted activity.

Person—Every natural person and every firm, association, partnership, corporation, society, or other organization.

Premises—Those areas designated in Agreement for Lessee use and lease.

Signatory Airlines—Airlines signatory to the AULA.

Term—The effective period of an Agreement.

Through the Fence—Means the right, by Agreement, to have direct access to the Airport from private property located contiguous to the Airport. Through the fence Operators, while being located off Airport property, have access to the Airport's runway and Taxiway system.

SECTION 3: GENERAL PROVISIONS FOR LEASING AIRPORT PROPERTY

A. Length of Term

The Term of a Lease at the Airport must not exceed five years unless Lessee has undertaken a more-than-nominal capital investment in the facility or property. Longer terms of up to 30 years are considered in cases where the Lessee has undertaken an investment in fixed improvements on the leased area, on a term consistent with the useful life of the fixed improvements, subject to the Applicable Laws and other applicable considerations, including compatibility with Airport planning and development studies, at the sole discretion of the Director of Aviation. Agreements with longer terms may contain periodic reinvestment requirements to maintain the Premises in a state of good repair and functional use.

The City may evaluate terms greater than 30 years for those Leases that are anticipated to generate significant economic benefits to the City. This evaluation should consist of a detailed economic analysis that quantifies the anticipated economic value received by the City in consideration for the longer Lease Term. Such analysis shall be presented to the Commission and to the City Council in connection with their review. However, consistent with federal grant assurances, no Agreement shall convey permanent property rights to the Lessee and any and all improvements constructed on a Lessee's leasehold shall revert to the City upon the expiration of the Agreement, pursuant to the provisions contained in Section 3(J), Reversion, herein. Agreements with shorter Terms, such as a month-to-month Permits, may be

authorized in cases where a minimal commitment is provided by the Tenant, or in which the Premises are not foreseen to be available for a longer term.

B. Use of the Leased Premises

Lessees shall use leased Premises only for the purposes explicitly set forth within its Agreement and only in the manner authorized by its Agreement, continuously and uninterrupted during the Term, subject to all Applicable Laws and Minimum Standards. Lessees may not use their facilities for commercial purposes unless pursuant to an Agreement with the City. Through the Fence activities shall be prohibited unless granted by the Director of Aviation, at his or her sole discretion, and accompanied by an access agreement as required by FAA Order 5190.6B, as may change from time to time. The Lessee shall obtain and maintain all applicable licenses, permits, certificates, or other authorizations of any governmental authority having jurisdiction thereover.

Lessees shall not use leased Premises in any manner which will create any waste or nuisance, disturb other tenants or users of the Airport, invalidate or be in conflict with insurance policies covering the Airport, or increase the rate of fire insurance. Lessees shall comply with all rules, orders, regulations, or requirements of the State and City Fire Codes. No solicitation of the public is allowed.

C. Lessee Responsibilities

All new Agreements will require the Lessee to maintain the leased Premises in a state of good repair, order and condition, including lawn maintenance and landscaping; parking lots; HVAC, plumbing, and other building systems; building structures and roofs; pavements, and all other equipment of facilities on the leased Premises as applicable. Lessees are also responsible for maintaining required insurance coverage as specified in Section 4, paying all applicable taxes, and paying all separately metered utilities on its leased Premises directly. All Premises must be returned to the City in original or better condition following the end of the Term.

D. Additional Rights of Lessee

Leases shall not grant rights to perform specific business or other activities. Lessee shall obtain required Licenses and Permits from the City, as appropriate, to conduct these activities.

E. Assignment and Subletting

Lessees shall not encumber, sublease, assign, or otherwise transfer an Agreement without prior written consent of City. In the event of any proposed Assignment or sublease, Lessees shall submit its request to the City 90 days in advance of the effective date of the proposed Assignment or sublease in order for the City to make its determination.

F. Rental Rates for the Passenger Terminal Building

Rental rates for Signatory and Non-Signatory Airline tenants shall be calculated pursuant to the terms of the AULA.

The City shall require nonairline tenants to execute a Permit to occupy and use space in the passenger terminal building. This Permit shall have a month-to-month Term (i.e., ability of either party to terminate with 30 days' notice) to provide for flexibility in reassignment to ensure the most efficient use of limited terminal space unless commercially appropriate for concession or other Lessees making a more-than-nominal investment in their leased Premises, in which case the provisions of Section 3(A), Term, herein and otherwise industry standard provisions shall be applied.

It is the policy of the City that nonairline tenants be charged commercial rates that at least approximate the rates paid by Non-Signatory Airline tenants over time. Rental rates for the initial Term shall be set to equal the Terminal Building Rental Rate calculated in accordance with the AULA times any Non-Signatory Airline rate premium specified by the AULA. However, the City reserves the right to take into account factors such as level of finish (e.g., finished versus unfinished), utilities (e.g., air conditioned versus not air conditioned), and other available infrastructure and equipment in setting rental rates.

The rental rate shall be escalated annually each July 1 by the appropriate Inflationary Index, with the indices for January to January comparison of the current to prior year. In no case, however, shall the rental rate for a succeeding year be less than that for the preceding year.

G. Rental Rates for Other Facilities

Differential rental rates shall be charged for land versus facilities and improvements, with rates for individual facilities set separately as appropriate, even when governed by the same Agreement.

The City shall maintain current appraisals for Airport land and facilities, with differential rates specified by type of Airport property (e.g., property used for Aeronautical Activities versus property used for Non-Aeronautical Activities and improved and unimproved land). Appraisals shall be updated at least once every three years but no less than every five. These rates shall be published on the City's website for the Airport in the annual Schedule of Rates, Fees, and Charges. The rental rate at the time of Agreement execution will be based on current appraised rates in order to comply with FAA guidance related to fair market value.

The City will contract with at least two independent appraisers to complete an Appraisal Study. All appropriate factors, including comparable Terms of other similar facilities on the Airport, and other similar facilities at other comparable airports in the region, shall be taken into account in establishing fair market value. If justifiable by the magnitude of the associated annual rent amount relative to the cost of the Appraisal Study, the City can conduct an Appraisal Study for the subject property to be leased. However, the City can, at its sole discretion, substitute an Appraisal Study for comparable properties completed within the last 12-month period.

The rental rate shall be escalated annually each July 1 by the appropriate Inflationary Index, with the indices for January to January comparison of the current to prior year. Appraisal rates shall be escalated annually until a new Appraisal Study is completed. Rental rates shall then be reset to fair market value at a minimum of every five years based on an updated Appraisal Study to be conducted by the City or its agents. In no case, however, shall the rental rate for a succeeding year be less than that for the preceding year.

The City reserves the right to establish alternative rental rates that more appropriately represent the economic factors of the Agreement between the Airport and Lessee.

H. Other Rents, Fees, and Charges

The City may charge separate rents, fees, and charges to recover the costs for allocable utilities, common area maintenance, refuse removal, janitorial services, communications infrastructure, and other costs directly and properly allocable to leased Premises. All such supplemental rents, fees, and charges shall be specified in the Agreement, except as otherwise required by law. The City shall have the right to charge an administrative fee component of not more than 15% for direct passthrough fees and charges.

Percentage of gross receipts fees may be charged to a concessionaire in lieu of, or as supplement to, rent as financial consideration for the privilege of doing business at the Airport.

Agreements shall specify uniform penalties for late payment or underpayment of rents, fees, and charges, including interest, with such interest accruing monthly.

I. Construction, Improvements, and Alterations

Any construction or alteration by a Lessee to its leasehold or facilities thereon shall be made in accordance with City design and construction standards and in accordance with Applicable Laws. Lessees in any Airport buildings shall ensure compliance with architectural guidelines, including signage. Lessees in the Wexler Terminal may warrant additional review by the Airport and Planning Department as it is a facility registered under the National Register of Historic Places.

Construction Plans or detailed plans with scope of work shall be submitted to the Airport for initial review of proposed construction, improvements, and alterations. Once approved by the Director of Aviation or his/her designee, the Lessee will be directed to submit permit(s) to the City for review and approval.

Lessees shall be required to obtain all required development and construction permit approvals from the city and external agencies, if applicable prior to the initiation of construction, and no construction or improvements shall occur unless advance written approval is provided by the City, not to be unreasonably withheld. Lessees shall be responsible for all City permit fees and fund or finance their own Improvements.

After obtaining all necessary permits, the Lessee shall coordinate with Airport staff to plan construction activities. Coordination may include, but is not limited to, establishing construction start dates, addressing contractor parking needs, arranging badging clearances, requesting utility shut-offs, and other related requirements.

In the event the City, at the request of the Lessee and at its sole discretion, incurs costs related to the financing, construction, improvements, and alterations of its leasehold, such costs shall be reimbursable by the Lessee.

J. Reversion

Any improvements constructed on a Lessee's leasehold, except movable furniture and trade fixtures, shall become property of the City upon expiration of its Agreement.

K. Compliance with Applicable Laws

Lessees shall comply with all orders, regulations, laws, and requirements of all governmental authorities arising from the use or occupancy of, or applicable to, the leased Premises.

L. Inspection by City

As prescribed by Section 16.38.065 of the City's Municipal Code, the Director of Aviation shall have the right of entry at reasonable times for repairs, maintenance, modification, or inspection of all facilities, buildings, and Improvements on Airport Property whether or not the right of entry is provided for in any Agreement or Permit. For facilities, buildings, and Improvements owned by Operators or Lessees, the Director of Aviation shall provide advanced notification in writing.

The Director of Aviation shall have the right of entry to facilities on Airport property without advanced notification during emergencies. Emergencies may include, but shall not be limited to, fire, flood, or Hazardous Materials leak, or for the protection of life, limb, or property.

M. Indemnification

Each Lessee shall agree to indemnify and hold harmless the City and its officers, officials, employees, and agents from and against all claims, from any cause, arising out of or relating to its Agreement, the tenancy created under its Agreement, or the Premises.

N. Change in Premises at Convenience of City

Leases shall allow the City to offer fair consideration, including like-for-like accommodations, moving expenses, buyout of tenant improvements, and other commercial terms to ensure the highest and best use of Airport facilities, with bias towards their use for aeronautical purposes.

O. Self-Help

After an appropriate notice and cure period, City retains the right to cure at its expense any deficiencies under Agreements, including any deficiencies related to the maintenance and condition of leased Premises, either during or at the end of the Term. Such expenses shall be reimbursable by the Lessee under the Agreement, with an administrative fee component of not more than [15]% and with interest on said sums from the date of payment by City.

P. Initiatives

The City may pursue voluntary initiatives from time to time and provide Lessees with incentives to encourage compliance, e.g. environmental, sustainability, or other "green" initiatives.

SECTION 4: REQUIRED LEASE LANGUAGE

A. Lease Templates

The City shall maintain standardized Lease language in the form of Lease templates by specific type of Agreement, which shall be updated from time to time. These templates shall be attached to this Policy as Exhibit A. Lease templates shall contain standardized language for the following Agreement types:

- Ground Leases (Aeronautical and Non-Aeronautical)
- Terminal Building (Aeronautical and Non-Aeronautical)

Separate standardized provisions shall be maintained for commercial use versus non-commercial use and Aeronautical Activities versus Non-Aeronautical Activities.

The standardized language shall contain provisions for:

- Insurance requirements
- Environmental compliance and remediation responsibilities
- Laws and regulations
 - Laws, agreements, and grant conditions
 - Non-discrimination
 - Disadvantaged Business Enterprises (DBEs)
- Financing
 - Bond indenture and subordination
- Other boilerplate City requirements, to be updated from time to time

SECTION 5: APPLICATION AND APPROVAL PROCESS

A. Statement of Interest Process

For any Agreement that is not competitively solicited, all Persons interested in entering into an Agreement with the City for the use and lease of land or a facility located on Airport property shall prepare a written Statement of Interest for the City's consideration. The Statement of Interest must include all information required by this Leasing Policy, Minimum Standards, and any additional documentation required by the City. The City will determine at its sole discretion whether the requesting entity meets the requirements of the Leasing Policy.

The written Statement of Interest must include the following information:

- i. Contact information
- ii. Form of business entity
- iii. Proposed use of property
- iv. Description of proposed property to be leased
- v. Requested Term of Lease
- vi. Preliminary drawings and specifications for the facility
- vii. Total proposed capital investment
- viii. Credit report, e.g. Dun & Bradstreet Credit Report
- ix. Financial pro-forma
- x. Certification by Certified Public Accountant of full amortization period for the cost of constructing the facility
- xi. Proof of ability to secure insurance
- xii. Current financial statement
- xiii. Bankruptcy information, if applicable
- xiv. Construction schedule
- xv. Evidence of financial ability to complete construction

- xvi. All information required by Minimum Standards, if seeking to engage in Aeronautical Activity
- xvii. Financial and operational references
- xviii. Signatures of authorized representatives serving as owners of the business

Once the Statement of Interest has been received, the City will review the provided information to determine whether an Agreement with the prospective lessee will be initiated. The City's decision will be provided to the prospective lessee shall not be unreasonably withheld and will be determined in accordance with Applicable Laws, this Leasing Policy, Airport planning documents, and other relevant considerations. Factors justifying a disapproval include, but are not limited to, the following:

- i. Safety hazard
- ii. Not meeting requirements of Minimum Standards or Leasing Policy
- iii. Insufficient financial capacity or creditworthiness
- iv. Inadequate space
- v. Non-compliance with ALP
- vi. Construction timetable not meeting requirements of the City
- vii. Anticipated congestion
- viii. False information
- ix. Violation of Airport Rules and Regulations or other Regulatory Measures
- x. Default on an Agreement

B. Requests for Lease Modifications

Agreements may contain provisions to lease additional Premises at a later date, either as a right or an obligation, subject to certain conditions. The rental rate calculation provisions associated with such Option Areas shall be specified in the Agreement.

An existing Lessee seeking an amendment or modification to its Agreement, such as a request to lease additional Premises, must provide his or her request in writing. The City shall provide a response, not to be unreasonably withheld, in writing.

Any changes to a Lessee's Premises will be memorialized in an amendment to its Lease.

SECTION 6: REQUESTS FOR PROPOSALS PROCESS

If a Statement of Interest is provided to the City which requests a Lease Term longer than [five] years, the City will issue a Request for Proposals (RFP) to determine the market demand and level of competitiveness for the use of the given Premises. The City also reserves the right to issue an RFP for any property within its Airport Layout Plan or as required by the Applicable Laws, including the City's Procurement Policy]. During the RFP process, the City will invite other entities to provide a Statement of Interest in accordance with the requirements outlined in Section 7 of this Leasing Policy.

If allowable by law, the City will initially maintain confidentiality with each entity regarding its Statement of Interest. Once further Statements of Interest are provided, or if no further Statements of Interest are provided, the City may choose not to enter into an Agreement or may choose to enter into an Agreement which most benefits the City and the public. The City may also enter into an Agreement with the entity which does not provide the highest financial return, if there is a reason why another arrangement would

be of greater benefit to the City or the public, determined by the City at its sole discretion. The City may also have a broker or other third party assist with the RFP process, providing information to the City to inform its final decision.

APPENDIX: STANDARD LEASE LANGUAGE EXHIBITS

- A-1 Ground Leases
- A-2 Terminal Leases

Attachment A-1
GROUND LEASE TEMPLATE

CITY OF PALM SPRINGS
AIRPORT GROUND LEASE [FOR NONAERONAUTICAL USE] OR
INDENTURE OF LEASE AND USE AGREEMENT [FOR AERONAUTICAL USE]

This [AIRPORT GROUND LEASE AGREEMENT OR INDENTURE OF LEASE AND USE AGREEMENT] (“Agreement”) is made and entered into this ____ day of _____, 20__ by and between the City of Palm Springs, a charter city and municipal corporation (“City”) and *****INSERT NAME*****, *****INSERT TYPE OF ENTITY***** (“Tenant”). City and Tenant may be individually referred to as “Party” or collectively as the “Parties”.

RECITALS

A. The City is the owner and operator of the Palm Springs International Airport (“Airport”) located at 3400 E Tahquitz Canyon Way, Palm Springs, CA 92262.

B. Tenant desires to lease property from the City in order to *****INSERT PROPOSED USE*****.

C. [APPLICABLE ONLY FOR AERONAUTICAL AGREEMENTS: Tenant desires (except as prohibited in this Agreement) to engage in any or all legally permitted businesses and uses, and desires to lease certain property and obtain certain rights at the Airport.]

NOW THEREFORE, for and in consideration of the mutual representations, warranties, covenants, obligations, privileges, conditions, and agreements set forth in this Agreement, the Parties hereby agree as follows:

1. **INCORPORATION OF RECITALS.** The recitals above are true and correct and are hereby incorporated herein by this reference.

2. **LEASED PREMISES.**

2.1 **Lease.** City hereby leases to Tenant and Tenant leases from City, certain real property located within the City of Palm Springs, County of Riverside, California, as more particularly described in Exhibit “A”, attached hereto and incorporated herein by this reference. This leased property, as defined herein, is leased to Tenant and referred to in this Agreement as the “Leased Premises”.

2.2 **Elements and Improvement Descriptions.** The Leased Premises consists of the following elements and improvements:

(a) *****INSERT DESCRIPTION OF LEASED PREMISES - I.E. UNIMPROVED, UNCOMPACTED NATIVE SOIL*****

2.3 **Other Elements or Improvements.** At the time of this Agreement was executed by the Parties, there were no other elements or improvements located or situated on the Leased Premises.

2.4 Acceptance of Leased Premises. Tenant hereby accepts the Leased Premises in the condition existing as of the date hereof. Tenant hereby agrees that the Leased Premises are in a good and tenable condition and acknowledges that it has inspected the Leased Premises and common areas of the Airport to its satisfaction and acknowledges that City is not obligated to make any repairs or alterations to the Leased Premises or common areas.

2.5 Reservations to City. Tenant further accepts the Leased Premises subject to any and all existing easements and encumbrances. City reserves the right without obligation to install, lay, construct, maintain and repair utilities and appurtenances necessary or convenient in connection therewith in, over, upon, through, across, under and along the Leased Premises or any part thereof, and to enter the Leased Premises for any and all such purposes. City also reserves the right to grant franchises, easements, rights-of-way and permits in, over, upon, through, across, under and along any and all portions of the Leased Premises. No right reserved by City in this clause shall be so exercised as to interfere unreasonably with Tenant's operations hereunder, and the rights granted to third parties by reason of this clause shall contain provisions that the surface of the land shall be restored as nearly as practicable to its condition prior to the construction upon completion of any construction.

3. TERM.

3.1 Original Term. The original term of this Agreement shall be for _____ () years, commencing at 12:00 a.m. on ____ day of _____, 20__ (the "Commencement Date") and ending at 11:59 p.m. on ____ day of _____, 20__ ("Original Term"), unless sooner terminated in accordance with this Agreement.

3.2 Extension of Term. Notwithstanding any provision of this Agreement to the contrary, at City's option and subject to the terms and conditions of this Agreement (unless otherwise modified in writing and in advance between the Parties), upon the expiration of the Original Term of this Agreement, City may extend the term for an additional _____ (XX) - year period ("Term Extension"), but is not bound to extend the term of this Agreement, provided that Tenant, in the opinion of City, is in full compliance with this Agreement.

(a) If Tenant desires to extend the term of this Agreement beyond the Original Term or any Term Extension, Tenant shall, no later than three hundred sixty-five (365) calendar days prior to the expiration of the Original Term or any Term Extension, give written notice to City to such effect.

(b) If, in the opinion of City, the Leased Premises are not deemed to have been maintained in compliance with this Agreement, City shall provide Tenant with a list of items requiring corrective action at Tenant's sole risk, cost, and expense. The list shall be provided by City to Tenant a minimum of two hundred seventy (270) calendar days prior to the expiration of this Agreement. Tenant shall have ninety (90) calendar days to complete the items on the list to the satisfaction of City.

3.3 Possession. The Tenant is granted full and complete access to the Leased Premises as of the Commencement Date of this Agreement and, so long as Tenant is not in default hereunder, the right to its possession for the duration of this Agreement.

3.4 Expiration or Termination of Term. Tenant shall, at the expiration of the term of this Agreement, or upon its earlier termination, return the Leased Premises in conformance with Section 15.

(a) Tenant shall allow City to inspect the Leased Premises and complete a walk-through to verify the condition of the Leased Premises.

4. **RENTS, FEES, AND OTHER CHARGES.**

4.1 Monthly Rent. The monthly rental for the use and occupancy of the Leased Premises for the Original Term shall be _____ dollars (\$XX,XXX) per month.

4.2 Annual Adjustments. Throughout the Original Term and any Term Extension, the annual rent shall be adjusted annually based on Consumer Price Index for all Urban Consumers (CPI-U) for the Riverside-San Bernardino-Ontario Metropolitan Statistical Area (MSA), as published by the Bureau of Labor Statistics, its successor, or substantively similar, widely adopted measurement of cost inflation for the Palm Springs region. The rent shall be escalated annually, effective each July 1st, using CPI-U indices comparing January of the prior year to January of the current year. The rent shall be escalated in this manner each July 1st with the exception of years in which a new appraisal study is completed.

4.3 Rent Study Adjustments. The annual rent will be adjusted to fair market value based on an updated appraisal study at least once every three years but no less than every five years. In no case, however, shall the rental rate for a succeeding year be less than that for the preceding year. The rent study or appraisal carried out by City or its agents will provide an estimate of fair market value. These rates shall be published on the City's website for the Airport in the annual Schedule of Rates, Fees, and Charges. The City reserves the right to establish alternative rental rates that more appropriately represent the economic factors of the Agreement between the Airport and Tenant.

4.4 Fees and Other Charges. Tenant shall pay the fees and other charges identified in the Airport's Rents and Fees Schedule to City when due and owing, which are subject to change from time to time. [APPLICABLE ONLY FOR AERONAUTICAL AGREEMENTS: Percentage of Sales. In the event that Tenant engages in any type of sales or services, then Tenant shall pay, in addition to the above-stated rents, percentage rents on such sales or services according to rates published on the Airport's website for Airport Fixed Base Operators.]

4.5 Payments. Payment of rents, fees, and other charges shall be made promptly without notice or demand, in legal tender of the United States of America.

(a) Payment of rent shall be made by Tenant to City monthly in advance on or before the first (1st) day of each month. The rent for any partial month shall be prorated.

(b) Payment of fees and other charges shall be made by Tenant to City monthly on or before the fifteenth (15th) day of each month for the previous month.

(c) Payments of rents, fees, and other charges shall be made by check or money order, payable to City. Payments shall be delivered or mailed to *****INSERT**

ADDRESS***, attention: Accounts Receivable or to such other location as may be directed in writing by City. Payments shall be made without any abatement, deductions, reductions, offsets, or counterclaims of any kind. Any portion of rent not received on or before fifteen (15) days past the due date, shall be deemed a material default of the terms of this Agreement and a breach.

(d) If any check is returned by the bank for any reason, Tenant shall pay a fifty dollar (\$50.00) returned check charge, in addition to applicable late fees, until cash, draft or other acceptable form of payment (as specified by the City) is received by the City. In the event of a returned check, the City may demand that payment of the returned check and/or all future payments be made by certified check, cashier's check, money order or cash.

4.6 Security Deposit. Prior to taking possession of the Leased Premises, Tenant shall deposit (and keep on account throughout the term of this Agreement) with City a security and damage deposit ("Security Deposit") in the amount of five-hundred dollars (\$500) (or the equivalent to two month's rent whichever is greater) as security for the return of the Leased Premises at the expiration of the term of this Agreement in conformance with Section 15, as well as the faithful, timely, and complete performance of the terms and conditions of this Agreement.

(a) The Security Deposit may be used in the event of termination of this Agreement. The Security Deposit may be used to cure any default or breach of this Agreement without prejudice to any other remedies available to City and that City may increase the Security Deposit in the event of default or breach.

(b) The Parties agree that the Security Deposit shall be increased in proportion to any increases in rents, fees, or other charges.

4.7 Late Charges. A late charge equal to ten percent (10%) per month on the unpaid balance for each month the rent is late shall be automatically added to any fees or other charges not received by City by the close of business five (5) calendar days after due and owing. Rent not received on or before fifteen (15) days past the due date shall be deemed a default of this Agreement. In addition to late charges, City shall be entitled to interest at the State of California judgment rate plus all costs and expenses incurred by City to collect (or attempt to collect) amounts past due, including without limitation, attorney and court fees, costs, and expenses.

(a) At the option of the City, rents tendered to the City subsequent to default may be rejected by the City, or accepted by the City, with the appropriate late fees. The City, at its sole discretion, may reject past due payments and consider the lease in breach. Acceptance of any such late charge by City shall in no event constitute a waiver of City's default with respect to such overdue amount, nor prevent City from exercising any of the other rights and remedies granted hereunder, nor be deemed a waiver of any other existing breach by the Tenant.

5. USE OF THE LEASED PREMISES AND CONDUCT OF TENANT.

5.1 Use of the Leased Premises.

(a) Tenant hereby acknowledges that the principal use of the Airport consists of the operation of a public airport and that all other operations and businesses which are now or

hereafter permitted by City, including the use hereunder, must be at all times be compatible with such principal use, as City shall, in its sole discretion, determine.

(b) The primary use of the Leased Premises permitted under this Agreement shall be a *****INSERT TYPE OF USE*****. Tenant shall, continuously and uninterruptedly during the term of this Agreement, conduct its activity, as permitted herein, upon the Leased Premises unless prevented from so doing by strikes, fire, casualty or other causes beyond Tenant's control, except during reasonable periods for repairing, cleaning and decorating the Leased Premises.

(c) Tenant shall, at Tenant's own cost and expense, obtain and maintain all licenses, permits, certificates or other authorizations of any governmental authority having jurisdiction thereover, including, but not limited to, the FAA, which may be necessary for the conduct in the Leased Premises of its business operations and activities. Without limiting the generality of the foregoing, Tenant shall comply with all applicable laws, resolutions, codes, rules, orders, directions, ordinances and regulations of any department, bureau or agency or any governmental authority having jurisdiction over the operations, occupancy, maintenance and use of the Leased Premises for the purpose demised hereunder, except for those requiring major alterations to the Leased Premises as distinguished from those relating to furniture, fixtures or equipment of Tenant therein. Tenant shall indemnify and save City harmless from and against any claims, penalties, losses, damages or expenses imposed by reason of Tenant's violation of any applicable law or the rules and regulations of governmental authorities having jurisdiction thereof.

(d) Tenant acknowledges City is entering into this Agreement in its proprietary capacity and not in its regulatory or governmental capacity. Nothing in this Agreement shall be construed as restraining, impairing or restricting the City in its regulatory or governmental capacity (referred to herein when acting in such capacity as "City"), or granting any rights upon Tenant with respect to the use, occupancy, development, or operation of the Leased Premises in a manner inconsistent with any laws or applicable requirements.

(e) Nothing in the approval of this Agreement by the City shall be binding on the City Council, Planning Commission, or any other commission, committee, board or body of the City regarding any approvals of the proposed developments required by such bodies regarding Tenant's use of the Leased Premises. Nothing in this Agreement, nor any action by Tenant with reference to this Agreement or any related documents shall be deemed to constitute issuance or waiver of any required City approval regarding the Leased Premises, or waiver or exercise of any legislative discretion of the City regarding any application, approval or other matter relating to Tenant's intended use of the Leased Premises.

(f) The City's approval of this Agreement does not constitute approval by the City of any proposed development on the Leased Premises or of other activity on the Leased Premises that would have a direct or reasonably foreseeable indirect environmental impact pursuant to the California Environmental Quality Act, Public Resources Code Section 21000 et seq. ("CEQA"). (See 14 C.C.R. §§ 15060(c); 15378(b).) Moreover, Tenant's future use or development of the Leased Premises is expressly conditioned on CEQA compliance. City shall conduct environmental review in accordance with CEQA prior to taking any discretionary action

with regard to any proposed development or use of the Leased Premises by Tenant. Nothing in this Agreement shall be construed to limit the City's discretion to consider and adopt any mitigation measure or project alternative, including the alternative of rejecting Tenant's applications for any proposed development or use of the Leased Premises by Tenant, as provided in Public Resources Code Section 21002. Following completion of the City's environmental review of any proposed development or use of the Leased Premises by Tenant, the City shall file a notice of such approval as provided in Public Resources Code Section 21152.

(g) Notwithstanding any other remedies of City hereunder, in the event of a breach of this Section 5.1, Tenant, upon receipt of written notice from City of said breach, shall cure said specified breach within five (5) business days. If cure is not performed within five (5) business days, City, at its option, may terminate this Agreement upon thirty (30) days' written notice. However, if Tenant has undertaken steps to cure within five (5) business days, then City shall not terminate this Agreement unless Tenant fails to diligently complete said cure. In such event, City may terminate this Agreement upon thirty (30) days written notice. Notwithstanding the foregoing, if at any time Tenant's breach has a material adverse effect on the operations of the Airport or creates an emergency situation that, in City's reasonable estimation, presents a risk to public health or safety, Tenant shall immediately commence to cure such breach.

5.2 Restrictions on Use.

(a) Tenant shall not use or permit the use of the Leased Premises for any purpose other than that set forth in Section 3.1 above, and Tenant shall comply promptly with all applicable laws, rules and regulations regarding the use of the Leased Premises, including, but not limited to all rules and regulations promulgated by the FAA. [APPLICABLE FOR NONAERONAUTICAL AGREEMENTS ONLY: Tenant shall not use the Leased Premises for commercial purposes unless pursuant to an Agreement with the City.] [APPLICABLE FOR AERONAUTICAL AGREEMENTS ONLY: In no event shall Tenant assign or sublease to a third party for the purpose of operating a full-service Fixed Base Operation on the demised premises. All uses of this property, now or in the future, shall be aviation-related uses.]

(b) Tenant shall not use or permit the use of the Leased Premises in any manner that will (A) tend to create or permit any waste or nuisance, (B) tend to disturb other tenants or users of the Airport, (C) invalidate or cause cancellation or be in conflict with fire or other hazard insurance policies covering the Airport, or (D) increase the rate of fire insurance for the Airport or of property located therein, over that rate in effect on the Commencement Date hereof. Tenant, at its expense, shall comply with all rules, orders, regulations or requirements of the State and City Fire Code. No solicitation of the public is allowed.

5.3 Airport Use. In connection with the ownership and use of the Airport by City, Tenant hereby agrees as follows:

(a) City reserves the right to further develop or improve the landing area of the Airport as it sees fit, regardless of the desires or views of Tenant, and without interference or hindrance. If the foregoing development or improvement shall have a material adverse effect on Tenant's use of the Leased Premises, the Parties hereto shall meet and confer prior to the commencement of such development or improvement.

(b) City reserves the right, but shall not be obligated to Tenant, to maintain and keep in repair the landing area of the Airport and all publicly-owned facilities of the Airport to standards established by City in City's sole discretion, together with the right to direct and control all activities of Tenant in this regard.

(c) This Agreement shall be subordinate to the provisions and requirements of any existing or future agreement between City and agencies of the United States relative to the development, operation or maintenance of the Airport.

(d) In the event any future structure or building is planned for the Leased Premises or in the event of any planned modification or alteration of any present or future building or structure situated on the Leased Premises, Tenant shall comply with the notification and review requirements covered in Part 77 of the Federal Aviation Regulations.

(e) It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of any exclusive right within the meaning of Section 308(a) of the Federal Aviation Act of 1958 (49 U.S.C. Section 1349).

(f) There is hereby reserved to City, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the Leased Premises. This public right of flight shall include the right to cause within the said airspace any noise inherent in the operation of any aircraft used for navigation or flight through the said airspace or landing at, taking off from or operating on the Airport.

(g) Tenant, by accepting this Agreement, expressly agrees for itself, its successors and assigns that it will not permit any natural growth or other obstruction on the land leased hereunder above a height as determined by the application of the requirements of Part 77 of the Federal Aviation Regulations. In the event the aforesaid covenants are breached, City reserves the right to remove the offending structure or object, all of which shall be at the expense of Tenant.

(h) Tenant shall not make use of the Leased Premises in any manner which might interfere with the landing and taking off of aircraft from the Airport, or which might otherwise constitute a hazard. In the event the aforesaid covenant is breached, City reserves the right to enter upon the Leased Premises and cause the abatement of such interference, at the expense of Tenant.

(i) This Agreement and all the provisions hereof shall be subject to whatever right the United States 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 or otherwise.

(j) Tenant shall conform to the Airport Rules and Regulations and FAA safety and security rules and regulations regarding use of the Airport operations area including runways, taxiways, aircraft aprons by vehicles, employees, customers, visitors, etc. in order to prevent security breaches and avoid aircraft incursions and vehicle/pedestrian deviations; will complete and pass an airfield safe driving instruction program when offered or required by the

Airport, and will be subject to penalties as prescribed by the Airport for violations of the Airport safety and security requirements.

5.4 Airport Security. Tenant is responsible for maintaining security in and around the Leased Premises or any other area adjacent to or upon the Airport which Tenant has an exclusive right to use or which Tenant otherwise controls. Tenant is further responsible for maintaining security with respect to access to and entry upon Airport operations areas, or other areas of the Airport designated by City from time to time as security areas, by employees, subtenants, contractors, invitees or customers of Tenant or any other person who enters the Airport operations areas at Tenant's invitation, direction, or authority, whether through or from the Leased Premises or otherwise.

5.5 Hazardous Materials.

(a) Restrictions. City acknowledges receipt and consents to Tenant's list of the current hazardous materials or toxic substances, as more particularly described on Exhibit "B", which are necessary or useful to Tenant's business and which are used, kept and stored in a manner that complies with all laws relating to such hazardous materials or toxic substances so brought upon or used or kept in or about the Leased Premises or the Airport. Notwithstanding the foregoing, Tenant shall not cause or permit any hazardous materials or toxic substances which are not included on the foregoing approved list to be brought upon, kept or used in or about the Leased Premises or the Airport by Tenant, its agents, employees, contractors or invitees, without the prior written consent of City. City's consent shall not be unreasonably withheld so long as Tenant demonstrates to City's reasonable satisfaction and covenants to City that such hazardous materials or toxic substances are necessary or useful to Tenant's business and will be used, kept and stored in a manner that complies with all laws relating to any such hazardous materials or toxic substances so brought upon or used or kept in or about the Leased Premises or the Airport. If Tenant breaches the obligations stated in the preceding sentence, or if the presence of hazardous materials or toxic substances on the Leased Premises or the Airport caused or permitted by Tenant results in contamination of the Leased Premises or the Airport, or if contamination of the Leased Premises or the Airport by hazardous materials or toxic substances otherwise occurs for which Tenant is legally liable to City for damage resulting therefrom, then Tenant shall indemnify, defend and hold City harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses (including, without limitation, diminution in value of the Leased Premises or the Airport, damages for the loss or restriction on use of rentable or usable space or of any amenity of the Leased Premises or the Airport, damages arising from any adverse impact on marketing of space in the Airport, and sums paid in settlement of claims, actual attorneys' fees, consultant fees and expert fees), which arise during or after the term of the Agreement as a result of such contamination. This indemnification of City by Tenant includes, without limitation, costs incurred in connection with any investigation of site conditions, including regular inspections, or any clean up, remedial, removal or restoration work required or recommended by any federal, state or local governmental agency or political subdivision because of hazardous materials or toxic substances present in the soil or ground water on or under the Leased Premises and/or the Airport. The indemnity, defense and hold harmless obligations of Tenant hereunder shall survive any termination of this Agreement. Without limiting the foregoing, if the presence of any hazardous materials or toxic substances on the Leased Premises or the Airport caused or permitted by Tenant results in any contamination of

the Leased Premises or the Airport, Tenant shall promptly take all actions at its sole expense as are necessary to return the Leased Premises and the Airport to the condition existing prior to the introduction of any such hazardous materials or toxic substances; provided that, City's approval of such actions shall first be obtained, which approval shall not be unreasonably withheld so long as such actions, in City's sole and absolute discretion, would not potentially have any material adverse long-term or short-term effect on the Leased Premises or the Airport.

(b) Testing Wells. City shall have the right, at any time, to cause testing wells to be installed on or about the Leased Premises and/or the Airport, in a manner that will not unreasonably interfere with the Tenant's use of the Leased Premises, and may, at its option, cause the ground water, soil and air to be tested to detect the presence of hazardous materials or toxic substances at least once every twelve (12) months during the term of the Agreement by the use of such tests as are then customarily used for such purposes. City shall provide Tenant with thirty (30) days prior written notice if it determines such testing wells are to be installed in order to minimize disruption to Tenant's business operations. If Tenant so requests, City shall supply Tenant with copies of such test results. City shall bear the cost of such tests and of the maintenance, repair and replacement of such wells, unless such test indicates that the presence of hazardous materials or toxic substances are the result of Tenant's operations on the Leased Premises. In that event, the cost of such tests and of the maintenance, repair and replacement of such wells shall be fully paid for by Tenant within ten (10) days after receiving a statement of charges from City.

(c) Access. City and City's agents shall have the right to inspect the Premises for the purposes of ascertaining Tenant's compliance with this Agreement, Airport Minimum Standards and Airport Rules and Regulations with notice at least five (5) days in advance of any inspection. The cost of such inspections shall be paid by City, unless such inspection reveals the presence of hazardous materials or toxic substances are the result of Tenant's operations on the Premises. In the event of a release, spill or mishandling of hazardous materials or toxic substances, Tenant shall immediately inform City verbally and in writing. Such notice shall identify the hazardous materials or toxic substances involved and the emergency procedures taken.

(d) Assignment and Subletting. It shall not be unreasonable for City to withhold its consent to any proposed assignment or sublease if: (A) the proposed assignee's or subtenant's anticipated use of the Leased Premises or the Airport involves the generation, storage, use, treatment or disposal of hazardous materials or toxic substances; (B) the proposed assignee or subtenant has been required by any prior landlord, lender or governmental authority to take remedial action in connection with hazardous materials or toxic substances contaminating a property if the contamination resulted from such assignee's or subtenant's actions or use of the property in question; or (C) the proposed assignee or subtenant is subject to an enforcement order issued by any governmental authority in connection with the use, disposal or storage of any hazardous materials or toxic substances.

(e) Definitions. As used herein, the terms "hazardous materials and/or toxic substances" mean (A) any hazardous or toxic substance, material or waste which is or becomes regulated by any local, state or federal government or special district, (B) designated as a "hazardous substance" pursuant to Section 1311 of the Federal Water Pollution Control Act (33

USC Section 1317), (C) defined as a "hazardous waste" pursuant to Section 1004 of the Federal Resource Conservation and Recovery Act, 42 USC Section 6901, et seq. (42 USC Section 6903), (D) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act, 42 USC Section 9601, et seq. (42 USC Section 9601), (E) defined as a "hazardous waste" or as a "hazardous substance" pursuant to Section 25117 or 25316 of the California Health and Safety Code, (F) substances defined as "hazardous materials" in the Hazardous Materials Transportation Act, 49 U.S.C. Section 5101 et seq., (G) any infectious wastes or substances, or (H) petroleum and any by-products thereof. References herein to specific statutes or laws shall also be references to any amendments of or applicable successor statutes or laws.

(f) Delivery of Inventory and Plans. During the term of the Agreement, Tenant shall immediately deliver to City (A) a new list of all such hazardous materials and toxic substances, each time Tenant adds or changes the materials or substances it may use and each time a material or substance used by Tenant becomes included within the definition of hazardous materials or toxic substances under this Agreement (due to new or revised laws or otherwise), and (B) copies of all reports required by any and all regulatory agencies governing the use, handling, storage and disposal of hazardous materials or toxic substances. Tenant shall obtain City's written consent prior to the use or storage of any such added or changed materials or substances.

(g) Insurance. Any increase in the premium for insurance carried by City or required of Tenant under this Agreement on the Leased Premises or the Airport which arises from Tenant's use and/or storage of these materials shall be solely at Tenant's expense. Tenant shall procure and maintain at its sole expense such additional insurance as may be necessary to comply with any requirement of any federal, state or local governmental agency or special district with jurisdiction.

(h) Storage. It is the intent of the parties hereto that the provisions of this Section 5.5 regarding the use and handling of hazardous materials and toxic substances shall also apply to Tenant's storage upon the Leased Premises of any substances, including, but not limited to, gasoline and diesel fuels, in above or below-ground storage tanks.

6. OPERATING EXPENSES.

6.1 Taxes and Assessments. Tenant shall pay without abatement, deduction or offset all real and personal property taxes, general and special assessments, and other charges of every description levied on or assessed against the Leased Premises, improvements located on the Leased Premises, personal property located on or in the land or improvements, the leasehold estate, or any subleasehold estate, to the full extent of installments falling due during the term, whether belonging to or chargeable against City or Tenant. Tenant shall make all such payments directly to the charging authority at least fifteen (15) days before delinquency and before any fine, interest or penalty shall become due or be imposed by operation of law for nonpayment. If, however, the law permits the payment of any or all of the above items in installments (whether or not interest accrues on the unpaid balance), Tenant may, at Tenant's election, utilize the permitted installment method, but shall pay each installment with any interest before delinquency. Tenant shall pay any charge or levy only upon the rent payable by the Tenant

under this Agreement to City, and any tax in lieu of property tax, but shall not be required to pay any franchise, state inheritance, succession, capital levy or transfer tax of the City, or any income, excess profits or revenue tax, or any other tax, assessments or charge attributable to City. In addition, City shall be solely responsible for any income taxes assessed against City arising out of its operation of the Airport or related to the rents received from Tenant.

If at any time during the term of this Agreement any tax, however described, is levied or assessed against City as a substitute, in whole or in part, for any real property taxes, or in addition to such real property taxes, Tenant shall pay before delinquency the substitute or additional tax or excise. Such substitutes include, but are not limited to, any possessory interest tax imposed on Tenant by California Revenue and Taxation Code Sections 103 and 107.

Tenant recognizes and understands that this Agreement may create a possessory interest subject to property taxes pursuant to Revenue & Taxation Code Section 107.6 and that, if a possessory interest is created, Tenant shall, in accordance with this Section 5, be responsible for payment of property taxes levied against such possessory interest. Any documentary transfer tax assessed upon the creation of a leasehold interest in the Premises under this Agreement shall be paid by Tenant. Tenant hereby expressly acknowledges that City has given Tenant notice that Tenant's possessory interest in the demised premises may be taxed.

Tenant's initials

(a) Proof of Compliance. Tenant shall furnish to City at least fifteen (15) days before the date when any tax, assessment or charge would become delinquent, receipts or other appropriate evidence establishing their payment. Tenant may comply with this requirement by retaining a tax service to notify City when the taxes have been paid.

(b) Proration. Taxes and assessments determined from the latest information available for the first and, if Tenant is not in default under this Agreement, the last year of this Agreement shall be prorated between the City and Tenant on the basis of a three hundred sixty-five (365) day year for any fractional portion of a tax fiscal year commencing July 1st and ending June 30th included within the term of this Agreement.

(c) Payment by City. In the event Tenant fails to pay such taxes or assessments, City may, at its option, after giving fifteen (15) days' notice to Tenant, pay any such taxes or assessments together with all penalties and interest which may have been added thereto by reason of any such delinquency or failure to pay, and may likewise redeem the Leased Premises or any part thereof, or the buildings or improvements located thereon, from any tax sale or sales. Any such amounts so paid by City shall become immediately due and payable as additional rent by Tenant to City, together with interest thereon at the maximum lawful rate from the date of payment by City until paid by Tenant. Any such payment shall not be deemed to be a waiver of any other rights of City hereunder. Tenant may, in good faith, contest any such tax or assessment at its expense. However, Tenant shall defend itself and City against the same and shall pay and satisfy any judgment including all penalties and interest that may be rendered

thereon. City may require Tenant to furnish City a surety bond or other security reasonably satisfactory to City in an amount equal to such contested tax or assessment, indemnifying City against liability for such tax or assessment and holding the Leased Premises free from the effect of such tax or assessment. City shall cooperate with Tenant in any such contest and shall execute any necessary legal documents incident thereto, but shall be held harmless by Tenant against all costs or expenses incident to such cooperation.

7. UTILITIES AND SERVICES.

7.1 Utilities. During the term of this Agreement, Tenant agrees to pay all charges and expenses in connection with utility services furnished to the Leased Premises and to protect City and the Leased Premises from all such charges and expenses. If any utilities are not separately metered for the Leased Premises, Tenant will arrange for separate meters at Tenant's expense and Tenant shall contract directly with utility providers. If separate meters are not possible, Tenant shall reimburse City for Tenant's pro rata share, as reasonably determined by City, of all shared utilities within ten (10) days after billing by City.

7.2 Tenant acknowledges that City has no obligation to provide utilities except those already furnished as of the date of this Agreement to the Premises or additional utilities. City shall not be liable to Tenant under any circumstances for damages or loss to Tenant's property, injury to person or property, or consequential damages, however occurring, through, in connection with, or incidental to failure to furnish or interruption of any utilities or services.

7.3 Tenant shall comply with all rules and regulations which City, any governmental agencies or authorities, or any utility company may establish for the use, proper functioning and protection of any such utility.

8. REPAIRS AND MAINTENANCE.

8.1 Tenant's Obligations to Maintain and Repair. Tenant shall maintain, or cause to be maintained, the Leased Premises and every part thereof in good order, condition and repair according to standards determined by City (whether or not such part of the Leased Premises requiring repair, or the means of repairing the same, are reasonably or readily accessible to Tenant, and whether or not the need for such repairs occurs as a result of Tenant's use, any prior use, the elements or the age of such part of the Leased Premises), including, without limiting the generality of the foregoing, (A) all buildings, structures or fixtures, including foundations, roofs, ceilings, floors, interior and exterior walls, (B) store fronts, windows, doors, hangar doors, plate glass, showcases, skylights, entrances and vestibules located within the Leased Premises, (C) automobile and aircraft pavement, driveways, landscaping, parking lots, fences and signs, and (D) all sprinkler systems, plumbing, sewers, drainage devices, heating, air conditioning, electrical facilities, equipment and other utilities or facilities serving the Leased Premises. Tenant shall commence any repair within thirty (30) days after the receipt by Tenant of written notice of the need for such repair, including any notice from City. City shall not be liable to Tenant by reason of any injury to or interference with Tenant's business arising from or connected with the need for or the making of any repairs, alterations or improvements. All repairs, modifications or improvements to the Leased Premises shall be performed in accordance with the building standards of the City, and it shall be the responsibility of Tenant to secure

appropriate permits from the City . Tenant shall keep the exterior of the improvements on the Leased Premises in a reasonably neat and attractive condition, free from waste or debris, and replace any trees, shrubs, plants, and ground cover as may be needed. Tenant shall screen and landscape all outside storage areas and service yards of the Leased Premises with fencing and landscaping approved by City, and shall not allow any temporary structures or facilities on the Leased Premises, without City's reasonable approval. [APPLICABLE TO AERONAUTICAL AGREEMENTS ONLY {TO BE CONFIRMED} All exterior paint colors shall be subject to the prior approval of the City.]

8.2 City's Remedies. In the event Tenant fails to perform its obligations under Section 8.1, City may, pursuant to Section 14.4 of this Agreement, after fifteen (15) days' written notice to Tenant to cure such failure, enter upon the Leased Premises and put the same in good order, condition and repair,

8.3 No City Obligations. City shall have no obligation to make any repairs to the Leased Premises other than as expressly and specifically set forth in this Agreement. Tenant hereby waives any and all rights provided in Sections 1941 through 1942, inclusive, of the Civil Code of California and hereby waives, to the extent permissible, any rights other than statutes or laws now or hereafter in effect which are contrary to the obligations of Tenant under this Agreement, or which place obligations upon City in addition to those provided in this Agreement.

8.4 City's Reservations of Rights. During the term of this Agreement, City reserves the right, in its sole discretion, to reconstruct, alter or improve the aircraft pavement areas of the Leased Premises, to such standards as it shall determine; provided, however, if such reconstruction, alteration or improvement to the aircraft pavement areas would result in a material adverse effect on Tenant's use of the Leased Premises, the parties hereto shall meet and confer prior to the commencement of such reconstruction, alteration or improvement. Tenant hereby acknowledges that City has no obligation to make such alterations or improvements.

8.5 Indemnity. Tenant shall indemnify and save harmless City against all actions, claims and damages by reason of (A) Tenant's failure to perform the terms of this Section 8, or (B) Tenant's nonobservance or nonperformance of any law, ordinance or regulation applicable to the Leased Premises, and any liability or duty to repair imposed by the laws of California.

9. PLANS AND SPECIFICATIONS; CONSTRUCTION; LIENS AND CLAIMS.

9.1 Approval of Plans. No improvement shall be erected, placed, altered or maintained on the Leased Premises unless plans and specifications have been approved in writing by City, at City's sole discretion. Prior to commencing construction of any building, structure or improvement (not including the internal layout) on the Leased Premises, Tenant shall notify City of the date of commencement and expected completion thereof and shall submit for approval plans and specifications in accordance with applicable rules and regulations of the City. In the event the City, at the request of the Lessee and at its sole discretion, incurs costs related to the financing, construction, improvements, and alterations of its leasehold, such costs shall be reimbursable by the Lessee.

9.2 Time for Approval. Tenant shall notify City in writing when completed plans and specifications for improvements to be erected, placed or altered on the Premises have been submitted to City ("Notice"). Such plans and specifications shall be processed in accordance with the normal procedures of the City. If City does not approve the plans and specifications, it shall notify Tenant of the reasons for its disapproval, and failure to so notify Tenant shall be deemed approval of the plans and specifications. By approving the plans and specifications, City does not represent or warrant that such plans and specifications comply with applicable law. Tenant shall be responsible, at Tenant's sole cost and expense, for securing all necessary governmental or quasi-governmental approvals of the plans and specifications and for securing all permits necessary to construct and operate any improvements or Approved Improvements.

9.3 Approval Delays. In the event the required approval process exceeds a period of *****INSERT TIME***** from the Commencement Date, or if Tenant is unable to obtain approvals necessary to use the Leased Premises for the use set forth in in this Agreement, Tenant shall have the option to terminate this Agreement in its entirety.

9.4 Commencement of Construction. Once Tenant has commenced construction, Tenant shall pursue the same with reasonable speed and dispatch in compliance with the approved plans and specifications. All construction shall be in accord with City design and construction standards and all applicable laws, ordinances and regulations. Tenant's construction shall not interfere with City's operation of the Airport, and Tenant shall comply with all directives of City related thereto. If Tenant is prevented from completing improvements on account of strikes, lockouts, failure of contractor or subcontractors, inability to procure material or labor in the free market, governmental restrictions, fire, earthquake, the elements, or other casualty or similar extraordinary conditions beyond Tenant's reasonable control (excluding financial difficulties, economic conditions or inability to obtain governmental approvals), then the Tenant shall thereafter proceed with all reasonable speed and dispatch to complete the improvements.

9.5 Liabilities. By approving plans and specifications, City assumes no liability therefor, or for any defect resulting from the plans and specifications. Tenant indemnifies and shall hold City harmless from any damage, loss or prejudice claimed, and from all expenses incurred arising out of approvals of plans and specifications or any improvement on the Premises. Tenant hereby assigns to City all warranties and guarantees of all material suppliers, contractors and subcontractors furnishing material or labor or otherwise relating to any improvements or Approved Improvements.

9.6 Approved Buildings and Improvements. All of the improvements shown in the approved plans and specifications constitute the "Approved Improvements." Substantial modifications to Approved Improvements shall be made only with prior written approval of City, except that City's prior written approval shall not be required for changes to the interior of any building on the Leased Premises. Notwithstanding the foregoing, nothing in this Section 9.6 shall limit, alter, or waive the building and permit requirements of the City.

9.7 Notice of Work. Before commencement of any construction, alteration, addition, replacement or restoration of any building, structure or other improvement, Tenant shall (A) give to City written notice of the work to be performed, specifying the nature and location of the

intended work and the expected date of commencement and completion thereof; and (B) provide City with written plans and specifications therefor, and shall have obtained the written approval thereof from the City as required above. City reserves the right at any time and from time to time to post and maintain on the Leased Premises such notices as may be necessary to protect City against liability for all such liens and claims.

9.8 Covenant Against Liens and Claims. Tenant shall not allow or permit to be enforced against the Leased Premises or any part thereof, any mechanic's, materialmen's, contractor's or subcontractor's liens arising from any claim growing out of work of any construction, repair, restoration, replacement or improvement, or any other claim or demand no matter how the same may arise. Tenant shall pay or cause to be paid all of said liens, claims or demands before any lawsuit is brought to enforce them against the Leased Premises. Tenant agrees to indemnify and hold the City and the Leased Premises free and harmless from all liability for any and all such liens, claims and demands, together with reasonable attorneys' fees and all costs and expenses incurred by City in connection therewith.

9.9 Tenant's Right to Contest Liens. Notwithstanding anything to the contrary set forth above, if Tenant shall in good faith contest the validity of any such lien, claim or demand, then Tenant shall, at its expense, defend itself and City against the same and shall pay and satisfy any adverse judgment that may be rendered thereon before the enforcement thereof against City or the Leased Premises. A condition to Tenant's right to contest the validity of any lien, claim or demand shall be that if City shall require, Tenant shall furnish to City evidence of a surety bond satisfactory to City in an amount at least equal to the contested lien, claim or demand, the effect of which is to indemnify City against liability for the same, and to hold the Leased Premises free from the effect of such lien or claim.

9.10 City Paying Claims. In the event Tenant shall fail to pay and discharge or cause to be paid and discharged, when due and payable, any tax, assessment or other charge upon or in connection with the Leased Premises, or any lien or claim for labor or material employed or used or any claim for damages arising out of the construction, repair, restoration, replacement, maintenance and use of the Leased Premises and any improvements thereon, or any judgment on any contested lien or claim, or any insurance premium or expense in connection with the Leased Premises and improvements, or any other claim, charge or demand which Tenant has agreed to pay or cause to be paid under the terms of this Agreement, and if Tenant, after fifteen (15) days' written notice from City to do so shall fail to pay and discharge the same, or in the event Tenant contests such tax, assessment, claim or charge and fails to post security as provided elsewhere in this Agreement, then City may, at his option, pay any such tax, assessment, insurance expense, lien, claim, charge or demand, or settle or discharge any action therefor, or judgment thereon, and all costs, expenses and other sums incurred or paid by City in connection with any of the foregoing shall be paid by Tenant to City upon demand, together with ten percent (10%) interest thereon from the date incurred or paid. Any default in such repayment by Tenant shall constitute a breach of the covenants and conditions of this Agreement.

9.11 Prevailing Wage. Tenant acknowledges that any improvements, alterations or repairs on the Leased Premises, may be subject to the payment of prevailing wage under the provisions of the California Labor Code. To the extent any such improvements, alterations, or repairs are subject to prevailing wage requirements, the following shall apply:

(a) Tenant shall and shall cause its contractors and subcontractors to: pay prevailing wages in the construction of any improvements, or alterations on the Leased Premises, or any other work as those wages are determined pursuant to Labor Code Sections 1720 et seq.; to employ apprentices as required by Labor Code Sections 1777.5 et seq.; and comply with the other applicable provisions of Labor Code Sections 1720 et seq., 1725.5, 1771, 1771.1, 1771.4, 1776, 1777.5 et seq., 1810-1815 and the implementing regulations of the Department of Industrial Relations (the "DIR") for all such Labor Code sections.

(b) Tenant shall indemnify, hold harmless and defend (with counsel selected by the City), to the extent permitted by applicable law, City, its councilmembers, commissioners, officials, employees and agents, against any claim for damages, compensation, fines, penalties or other amounts arising out of the failure or alleged failure of any person or entity (including Tenant, or its contractors or subcontractors) to pay prevailing wages as determined pursuant to Labor Code Sections 1720 et seq., to hire apprentices in accordance with Labor Code Sections 1777.5 et seq., or to comply with the other applicable provisions of Labor Code Sections 1720 et seq., 1725.5, 1771, 1771.1, 1771.4, 1776, 1777.5 et seq., 1810-1815 and the implementing regulations of the DIR in connection with the work performed pursuant to this Agreement. The provisions of this Section shall survive expiration or earlier termination of this Agreement.

9.12 [APPLICABLE FOR AERONAUTICAL USE AGREEMENTS ONLY: Signs. Tenant shall not erect, maintain, or display any signs or other advertisements at or on the exterior of the Leased Premises without first obtaining the written approval of the City, which approval shall not be reasonably withheld.]

10. **REPAIR AND RESTORATION.**

10.1 If during the term of this Agreement any building or improvement on the Leased Premises or any part thereof shall be damaged or destroyed by fire or other casualty, Tenant shall, at its sole cost and expense, repair or restore the same according to the original plans thereof or to such modified plans as shall be previously approved in writing by City pursuant to Section 8. If such damage or destruction occurs during the last eighteen (18) months of the Agreement term Tenant shall have no duty to repair or restore, and if Tenant elects not to repair or restore, this Agreement shall terminate and City shall receive all insurance proceeds that are attributable to those improvements that would become the property of the City pursuant to Section 15. Such work of repair or restoration shall be commenced within one hundred twenty (120) days after the damage or loss occurs and shall be completed with diligence but not longer than one (1) year after such work is commenced, provided, however, that the time for completion of such repair and restoration shall be extended as appropriate. If insurance proceeds provided for above shall be insufficient for the purpose of such restoration and repair, or if the casualty is one not required to be insured against, then Tenant shall make up the deficiency out of its own funds. Tenant waives the provisions of Civil Code Sections 1932(2) and 1933(4) with respect to any destruction of the Leased Premises.

11. **INDEMNITY.**

11.1 **City's Non-liability.** City shall not be liable for any loss, damage or injury of any kind to any person or property arising from any use of the Leased Premises, or any part thereof,

or caused by any defect in any building, structure or other improvement thereon or in any equipment or other facility therein, or caused by or arising from any act or omission of Tenant or any of its agents, employees, licensees or invitees, or by or from any accident on the Leased Premises or any fire or other casualty thereon, or occasioned by the failure of Tenant to maintain the Leased Premises and all improvements thereto in a safe condition, or arising from any other cause except where caused by the sole negligence or willful misconduct of City, its agents or employees.

11.2 Indemnification. To the fullest extent permitted by law, Tenant shall, at Tenant's sole expense and with counsel reasonably acceptable to City, defend, indemnify, and hold harmless City and City's officers, officials, employees and agents from and against all claims, (including demands, losses, actions, causes of action, damages, liabilities, expenses, charges, assessments, fines or penalties of any kind, and costs including consultant and expert fees, costs of investigation, court costs and attorney's fees) from any cause, arising out of or relating (directly or indirectly) to this Agreement, the tenancy created under this Agreement, or the Premises, including without limitation:

- (a) The use or occupancy, or manner of use or occupancy, of the Leased Premises or buildings by Tenant;
- (b) Any act, error or omission, or negligence of Tenant or of any subtenant, invitee, guest, contractor or licensee or Tenant or any subtenant in, on, or about the Leased Premises;
- (c) Tenant's conducting or managing of its business;
- (d) Any alterations, activities, work, or things done, omitted, permitted, allowed, or suffered by Tenant in, at, or about the Leased Premises or buildings, including the violation of or failure to comply with any insurance requirements or any applicable laws, statutes, ordinances, standards, rules, regulations, orders, decrees, or judgments in existence on the Commencement Date or enacted, promulgated, or issued after the date of this Agreement, and;
- (e) Any breach or default in performance of any obligation on Tenant's part to be performed under this Agreement, whether before or during the term of this Agreement or after its expiration or earliest termination.

11.3 This indemnification extends to and includes, without limitation, claims for:

- (a) Injury to any persons (including death at any time resulting from that injury);
- (b) Loss of, injury or damage to, or destruction of property (including loss of use at any time resulting from that loss, injury, damage, or destruction); and
- (c) All economic losses and consequential or resulting damage of any kind.

11.4 Tenant's indemnification obligation hereunder shall survive the expiration or earlier termination of this Agreement until all claims against City involving any of the

indemnified matters are fully, finally, and absolutely barred by the applicable statutes of limitations.

12. **INSURANCE.**

12.1 Required Insurance Coverage. Prior to commencing any work or operations under this Agreement, Tenant at its sole cost and expense and for the Term of this Agreement, all extensions thereof, shall obtain and maintain or shall cause to be obtained and maintained insurance against claims for injuries to persons or damages to property which may arise from or in connection with the activities of Tenant and its agents, employees and contractors, meeting at least the minimum insurance requirements set forth in Exhibit "C", attached hereto and incorporated herein by this reference, on terms and conditions and in amounts as required by City from time to time and with insurers acceptable to City.

12.2 Tenant shall provide City with certificates of insurance or copies of all policies and such endorsements as may be required by City. These requirements are subject to amendment or waiver if so approved in writing by the Risk Manager of the City of Palm Springs ("Risk Manager").

13. **DEFAULT.**

13.1 Events of Default. The occurrence of any of the following shall constitute an event of default of this Agreement on the part of the Tenant:

(a) Tenant fails to make the payment of any installment of rent or other sum when due hereunder ("Monetary Default") within ten (10) days from when due.

(b) Failure to perform any obligation, agreement or covenant under this Agreement ("Non-Monetary Default") and such failure continues for fifteen (15) days after written notice of such failure, or if such Non-Monetary Default cannot be cured within fifteen (15) days, Tenant has not commenced corrective action and prosecuted the same to completion with due diligence, or the Non-Monetary Default is of such a nature that it cannot be cured by any action of Tenant.

(c) Failure to pay any insurance premium, lien, claim, demand, judgment or other charge provided for in this Agreement to be paid or caused to be paid by Tenant at the time and in the manner as provided for in this Agreement.

(d) Failure to maintain the Leased Premises or cause the same to be maintained as provided for in this Agreement.

(e) Abandonment or vacation of the Leased Premises for a continuous period in excess of thirty (30) days without payment of rent. Tenant waives any right to notice Tenant may have under Section 1951.3 of the Civil Code of the State of California, the terms of this Section 13.1 being deemed such notice to Tenant as required by said Section 1951.3.

(f) Default by Tenant under the terms of any mortgage on the estate of Tenant.

(g) The filing of any voluntary petition in bankruptcy by Tenant, or the filing of an involuntary petition by Tenant's creditors, which involuntary petition remains undischarged for a period of thirty (30) days. If under applicable law, the trustee in bankruptcy or Tenant has the right to affirm this Agreement and continue to perform the obligations of Tenant hereunder, such trustee or Tenant shall, in such time period as may be permitted by the bankruptcy court having jurisdiction, cure all defaults of Tenant hereunder outstanding as of the date of the affirmance of this Agreement and provide to City such adequate assurances as may be necessary to ensure City of the continued performance of Tenant's obligations under this Agreement.

(h) The attachment, execution or other judicial seizure of all or substantially all of Tenant's assets or Tenant's leasehold of the Leased Premises, if such attachment or other seizure remains undismissed or undischarged for a period of fifteen (15) days after the levy thereof.

(i) The admission by Tenant in writing of its inability to pay its debts as they become due;

(j) A general assignment by Tenant for the benefit of creditors.

(k) Failure to maintain compliance with applicable laws.

(l) Failure to complete construction of proposed developments within *****INSERT TIME***** years.

14. **REMEDIES IN EVENT OF DEFAULT.**

14.1 **Termination.** In the event of the occurrence of any event of default, City shall have the right to give a written termination notice to Tenant, and on the date specified in such notice, Tenant's right to possession shall terminate, and this Agreement shall terminate unless on or before such date all rent in arrears and all costs and expenses incurred by or on behalf of City hereunder shall have been paid by Tenant and all other events of default of this Agreement by Tenant at the time existing shall have been fully remedied to the satisfaction of City. At any time after such termination, City may recover possession of the Leased Premises or any part thereof and expel and remove therefrom Tenant and any other person occupying the same, including any subtenant or subtenants notwithstanding City's consent to any sublease, by any lawful means, and again repossess and enjoy the Leased Premises without prejudice to any of the remedies that City may have under this Agreement, or at law or equity by any reason of Tenant's default or of such termination. City hereby reserves the right, but shall not have the obligation, to recognize the continued possession of any subtenant. The delivery or surrender to City by or on behalf of Tenant of keys, entry codes, or other means to bypass security at the Leased Premises shall not terminate this Agreement.

14.2 **Continuation after Default.** Even though an event of default may have occurred, this Agreement shall continue in effect for so long as City does not terminate Tenant's right to possession under Section 14.1 hereof. City shall have the remedy described in California Civil Code Section 1951.4 ("City may continue this Agreement in effect after Tenant's breach and abandonment and recover rent as it becomes due, if Tenant has the right to sublet or assign, subject only to reasonable limitations"), or any successor code section. Accordingly, if City does

not elect to terminate this Agreement on account of any event of default by Tenant, City may enforce all of City's rights and remedies under this Agreement, including the right to recover rent as it becomes due. Acts of maintenance, preservation or efforts to lease the Leased Premises or the appointment of a receiver under application of City to protect City's interest under this Agreement or other entry by City upon the Leased Premises shall not constitute an election to terminate Tenant's right to possession.

14.3 Damages After Default. Should City terminate this Agreement pursuant to the provisions of Section 14.1 hereof, City shall have the rights and remedies of a City provided by Section 1951.2 of the Civil Code of the State of California, or any successor code sections. Upon such termination, in addition to any other rights and remedies to which City may be entitled under applicable law or at equity, City shall be entitled to recover from Tenant: (1) the worth at the time of award of the unpaid rent and other amounts which had been earned at the time of termination, (2) the worth at the time of award of the amount by which the unpaid rent and other amounts that would have been earned after the date of termination until the time of award exceeds the amount of such rent loss that Tenant proves could have been reasonably avoided; (3) the worth at the time of award of the amount by which the unpaid rent and other amounts for the balance of the Term after the time of award exceeds the amount of such rent loss that the Tenant proves could be reasonably avoided; and (4) any other amount and court costs necessary to compensate City for all detriment proximately caused by Tenant's failure to perform Tenant's obligations under this Agreement or which, in the ordinary course of things, would be likely to result therefrom. The "worth at the time of award" as used in (3) above shall be computed by discounting such amount at the Federal Discount Rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%). If this Agreement provides for any periods during the Term during which Tenant is not required to pay rent or if Tenant otherwise receives a rent concession, then upon the occurrence of an event of default, Tenant shall owe to City the full amount of such rent or value of such rent concession, plus five percent (5%) interest, calculated from the date that such rent or rent concession would have been payable.

14.4 City's Option to Cure. Notwithstanding the foregoing, if Tenant fails to provide necessary repair and maintenance of the Premises and all improvements thereon, City shall have the right but not the obligation, after notice provided, and failure of Tenant to cure or commence and diligently pursue a cure to such default, to enter the Leased Premises and take all corrective action necessary in the sole judgment of City. Any such entry shall be at the sole risk and expense of Tenant. Tenant shall immediately, upon presentation of a statement therefor, reimburse City for all costs incurred by City in taking such corrective action plus an administrative fee component of not more than 15 percent, with interest on said sums from the date of payment by City at the lower of: (A) the highest rate allowed by law; or (B) two points over the prime rate charged from time to time by the Bank of America, or if the Bank of America no longer exists, an equivalent institution. Nothing in this Section shall: (i) require City to take any corrective action on the Leased Premises; (ii) diminish the rights and remedies of City under this Agreement, whether or not City elects to take such corrective action; and (iii) cause a waiver by City of any of its rights and remedies under this Agreement. Any such reentry shall be allowed by Tenant without hindrance, and City shall not be liable in damages for any such reentry, or be guilty of trespass or forcible entry.

14.5 Remedies Cumulative. All of City's rights, privileges and elections or remedies are cumulative and not alternative, to the extent permitted by law and except as otherwise provided herein.

14.6 Replacement of Statutory Notice Requirements. When this Agreement requires service of a notice, that notice shall replace rather than supplement any equivalent or similar statutory notice, including any notice required by California Code of Civil Procedure Section 1161 or any similar or successor statute. When a statute requires service of a notice in a particular manner, service of that notice (or a similar notice required by this Agreement) in the manner required by this Section shall replace and satisfy the statutory service-of-notice procedures, including those required by California Code of Civil Procedure Section 1162 or any similar or successor statute.

15. **SURRENDER OF LEASED PREMISES.**

15.1 Upon expiration or termination of this Agreement, Tenant shall vacate and surrender possession of the Leased Premises to City. If Tenant fails to do so, City may immediately commence eviction proceedings in conformance with applicable law.

15.2 Reversion of Improvements. Unless otherwise stated herein, upon expiration or earlier termination of this Agreement, at City's option, the ownership of improvements made to the Leased Premises shall transfer and become the property of City. If City elects not to claim such property, Tenant shall remove and/or demolish any and/or all improvements (as designated by City) and return the Leased Premises to its original condition and character, ordinary and reasonable wear and tear excepted.

15.3 In the event that Tenant fails to return the Leased Premises in good condition, City may perform any work necessary to correct deficiencies and deduct the cost of the work plus an administrative fee component of not more than 15 percent from the Security Deposit. If the Security Deposit is insufficient to cover the work performed, Tenant shall be obliged to pay the additional balance to City.

15.4 Tenant shall remove all personal property upon expiration and/or termination of this Agreement. If Tenant fails to do so, City may remove and dispose of all personal property at Tenant's sole risk, cost, and expense and without any liability to City and deduct the cost from the Security Deposit. If the Security Deposit is insufficient to cover the cost of the removal and disposal of the personal property, Tenant shall be obliged to pay the additional balance to City.

15.5 The Security Deposit or the portion not applied pursuant to the terms and conditions of this Agreement shall be returned to the Tenant without interest no later than thirty (30) calendar days after the expiration of the term of this Agreement provided the Tenant has vacated and surrendered possession of the Leased Premises to City.

16. **ASSIGNMENT AND SUBLETTING.**

16.1 Restriction of Assignment. Except as provided in Section 20 of this Agreement entitled "Hypothecation of Leasehold Interest," Tenant shall not encumber, assign or otherwise transfer this Agreement, or any right or interest hereunder, or in or to any of the improvements

constructed or installed on the Leased Premises, in whole or in part, without the prior written consent of City, which may be withheld in City's sole discretion. In the event of any proposed encumbrance, assignment, or other transfer of this Agreement, Tenant shall submit its request to the City no less than 90 days in advance of the effective date of the proposed assignment in order for the City to make its determination. If Tenant is a corporation or a partnership, any change in Tenant which would be a "change in ownership" pursuant to California Revenue and Taxation Code Sections 60 et seq. shall be deemed an assignment subject to City's consent. It shall not be unreasonable for City to withhold or condition its consent based on the prospective assignee's financial strength, credit history or any other factor which City reasonably believes germane to a tenant's ability and willingness to perform the obligations of this Agreement. No such assignment shall release Tenant of further liability under this Agreement unless express written approval is signed by City.

16.2 Restriction on Subleasing. Tenant may not sublease all or any portion of the Leased Premises or the improvements constructed or installed on the Leased Premises without the prior written consent of City, which may be withheld in City's sole discretion. In the event of any proposed sublease, Tenant shall submit its request to the City no less than 90 days in advance of the effective date of the proposed sublease in order for the City to make its determination

(a) Any such sublease shall provide: (A) such subleasing shall be subject to the terms of this Agreement; (B) such subleasing shall comply with all applicable statutes and regulations, including, without limitation, the California Subdivision Map Act and the provisions of Section 20 hereof; (C) all building improvements and alterations constructed on the Leased Premises shall have been approved by City pursuant to Section 22 of this Agreement; (D) Tenant shall remain liable under this Agreement; (E) subtenant shall not be permitted to further assign or sublet the Leased Premises to any person or entity, including the affiliated entities stated above; and (F) each sublease shall contain a provision satisfactory to City requiring the subtenant, if City shall so demand as provided below, to attorn to City if Tenant defaults under this Agreement, and if the subtenant is notified of Tenant's default and instructed to make subtenant's rental payments to City, but City shall have no obligation to recognize the subtenant or to allow any subtenant to remain in possession upon the default of Tenant. Tenant's failure to comply with any of the foregoing requirements shall render any such sublease void.

16.3 Effect of Failure to Comply. Except as provided above, no encumbrance, assignment or other transfer, whether voluntary, involuntary, by operation of law, under legal process, through a receivership, bankruptcy or otherwise, shall be valid or effective without the prior written consent and approval of City. Except as provided in Section 16.1 and 16.2, if Tenant attempts to make or allow to be made any subleasing, encumbrance, assignment or other transfer except in accordance with the provisions of this Section 16, then any of the foregoing events shall be deemed a breach of the conditions and restrictions of this Agreement, and upon such breach, City may, at its option, terminate this Agreement at once by written notice, and upon such termination this Agreement shall end and be of no further force.

17. **CITY'S RIGHT TO SELL ITS INTEREST.**

17.1 City's Right to Sell. City shall have the right to sell all of its interest in the Leased Premises and any lease with respect thereto. If City chooses to exercise such right to sell, and whether such sale is to a public entity or non-public entity, City shall conduct the sale in accordance with the legal requirements imposed upon a municipality by law.

17.2 City's Release from Liability Upon Sale. In the event of any such sale by City, City shall be and is hereby entirely freed and relieved of all liability under all of its covenants and unaccrued obligations contained in or derived from this Agreement arising out of any act, occurrence or omission occurring after the consummation of such sale.

18. **ESTOPPEL CERTIFICATES.**

18.1 City and Tenant shall, respectively, at any time and from time to time upon not less than ten (10) days' prior written request by the other, deliver to the requesting party an executed and acknowledged statement in writing certifying:

(a) That this Agreement is unmodified and in full force and effect (or if there has been any modification(s) thereof that the same is in full force and effect as modified, and stating the nature of the modification or modifications);

(b) That to its knowledge the requesting party is not in default under this Agreement (or if any such default exists, the specific nature and extent thereof),

(c) The date to which rent and other charges have been paid in advance, if any; and

(d) Such other statements as City or Tenant reasonably requests.

18.2 Each certificate delivered pursuant to this Section may be relied on by any prospective purchaser or transferee of the Leased Premises or of City's or Tenant's interest hereunder or by any fee mortgagee of the Leased Premises or of City's or Tenant's interest hereunder or by any assignee of any such mortgagee. Tenant shall be liable to City for all damages suffered by City attributable to Tenant's failure to timely deliver an accurate estoppel, including loss or renegotiation of a sale, financing or bond financing.

19. **SUBORDINATION FOR BENEFIT OF CITY.**

19.1 .If City desires this Agreement to be subordinated to any mortgage, deed of trust or other encumbrance ("Fee Mortgage") now or hereafter placed upon the Leased Premises by City, and all advances, whether obligatory or optional made on the security thereof, and to all renewals, modifications, consolidations, replacements and extensions thereof, this Agreement, at City's election, shall be subordinate to any such Fee Mortgage provided City first obtains from the lender a written agreement that provides substantially as follows: As long as Tenant performs its obligations under this Agreement, no foreclosure of, deed given in lieu of foreclosure of, or sale under the encumbrance, and no steps or procedures taken under the encumbrance, shall affect Tenant's rights under this Agreement. Subject to the foregoing, Tenant agrees to execute any documents required to effectuate such subordination, and failing to do so

within ten (10) days after City's written request to Tenant therefore, does hereby irrevocably appoint City as Tenant's attorney-in-fact in Tenant's name to do so.

20. **HYPOTHECATION OF LEASEHOLD INTEREST.**

20.1 Tenant is hereby given the right by City, in addition to any other rights herein granted, without City's prior written consent, to mortgage its interest in this Agreement, under one or more leasehold Mortgage(s) and assign its interest in this Agreement, as collateral security for such Mortgage(s) to secure any bona fide loan upon the condition that all rights acquired under such leasehold Mortgage(s) shall be subject to each and all of the covenants, conditions and restrictions set forth in this Agreement, and to all rights and interest of City herein, none of which covenants, conditions or restrictions is or shall be deemed waived by City by reason of the right given so to mortgage such interest in this Agreement, except as expressly provided herein. If Tenant shall mortgage this leasehold, and if the holder(s) of such Mortgage(s) shall, within thirty (30) days of execution, send to City a true copy thereof, together with written notice specifying the name and address of the Mortgagee(s) and the pertinent recording data with respect to such Mortgage(s), City agrees that (effective upon receipt of such notice) so long as any such leasehold Mortgage(s) shall remain unsatisfied of record or until written notice of satisfaction is given by the holder(s) to City, the following provisions shall apply:

(a) Except for the natural expiration of the term of this Agreement, there shall be no cancellation, surrender or material modification of this Agreement by joint action of City and Tenant without the prior consent in writing of the leasehold Mortgagee(s);

(b) City shall, upon serving Tenant with any notice of default, simultaneously serve a copy of such notice upon the holder(s) of record of such leasehold Mortgage(s). The leasehold Mortgagee(s) shall thereupon have sixty (60) days, after service on it of such a notice, either to cure such default or breach, if the same can be cured by the payment of money, or if such default or breach is not so curable or cannot be remedied within said sixty (60) day period, if such holder, within said period, shall (A) commence in good faith to cure such default or breach if curable and thereafter diligently prosecute the same to completion, or (B) institute proceedings for the foreclosure of such mortgage and thereafter diligently prosecute the same to completion; provided such holder keeps and performs all of the covenants and conditions of this Agreement herein provided to be kept and performed by Tenant, and capable of being performed by such holder, until such time as Tenant or such holder shall cure any defaults hereunder (if curable) or until the leasehold hereunder shall be either sold upon foreclosure pursuant to any such mortgage or shall be released from said mortgage or reconveyed thereunder.

(c) The time periods set forth immediately above shall be extended for delays occasioned by the application of any law, rule, court order or court decree restraining or prohibiting such leasehold Mortgagee(s) from taking any such action. If such leasehold Mortgagee(s) undertakes to so cure any such default by Tenant in accordance with the terms and conditions set forth in this Section, City shall not terminate this Agreement. If the leasehold Mortgagee(s) has fully complied with the foregoing provisions of this Section but all such defaults of Tenant have not been cured by the time that Tenant's interest under this Agreement is sold by a judicial or nonjudicial foreclosure sale or by deed in lieu of foreclosure, the party who

acquires such leasehold estate and interest through such foreclosure sale or deed in lieu of foreclosure shall not be in default hereunder by reason of such uncured defaults, provided such party diligently prosecutes to completion the curing of all such defaults which are curable by such party.

(d) Notwithstanding anything contained herein to the contrary, if City shall elect to terminate this Agreement by reason of any default of Tenant, the leasehold Mortgagee(s) shall have the right to postpone and extend the specified date for termination of this Agreement as fixed by City in its notice of termination, for a period of six (6) months, provided that such leasehold Mortgagee(s) shall cure or cause to be cured any then existing money defaults and meanwhile pay the rent and comply with and perform all of the other terms, conditions and provisions of this Agreement on Tenant's part to be complied with and performed, and capable of being performed by such holder, other than past nonmonetary defaults, and provided further that the leasehold Mortgagee(s) shall forthwith take steps to acquire or sell Tenant's interest in this Agreement by foreclosure of the Mortgage(s) or otherwise and shall prosecute the same to completion with all due diligence. If at the end of said six (6) month period the leasehold Mortgagee(s) shall be actively engaged in steps to acquire or sell Tenant's interest herein, the time of said Mortgagee(s) to comply with the provisions of this Section 19.3 shall be extended for such period as shall be reasonably necessary to complete such steps with reasonable diligence, but in no event shall such extension exceed an additional twelve (12) months.

(e) City agrees that the name of the leasehold Mortgagee(s) may be added to the "Loss Payable Endorsement" of any and all insurance policies required to be carried by Tenant hereunder on condition that the insurance proceeds are to be applied in the manner specified in this Agreement and that the leasehold Mortgagee(s) or collateral document shall so provide.

(f) Nothing contained herein shall require the leasehold Mortgagee(s) to cure any default of Tenant hereunder, but such failure to cure and proceed in accordance with this Section 20 shall leave City free to terminate this Agreement and to pursue all of its rights against Tenant.

(g) Any act required to be performed by Tenant pursuant to the terms of this Agreement may be performed by any leasehold mortgagee on Tenant's behalf and the performance of such act shall be deemed to be performance by Tenant and shall be acceptable as Tenant's act by City.

21. **CONDEMNATION.**

21.1 If, during the term of this Agreement there is a taking, or transfer of, or damage to all or any part of the Leased Premises (Leased Premises as used herein shall include all appurtenant interests such as access rights) for a public use by any individual or entity, public or private, possessing the power of eminent domain, whether by condemnation proceedings or otherwise (hereinafter referred to as "appropriation"), the rights and obligations of City and Tenant with regard to such appropriation shall be governed by the provisions of this Section.

21.2 Date of Taking. The date of taking, as used in this Section, is defined as the earliest of the following dates: (A) the date legal possession is taken, which is defined as the date, if any is established, after which the condemnor may take possession of the property as stated in an order authorizing the condemnor to take possession; (B) the date a final order of condemnation or final judgment is filed or recorded or the date a deed is recorded in the event of a voluntary sale; and (C) the date physical possession of the property is taken.

21.3 Total Taking. Total taking means an appropriation of the entire Leased Premises or so much thereof as to prevent or substantially impair the conduct of Tenant's business unless Tenant elects to continue the Agreement in effect. If during the term of this Agreement there is an appropriation of the Leased Premises which amounts to a total taking as herein defined, then the leasehold estate of Tenant in and to the Leased Premises shall cease and terminate as of the date of such taking, and all rentals and other charges payable by Tenant to City hereunder and attributable to the Leased Premises shall be paid up to the date of such taking.

21.4 Partial Taking. The term "partial taking" shall mean the taking of a portion only of the Leased Premises which does not constitute a total taking as defined above. If during the term of this Agreement there shall be a partial taking of the Leased Premises, this Agreement shall terminate as to the portion of the Leased Premises so taken at the date of taking as herein defined, but said Agreement shall continue in force and effect as to the remainder of the Leased Premises. The rental payable hereunder by Tenant shall, as of the date of taking, be adjusted so that Tenant shall be required to pay for the remainder of the term only such portion of such rent as the value of the part of the Leased Premises remaining after the taking bears to the value of the entire Leased Premises at the date of taking.

21.5 Abandonment of Proceedings. In the event the condemning agency shall abandon an eminent domain proceeding, either party hereto shall have the right to contest the condemnor's abandonment and a right to its respective costs and disbursements as defined and provided for in California law. If after the condemnor takes possession or the Tenant moves from the property sought to be condemned in compliance with an order of possession, the condemnor abandons the proceeding as to such property or a portion thereof, or if it is determined that the condemnor does not have authority to take such property or portion thereof by eminent domain and the condemnor is required by law to deliver possession of such property or such portion thereof to the party entitled to the possession thereof and pay damages as provided for in California law, then Tenant shall receive the award for costs and damages incurred by reason of Tenant being removed from possession of the Premises, but Tenant shall be entitled to retake possession of the Premises and, in the event of such repossession by Tenant, all of the terms of this Agreement shall remain in operation and effect.

21.6 Allocation of Award. All compensation and damages awarded for the taking of the Leased Premises or any portion thereof shall, except as otherwise herein provided, belong to and be the sole property of City. However, any award that may be made for the taking of or injury to the Approved Improvements, and all other improvements constructed by Tenant on the Leased Premises shall belong to Tenant. Tenant shall be entitled to any award for damage to Tenant's business or on account of any cost or loss Tenant may sustain in the removal of Tenant's fixtures, equipment and furnishings, or as a result of any alterations, modifications or repairs which may be reasonably required by Tenant in order to place the remaining portion of the

Leased Premises not so condemned in a suitable condition for the continuance of Tenant's tenancy. Tenant shall also be entitled to that portion of any award that may be attributable to any severance damages to the remaining leasehold interest, to any improvements constructed by Tenant, and to good will.

21.7 Cost. Each party shall bear his own costs, attorneys' fees, appraiser's fees and all other costs in connection with any matter contained in this Section, except as may be otherwise provided.

21.8 Right of Entry. Neither party hereto shall grant a right of entry to any condemnor without the written consent of the other party hereto.

22. REQUIRED FAA CLAUSES.

22.1 Non-Exclusive Use.

(a) This Agreement and all of the provisions hereof shall be subject to whatever right the United States Government has now or may have in the future or may acquire affecting the control, operation, regulation, and taking over of the Airport or the exclusive or non-exclusive use of the Airport by the United States Government during the time of war or national emergency. If any such agreement is executed, the terms and conditions of this Agreement shall be subordinate to the provisions of any agreement between City and the United States relative to the Airport.

(b) It is clearly understood by Tenant that no right or privilege has been granted which would operate to prevent any person, firm, or corporation operating aircraft at the Airport from performing any services on its own aircraft with its own Employees (including but not limited to, fueling, maintenance, and repair) that it may choose to perform.

(c) Nothing in this Agreement shall be construed, in any way, as City granting Tenant an exclusive right to engage in any aeronautical activity at the Airport.

22.2 Non-Discrimination.

(a) Tenant, for itself, its heirs, successors, and assigns, as a part of the consideration hereof, does hereby covenant and agree that in the event Improvements are constructed, maintained, or otherwise operated on the Leased Premises described in this Agreement for a purpose for which a Department of Transportation ("DOT") program or activity is extended or for another purpose involving the provision of similar services or benefits, Tenant shall maintain and operate such Improvements in compliance with all other requirements imposed pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the DOT, and as said legal requirements may be promulgated or amended from time to time.

(b) Notwithstanding any other provision of this Agreement, during the performance of this Agreement, Tenant, for itself, its heirs, successors, and assigns, as part of the consideration of this Agreement does hereby agree, as a covenant running with the land, that: (a) no person on the grounds of race, color, religion, sex, familial status, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to

discrimination in the use of the Leased Premises; (b) in the construction of any Improvements on, over, or under the Leased Premises, and the furnishing of services therein or thereon, no person on the grounds of race, color, religion, sex, familial status, or national origin shall be excluded from participation in, or denied the benefits of, such activities, or otherwise be subjected to discrimination; (c) in the breach of any of the above nondiscrimination covenants, City shall have the right to terminate this Agreement and to reenter and repossess the Leased Premises and hold the same as if this Agreement had never been made or issued. This provision does not become effective until the procedures of 49 CFR Part 21 have been followed and completed, including expiration of appeal rights; (d) Tenant, for itself, its heirs, successors, and assigns, as a part of the consideration hereof, does hereby agree as a covenant running with the land that in the event Improvements are constructed, maintained, or otherwise operated on the Leased Premises for a purpose for which a DOT program or activity is extended or for another purpose involving the provision of similar services or benefits, Tenant shall maintain and operate such improvements and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the DOT, and as said Regulations may be amended.

(c) Tenant will comply with pertinent statutes and rules as are promulgated or amended from time to time to assure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or handicap be excluded from participating in any activity conducted with or benefiting from federal assistance. This provision obligates Tenant or its transferee for the period during which federal assistance is provided or is in the form of personal Property or real Property or interest therein or structures or Improvements thereon. In these cases, this provision obligates Tenant or any transferee for the longer of the following periods: (a) the period during which the Leased Premises is used by the sponsor or any transferee for a purpose for which federal assistance is extended, or for another purpose involving the provision of similar services or benefits, or (b) the period during which City or any transferee retains ownership or possession of the Leased Premises.

(d) Tenant shall not discriminate in any manner against any employee or applicant for employment because of political or religious opinion or affiliation, race, creed, color, national origin, sex, age, or disability and further, Tenant shall include a similar clause in all subcontracts. Tenant agrees City has the right to take such action against Tenant as the government may direct to enforce this provision of this Agreement.

23. MISCELLANEOUS.

23.1 Compliance with Governmental Regulations. Tenant shall, at its own cost and expense, promptly and properly, comply with and execute, including the making of any alteration to the Leased Premises, all orders, regulations, laws and requirements of all governmental authorities arising from the use or occupancy of, or applicable to, the Leased Premises.

23.2 Holding Over. If Tenant shall hold over the Leased Premises after the expiration of the term hereof with the consent of City, either express or implied, such holding over shall be construed to be only a tenancy from month to month, subject to all the covenants, conditions and obligations hereof, except that Tenant shall pay to City 150% of monthly rent due as of the

expiration of the term; terminable on thirty (30) days written notice given at any time by either party; provided, however, that nothing herein contained shall be construed to give Tenant any rights to so hold over and to continue in possession of the Leased Premises after the expiration of the term hereof.

23.3 Disclaimer of Representation. Except as otherwise specifically provided herein, City has made no representations or warranties to the Tenant concerning the Leased Premises, the present use thereof or the suitability for Tenant's intended use of the property. The foregoing disclaimer includes, without limitation, topography, climate, air, water, water rights, utilities, present and future zoning, soil, subsoil, drainage, access to public roads, proposed routes of roads, or extension thereof, or effect of any state or federal environmental protection laws or regulations. Tenant represents and warrants to City that he and his representatives have made or will make their own independent inspection and investigation of the Leased Premises and Tenant, in entering into this Agreement, is relying solely on such inspection and investigation. No patent or latent physical condition of Leased Premises, whether or not known or discovered, shall affect the rights of either party hereto. Any agreement, warranties or representations not expressly contained herein shall in no way bind either Tenant or City. City and Tenant waive any right of rescission and all claims for damages by reason of any statement, representations, warranty, promise and agreement, if any, not contained in this Agreement.

23.4 Priority of Agreement. This Agreement is subject and junior to all existing easements, covenants, conditions and restrictions and other matters and encumbrances of record.

23.5 Inspection. City and City's agents shall have the right to enter upon the Leased Premises during such times as may be reasonable under the circumstances for any purpose necessary, incidental to or connected with the performance of its obligations or in the exercise of its governmental functions relating to the public health, safety, good conduct, and the proper management of the Airport.

23.6 Attorneys' Fees. In the event any action is brought by City to recover any rent due and unpaid hereunder or to recover possession of the Leased Premises, or in the event any action is brought by City or Tenant against the other to enforce or for the breach of any of the terms, covenants or conditions contained in this Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees to be fixed by the Court, together with costs of suit therein incurred.

23.7 Waiver. No waiver of any breach of any of the terms, covenants, agreements, restrictions or conditions of this Agreement shall be construed as a waiver of any succeeding breach of the same or other covenants, agreements, restrictions and conditions hereof. No delay or omission of City to exercise any right or remedy shall be construed as a waiver of any such right or remedy or of any default by Tenant under this Agreement. The various rights and remedies reserved to City herein including those not specifically described in this Agreement shall be cumulative and, except as otherwise provided by California statutory law in force at the time of execution of this Agreement, City may pursue any or all of such rights and remedies whether at the same time or otherwise.

23.8 Agreement Binding Upon Successors and Assigns. Subject to the limitations on assignment and subleasing, each of the terms, covenants and conditions of this Agreement shall extend to and be binding on and inure to the benefit of not only City and Tenant, but each of their successors and assigns. Whenever in this Agreement reference is made to either City or Tenant, the reference shall be deemed to include, wherever applicable, the successors and assigns and such parties the same as if in every case expressed.

23.9 Relationship of Parties. The relationship of the parties hereto is that of City and Tenant, and it is expressly understood and agreed that City does not in any way nor for any purpose become a partner of Tenant or a joint venturer with Tenant in the conduct of Tenant's business or otherwise.

23.10 Time of the Essence. Time is expressly declared to be of the essence of this Agreement.

23.11 Number and Gender. Whenever the singular number is used in this Agreement and when required by the context, the same shall include the plural, and the masculine gender shall include the feminine and neuter genders, and the word "person" shall include corporation, firm or association. If there is more than one Tenant, the obligations imposed under this Agreement upon Tenant shall be joint and several.

23.12 Headings and Titles. The marginal headings or titles to the Sections of this Agreement are not a part of this Agreement and shall have no effect upon the construction or interpretation of any part of this Agreement.

23.13 Governing Law and Venue. This Agreement shall be deemed to have been made in, and shall be construed in, accordance with the statutes and laws of the State of California without regard to choice of law provisions that would cause the application of the law of another jurisdiction, and without regard to conflicts of law principles. Any suit, action or proceeding permitted hereunder or any judgment entered by any court in respect thereof, will be brought in the state courts sitting in Riverside County, California and the Parties hereby expressly submit to the jurisdiction of such courts for the purpose of any such suit, action, or proceeding permitted hereunder.

23.14 Entire Agreement; Amendments. This Agreement, including the exhibits attached hereto and all documents referenced herein, all of which are incorporated herein by reference, contain the entire agreement of the parties hereto with respect to the matters covered hereby, and no other previous agreement, statement or promise made by any party hereto which is not contained herein shall be binding or valid. No amendment or modification to this Agreement shall be effective unless in writing and signed by both City and Tenant.

23.15 Force Majeure. Except as to the payment of rent, neither of the parties hereto shall be chargeable with, liable for, or responsible to, the other for anything or in any amount for any delay caused by fire, earthquake, explosion, flood, hurricane, the elements, acts of God, or the public enemy, action or interference of governmental authorities or agents, war, invasion, insurrection, rebellion, riots, strikes, or lockouts or any other cause whether similar or dissimilar

to the foregoing, which is beyond the control of such parties and any delay due to said causes or any of them shall not be deemed a breach of or default in the performances of this Agreement.

23.16 Severability. If any provision in this Agreement is held to be illegal, invalid, or unenforceable in full or in part, for any reason, by any court of competent jurisdiction, then such provision shall be modified to the minimum extent necessary to make the provision legal, valid, and enforceable. The illegality, invalidity, or unenforceability of any such provision shall in no way affect any other provisions in this Agreement, provided that the illegality, invalidity, or unenforceability of any such provision does not materially prejudice either Party with regard to the respective rights and obligations of each Party contained in the valid terms and conditions of this Agreement.

23.17 Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

23.18 Notices. Any notice to be given or other document to be delivered by either Party to the other party may be given by personal delivery, generally recognized overnight courier, prepaid, or may be deposited in the United States mail, duly registered or certified, with postage prepaid, and addressed to the Party for whom intended as follows:

To City:	City of Palm Springs 3400 E Tahquitz Canyon Way Palm Springs, CA 92262	To Tenant:	XXX
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Either Party hereto may from time to time by written notice to the other party designate a different address which shall be substituted for the one specified above. Notices and documents shall be served upon receipt or, if any notice or other document is sent by registered or certified mail, as provided above, the same shall be deemed served or delivered seventy-two (72) hours after the mailing thereof.

23.19 [APPLICABLE FOR AERONAUTICAL AGREEMENTS ONLY: Tenant agrees to submit to the City by the 20th day of each month a detailed statement of all business done at the Airport during the previous month for which fees or payments to the City are due. The City shall have the further right to inspect the accounting records of the Tenant at reasonable times. Tenant shall submit to the City each year a copy of its annual certified audited report reflecting all operations at the Airport as soon as reasonable following the close of each fiscal year.]

**SIGNATURE PAGE TO AIRPORT LEASE AGREEMENT
BY AND BETWEEN THE CITY OF PALM SPRINGS AND [***INSERT NAME***]**

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the dates stated below.

TENANT:

By: _____
Signature

By: _____
Signature
(2nd signature required for Corporation)

Date: _____

Date: _____

CITY OF PALM SPRINGS:

APPROVED BY CITY COUNCIL:

Date: _____ **Item No.** _____

APPROVED AS TO FORM:

ATTEST:

By: _____
City Attorney

By: _____
City Clerk

APPROVED:

By: _____

Date: _____

- Scott Stiles
- City Manager – over \$50,000
- Deputy/Assistant City Manager – up to \$50,000
- Director – up to \$25,000
- Manager – up to \$5,000

EXHIBIT "A"

DESCRIPTION/DEPICTION OF LEASED PREMISES

*****INSERT*****

EXHIBIT "B"

HAZARDOUS MATERIAL LIST

*****INSERT*****

EXHIBIT “C”

INSURANCE REQUIREMENTS

Tenant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damage to property which may arise from or in connection with the this Agreement and shall include their agents, representatives, employees or subcontractors. With respect to General Liability and Errors & Omissions, coverage should be maintained for a minimum of five (5) years after contract completion. The cost of all such insurance shall be borne by the Tenant.

A. Minimum Scope of Insurance

- \$2,000,000 -- Commercial General Liability
- \$2,000,000 -- Auto Liability
- \$1,000,000 -- Worker’s Compensation Insurance
- \$10,000,000 -- Property Insurance
- One Year of Minimum Monthly Rent -- Business Interruption Insurance

Coverage shall be at least as broad as:

1. **Commercial General Liability (CGL):** Insurance Services Office Form CG 00 01 covering CGL on an “occurrence” basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than **\$2,000,000** per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.
2. **Automobile Liability:** Insurance Services Office Form Number CA 0001 covering any auto (Code 1), or if Tenant has no owned autos, hired (Code 8) and non-owned (Code 9) autos, with limit no less than **\$2,000,000** per accident for bodily injury and property damage.
3. **Workers’ Compensation** insurance as required by the State of California, with Statutory Limits, and Employer’s Liability Insurance with limit of no less than **\$1,000,000** per accident for bodily injury or disease.
4. **Property Insurance:** Tenant shall maintain not less than **\$10,000,000** Legal Liability Coverage (ISO Form CP 00 40 or equivalent) on all real property being leased, including improvements and betterments owned by the City, and shall name the City as a loss payee. Tenant shall also provide property insurance on all personal property and betterments and improvements contained within or on the leased premises. **Property insurance** shall insure against all risks of loss to any tenant improvements or betterments, at full replacement cost with no coinsurance penalty provision.

5. **Interruption of Business Insurance:** Tenant shall, at its sole cost and expense, maintain business interruption insurance by which the minimum monthly rent will be paid to City for a period of up to one (1) year if the premises are destroyed or rendered inaccessible by a risk insured against by a policy of standard fire and extended coverage insurance, with vandalism and malicious mischief endorsements.
6. **Cyber Liability Insurance,** if the Tenant will provide IT services or software or involve the retention of private, non-public information about third parties, with limits not less than **\$2,000,000** per occurrence or claim, **\$2,000,000** aggregate. Coverage shall be sufficiently broad to respond to the duties and obligations as is undertaken by Tenant in this agreement and shall include, but not be limited to, claims involving infringement of intellectual property, including but not limited to infringement of copyright, trademark, trade dress, invasion of privacy violations, information theft, damage to or destruction of electronic information, release of private information, alteration of electronic information, extortion and network security. The policy shall provide coverage for breach response costs as well as regulatory fines and penalties as well as credit monitoring expenses with limits sufficient to respond to these obligations.
7. **Umbrella or Excess Policies** may be used by the Tenant to provide the liability limits as required in this agreement. This form of insurance will be acceptable provided that all of the Primary and Umbrella or Excess Policies shall provide all of the insurance coverages herein required, including, but not limited to, primary and non-contributory, additional insured, Self-Insured Retentions (SIRs), indemnity, and defense requirements. The Umbrella or Excess policies shall be provided on a true “following form” or broader coverage basis, with coverage at least as broad as provided on the underlying Commercial General Liability insurance. No insurance policies maintained by the Additional Insureds, whether primary or excess, and which also apply to a loss covered hereunder, shall be called upon to contribute to a loss until the Tenant’s primary and excess liability policies are exhausted.
8. **Professional Liability Errors and Omissions** insurance for all Professional Services rendered including architecture, engineering, or design services related to this Agreement.
9. **Builder’s Risk Insurance** shall be procured by Tenant prior to the commencement of, and throughout the duration of, any construction of improvements or betterments being installed by Tenant on the Property.

B. Minimum Limits of Insurance

Tenant shall maintain limits no less than:

1. Commercial General Liability: **\$2,000,000** per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply

separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

2. Automobile Liability: **\$2,000,000** combined single limit per accident for bodily injury and property damage.
3. Workers Compensation limits as required by California Labor Code and Employer's Liability with employer liability limits of **\$1,000,000** per accident; per disease, per employee; coverage shall be endorsed to state carrier waives its rights of subrogation against the City, its officials, employees, agents and contractors.
4. Professional Liability Errors and Omissions: **\$5,000,000** per claim and **\$5,000,000** aggregate, coverage to be maintained following completion of work on project for 5 years or, if policy is canceled, extended reporting period to equal the same.
5. Property Insurance: **full replacement cost** with no coinsurance penalty provision, Business Interruption, Rental Income, All Risk.
6. If applicable, builder's risk insurance for **total replacement value** of work completed during any construction of betterments or improvements to City's site.

C. Deductibles and Self-Insured Retentions

Self-insured retentions must be declared to and approved by the City. The City may require the Tenant to purchase coverage with a lower retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or City.

D. Other Insurance Provisions

1. The general liability and automobile policies are to contain, or be endorsed to contain, the following provisions:
 - a. The City of Palm Springs, its officers by endorsement, officials, employees and volunteers are to be covered as additional insureds with respect to: liability arising out of activities performed by, or on behalf of, Tenant, premises owned, occupied or used by the Tenant, or automobiles owned, leased, hired or borrowed by the Tenant. The coverage shall contain no special limitations on the scope of protection afforded to the City, its officer, officials, employees or volunteers. General liability coverage can be provided in the form of an endorsement to the Tenant's insurance (at least as broad as ISO Form CG 20 10, CG 11 85 or both CG 20 10, CG 20 26, CG 20 33, or CG 20 38; **and** CG 20 37 forms if later revisions used).

- b. The Tenant's insurance coverage shall be primary insurance with respect to the City, its officers, officials, employees and volunteers. For any claims related to this Property, the Tenant's insurance coverage shall be primary and non-contributory insurance coverage at least as broad as ISO CG 20 01 04 13 as respects the City, its officers, officials, employees, agents, and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees, agents, or volunteers shall be excess of the Tenant's insurance and shall not contribute with it. This requirement shall also apply to any Excess or Umbrella liability policies.
- c. Any failure to comply with reporting or other provisions of the policies including breaches or warranties shall not affect coverage provided to the City, its officers, officials, employees or volunteers.
- d. Coverage shall state that the Tenant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

2. Workers' Compensation and Employers' Liability

Coverage shall contain a waiver of subrogation by endorsement in favor of the City, its officials, employees, agents and contractors.

3. Builder's Risk

City shall be named as a loss payee on any Builder's Risk policy to the full extent allowable and for which the City's insurable interests may appear.

4. All Coverages

Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled, reduced in coverage or in limits except after thirty (30) days' prior written notice has been given to the City; except that ten (10) days' prior written notice shall apply in the event of cancellation for non-payment of premium.

5. Waiver of Subrogation

Tenant hereby grants to City a waiver of subrogation which any insurer may acquire against City, its officers, officials, employees, and volunteers, from Tenant by virtue of the payment of any loss. Tenant agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation but this provision applies regardless of whether or not the City has received a waiver of subrogation endorsement from the insurer. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the City for all work performed by the Tenant, its employees, agents, and subcontractors.

6. There shall be no endorsement reducing the scope of coverage required above unless approved by the City's Risk Manager.
7. If the Tenant maintains broader coverage and/or higher limits than the minimums shown above, the City requires and shall be entitled to the broader coverage and/or the higher limits maintained by Tenant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

E. Acceptability of Insurers

Insurance is to be placed with insurers authorized to conduct business in the state with a current A.M. Best rating of no less than A:VII.

F. Verification of Coverage

Tenant shall furnish the City with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause and a copy of the Declarations and Endorsements Pages of the CGL and any Excess policies listing all policy endorsements. All certificates and endorsements and copies of the Declarations & Endorsements pages are to be received and approved by the City before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Tenant's obligation to provide them. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time. City reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

Proof of insurance shall be either emailed in pdf format to: Victoria Carpenter or mailed to the following postal address (or any subsequent email or postal address as may be directed in writing by the Risk Manager):

City of Palm Springs
Risk Manager
3200 East Tahquitz Canyon Way
Palm Springs, CA 92262

G. Subconsultants/Subcontractors

Tenant shall require and verify that all subcontractors relating to this Agreement maintain insurance meeting all the requirements stated herein, and Tenant shall ensure that City is an additional insured on insurance required from subcontractors. For CGL coverage subcontractors shall provide coverage with a format least as broad as CG 20 38 04 13.

H. Review of Coverage

These insurance requirements shall be subject to periodic review by City's Risk Manager. City reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances. Should the Risk Manager require any change in any coverage such change shall be communicated in writing to Tenant and Tenant shall comply with the said change within thirty (30) days following the date of receipt of the notice.

Attachment A-2
TERMINAL LEASE TEMPLATE

[INSERT NAME]
**NON-EXCLUSIVE OPERATING AND LEASE AGREEMENT
FOR TERMINAL USE SPACE AT
PALM SPRINGS INTERNATIONAL AIRPORT**

THIS LEASE (“Lease”) is made and entered into this _____ day of _____, 20____, by and between the CITY OF PALM SPRINGS, a municipal corporation (“Lessor”), and **[***INSERT NAME***]**, **[***INSERT TYPE OF ENTITY***]** (“Lessee”). City and Lessee may herein be referred to individually as a “Party” and collectively as “Parties.”

RECITALS:

- A. Lessor desires to lease terminal use space at Palm Springs International Airport (“Airport”) to **[***INSERT PROPOSED USE***]**.
- B. City believes that the travelers using the City’s airport terminal would benefit from these airline related services.

NOW THEREFORE, City and Lessee mutually agree as follows:

AGREEMENT

1.0 **LEASE SUMMARY.** Certain fundamental lease provisions are presented in this Section and represent the agreement of the parties hereto, subject to further definition and elaboration in the respective referenced Sections and elsewhere in this Lease. In the event of any conflict between any fundamental lease provision and the balance of this Lease, the latter shall control. References to specific Sections are for convenience only and designate some of the Sections where references to the particular fundamental lease provisions may appear.

1.1 **Demised Premises.** The “Demised Premises” shall refer to that certain property consisting of **[***TYPE OF SPACE***]** totaling approximately **[***AREA IN SQUARE FEET***]**, located in the Palm Springs International Airport terminal building and more particularly described in Exhibit “A” attached hereto.

1.2 **Lease Term.** The term of this lease shall commence on _____, 20____ and shall terminate on _____, 20____.

1.3 **Extension Option.** Lessee may have the right to renew the Lease for _____, [x] year terms which may be exercised by providing written notice to Lessor no less than sixty (60) prior to the expiration of the Lease term or renewal period. The rental payments for any extension shall be calculated as indicated in Section 1.4.

1.4 **Lease Rental Payments.** The rent for the Demised Premises is at a Rate of \$_____ per square foot per annum, paid in monthly increments of \$_____ due on

the first day of each month. The monthly rent shall be adjusted July 1st of each year in an amount equal to the increase in the consumer price index for All-Urban Consumers (CPI-U) in the Riverside-San Bernardino- Ontario Metropolitan Statistical Area (MSA), as published by the Bureau of Labor Statistics, its successor, or substantively similar, widely adopted measurement of cost inflation for the Palm Springs region. The rent shall be escalated annually, effective each July 1st, using CPI-U indices comparing January of the prior year to January of the current year. City shall send written notice of the applicable rent increase of each successive year along with documentation evidencing the calculation used to arrive at the figure.

1.5 Extension Options. Extension options in this lease as noted in Section 1.3.

1.6 Security Deposit. N/A

1.7 Use of Premises. Lessee shall use and occupy the Premises for the purpose of [INSERT USE] related to the Commercial Aeronautical Activities

Lessor: City of Palm Springs
Attn: City Manager
3200 E. Tahquitz Canyon Way
Palm Springs, CA 92262

Cc: Palm Springs International Airport
3400 E. Tahquitz Canyon Way, Suite 1
Palm Springs, CA 92262

2.0 TERM

2.1 Term. The term of this Lease shall commence on the date specified in Section 1.2 ("Commencement Date") and shall continue for the period specified therein unless earlier terminated as provided herein.

2.2 Reserved.

2.3 Time. Time is of the essence of this Lease.

2.4 Force Majeure. If either party hereto shall be delayed or prevented from the performance of any act required hereunder by reason of acts of God, strikes, lockouts, labor troubles, inability to procure materials, restrictive governmental laws or regulations or other cause without fault and beyond the control of the party obligated (financial inability excepted), performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay, provided such party provides the other party written notice of such event within ten (10) days of the commencement of the prompt payment of any rental or other charge required of Lessee hereunder except as may be expressly provided elsewhere in this Lease.

2.5 Termination by Lessor. Lessor shall have the right to terminate this Lease by providing Lessee with at least thirty (30) days advance written notice. If Lessor terminates this Lease as provided in this Section, Lessee hereby waives any right to receive any other compensation from Lessor, including, but not limited to, the value of Lessee's leasehold interest, loss of goodwill and relocation benefits, inverse condemnation or the taking of property and Lessor shall have no obligation to pay Lessee therefor.

2.6 Holding Over. Any holding over with the consent of Lessor, express or implied, shall be construed to be a tenancy from month-to-month, cancelable upon thirty (30) days' written notice, and at a monthly rental equal to one hundred and fifty percent (150%) of the monthly rental in effect at the expiration of the contract services agreement.

2.7 Termination by Lessee. Lessee shall have the right to terminate this Lease by providing Lessor with at least thirty (30) days advance written notice. If Lessee terminates this Lease as provided in this Section, Lessee hereby waives any right to receive any other compensation from Lessor, including, but not limited to, the unamortized value of Lessee's leasehold improvements, Lessee's leasehold interest, loss of goodwill and relocation benefits, inverse condemnation or the taking of property and Lessor shall have no obligation to pay Lessee therefor.

3.0 RENTAL

3.1 Monthly Rental. Lessee shall pay to Lessor, during the term of this Lease from and after the Commencement Date, as monthly rental ("Monthly Rental") for the Premises the sum specified in Section 1.4 hereof, which sum shall be paid in advance on the first day of each calendar month. In the event the Commencement Date does not occur on the first day of a calendar month, the Lessee shall pay the rental for the fractional month on the Commencement Date on a per diem basis calculated on a thirty (30) day month. All rental to be paid by Lessee to Lessor shall be in lawful money of the United States of America and shall be paid without deduction or offset, prior notice or demand, at the address designated in Section 1.7 hereof.

3.2 Rental Adjustment. Rental adjustment are as specified in Section 1.4.

3.3 Additional Rental. For the purposes of this Lease, all monetary obligations of Lessee under this Lease, including but not limited to, insurance premiums, property taxes, maintenance expenses, late charges and utility costs shall be deemed to be additional rental.

3.4 Real Property Taxes. Unless Lessee qualifies for an exemption, in addition to all rentals herein reserved, Lessee shall pay, at the election of Lessor, either directly to the taxing authority or to Lessor, annual real estate taxes and assessments levied upon the Premises (including any possessory interest taxes), as well as taxes of every kind and nature levied and assessed in lieu of, in substitution for, or in addition to, existing real property taxes. Such amount shall be paid on the date that is twenty (20) days prior to the delinquent date or, if Lessor receives the tax bill, ten (10) days after

receipt of a copy of the tax bill from Lessor, whichever is later. Even though the term of this Lease has expired and Lessee has vacated the Premises, when the final determination is made of Lessee's share of such taxes and assessments, Lessee shall immediately pay to Lessor the amount of any additional sum owed.

3.5 Personal Property Taxes. Unless Lessee qualifies for an exemption from property taxes or possessory interest taxes due to its non-profit status, during the term hereof, Lessee shall pay, prior to delinquency all taxes assessed against and levied upon fixtures, furnishings, equipment and all other personal property of Lessee contained in the Premises, and when possible Lessee shall cause said fixtures, furnishings, equipment and other personal property to be assessed and billed separately from the real property of Lessor.

3.6 Utilities. All cost of water, gas, heat, electricity, and sewer services used in, upon, or about the Demised Premises shall be paid by the City. Lessee shall pay all telephone, internet, cable television, satellite, broadband and other telecommunications services.

3.7 Late Payment. Lessee hereby acknowledges that late payment by Lessee to Lessor of rental or other sums due hereunder will cause Lessor to incur costs not contemplated by this Lease, the exact amount of which is extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges. Accordingly, any payment of any sum to be paid by Lessee not paid within ten (10) days of its due date, shall be subject to a five percent (5%) late charge. Lessor and Lessee agree that this late charge represents a reasonable estimate of such costs and expenses and is fair compensation to Lessor for its loss suffered by such late payment by Lessee. Sixty (60) days before the anniversary date each year the City shall notify the Lessee of any outstanding delinquency, which must be cured prior to the anniversary date or the City may exercise its right of termination under section 2.5 and terminate the lease.

3.8 Interest. Any sum to be paid pursuant to the terms of this Lease not paid when due shall bear interest from and after the due date until paid at a rate equal to three percent (3%) over the reference rate being charged by Bank of America, N.A. from time to time during such period, so long as the rate does not exceed the maximum non-usurious rate permitted by law in which case interest shall be at the maximum non-usurious rate allowed by law at the time the sum became due.

4.0 USE OF THE PREMISES

4.1 Permitted Use. The Lessor hereby leases to Lessee and Lessee leases from Lessor the Premises with appurtenances as defined herein, for the purpose of conducting thereon only the use specified in Section 1.7 of this Lease and for no other use. No signs posters or similar devices shall be erected, displayed or maintained by the Lessee in view of the general public without advance written notice of the Airport Executive Director.

4.2 Prohibited Use. The operations of the Lessee shall be conducted in an orderly and proper manner and so as not to annoy, disturb, or be offensive to others

at the Airport. No solicitation of the public is allowed. Tenant shall provide uniforms and its employees shall wear badges or other means of identification.

4.3 Compliance with Laws. Lessee shall, at his own cost and expense, comply with all of the requirements of all municipal, state and federal authorities now in force or which may hereafter be in force pertaining to the use of the Premises, and shall faithfully observe in said use all municipal ordinances, including, but not limited to, the General Plan and zoning ordinances, state and federal statutes, or other governmental regulations now in force or which shall hereinafter be in force. Lessee's violation of law shall constitute an incurable default under this Lease. The judgment of any court of competent jurisdiction, or the admission of Lessee in any action or proceeding against Lessee, whether Lessor is a party thereto or not, that Lessee has violated any such order or statute in said use, shall be conclusive of that fact as between the Lessor and Lessee.

Lessee shall not engage in any activity on or about the Premises that violates any Environmental Law, and shall promptly, at Lessee's sole cost and expense, take all investigatory and/or remedial action required or ordered by any governmental agency or Environmental Law for clean-up and removal of any contamination involving any Hazardous Material created or caused directly or indirectly by Lessee. The term "Environmental Law" shall mean any federal, state or local law, statute, ordinance or regulation pertaining to health, industrial hygiene or the environmental conditions on, under or about the Demised Premises, including, without limitation, (i) the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), 42 U.S.C. Sections 9601 et seq.; (ii) the Resource Conservation and Recovery Act of 1976 ("RCRA"), 42 U.S.C. Sections 6901 et seq.; (iii) California Health and Safety Code Sections 25100 et seq.; (iv) the Safe Drinking Water and Toxic Enforcement Act of 1986, California Health and Safety Code Section 25249.5 et seq.; (v) California Health and Safety Code Section 25359.7; (vi) California Health and Safety Code Section 25915; (vii) the Federal Water Pollution Control Act, 33 U.S.C. Sections 1317 et seq.; (viii) California Water Code Section 1300 et seq.; and (ix) California Civil Code Section 3479 et seq., as such laws are amended and the regulations and administrative codes applicable thereto. The term "Hazardous Material" includes, without limitation, any material or substance which is (i) defined or listed as a "hazardous waste", "extremely hazardous waste", "restrictive hazardous waste" or "hazardous substance" or considered a waste, condition of pollution or nuisance under the Environmental Laws; (ii) petroleum or a petroleum product or fraction thereof; (iii) asbestos; and/or (iv) substances known by the State of California to cause cancer and/or reproductive toxicity. It is the intent of the parties hereto to construe the terms "Hazardous Materials" and "Environmental Laws" in their broadest sense. Lessee shall provide all notices required pursuant to the Safe Drinking Water and Toxic Enforcement Act of 1986, California Health and Safety Code Section 25249.5 et seq. Lessee shall provide prompt written notice to Lessor of the existence of Hazardous Substances on the premises and all notices of violation of the Environmental Laws received by Lessee.

4.4 Operations for the benefit of Public. Lessee agrees to operate the Demised Premises for the use and benefit of the Public, to make available all Lessee facilities to the public, without discrimination on the grounds of sex, race, color, or national

origin.

4.5 Public Facilities, Ingress, Egress and Quiet Enjoyment. City agrees that Lessee, upon payment of the rental hereunder and performing the covenants of the Lease, may quietly have, hold and enjoy the Demised Premises during the term of the Lease, and that Tenant shall have the non-exclusive right to use, in common with others, the public at the Airport and Tenant shall have a reasonable right of ingress and egress from the Demised Premises and the public facilities for its employees, visitors and customers.

4.7 Hours of Business. Subject to the provisions of Section 7.0 hereof, Lessee shall continuously during the entire term hereof conduct and carry on Lessee's business in the Premises and shall keep the Premises open for business and cause Lessee's business to be conducted therein during the Lessee's usual business hours of each and every business day.

5.0 ALTERATIONS AND REPAIRS

5.1 Alterations and Fixtures. Lessee shall not make, or suffer to be made, any alterations to the Premises, or any part thereof, without the prior written consent of Lessor. Construction Plans or detailed plans with scope of work shall be submitted to the Airport for initial review of proposed alteration. Any alterations to the Premises, except movable furniture and trade fixtures, shall become at once a part of the realty and shall at the expiration or earlier termination of this Lease belong to Lessor. Lessee shall not in any event make any changes to the exterior of the Premises. Any such alterations shall be in conformance with the requirements of City design and construction standards and all municipal, state, federal, and other governmental authorities, including requirements pertaining to the health, welfare or safety of employees or the public and in conformance with reasonable rules and regulations of Lessor. Any damage occasioned by such removal shall be repaired at Lessee's expense so that the Premises can be surrendered in a good, clean and sanitary condition as required by Section 5.2 hereof. Any and all fixtures and appurtenances installed by Lessee shall conform with the requirements of all municipal, state, federal, and governmental authorities, including requirements pertaining to the health, welfare, or safety of employees or the public. Upon completion of construction of the alterations, Lessee shall submit to Lessor evidence satisfactory to Lessor of the cost of said alterations ("Improvement Costs"). In the event the Lessor, at the request of the Lessee and at its sole discretion, incurs costs related to the financing, construction, improvements, and alterations of its leasehold, such costs shall be reimbursable by the Lessee.

5.2 Maintenance and Repair. Lessee shall, subject to Lessor's obligations hereinafter provided, at all times during the term hereof, and at Lessee's expense, keep, maintain and repair the Premises, and other improvements within the Premises in good and sanitary order, condition, and repair (except as hereinafter provided). Lessor should be notified immediately of any necessary maintenance and repair of any store front, doors, window casements, walls, glazing, heating and air

conditioning system, plumbing, pipes, electrical wiring and conduits. Lessee hereby waives all right to make repairs at the expense of Lessor, and Lessee hereby waives all rights provided for by the Civil Code of the State of California to make said repairs. By entering into the Premises, Lessee shall be deemed to have accepted the Premises as being in good and sanitary order, condition and repair. Lessee agrees on the last day of said term, or sooner termination of this Lease, to surrender the Premises with appurtenances, in the same condition as when received and in a good, clean and sanitary condition, reasonable use and wear thereof and damage by fire, act of God or by the elements excepted. Lessee shall periodically sweep and clean the sidewalks adjacent to the Premises, as needed. Upon Lessee's possession of the Premises, Lessee shall be deemed to have accepted the Premises as being in good condition and repair.

Lessee agrees that it will not, nor will it authorize any person to, go onto the roof of the building of which the Premises are a part without the prior written consent of Lessor. Said consent will be given only upon Lessor's satisfaction that any repairs necessitated as a result of Lessee's action will be made by Lessee at Lessee's expense and will be made in such a manner so as not to invalidate any guarantee relating to said roof.

5.3 Free from Liens. Lessee shall keep the Premises free from any liens arising out of any work performed, material furnished, or obligation incurred by Lessee or alleged to have been incurred by Lessee.

6.0 INSURANCE AND INDEMNIFICATION

6.1 Insurance. Prior to its ability to access the Demised Premises, Lessee will provide City with proof of insurance, at Tenant's sole cost and expense, to remain in full force and effect during the entire term of this lease. The following policies of insurance shall be maintained:

A. Insurance Provided by Lessee.

Comprehensive or Commercial Form General Liability Insurance shall include the following minimal limits:

- (i). General Liability including operations, products and completed operations \$1,000,000 each occurrence for bodily injury, personal injury and property damage/\$2,000,000 aggregate
- (ii). Automobile \$1,000,000 each accident; \$1,000,000 uninsured motorist
- (iii). Workers Compensation \$1,000,000 each accident/\$1,000,000 each employee for disease.
- (iv). Excess Liability/Umbrella Form \$2,000,000.

B. An Additional Insured Endorsement is required for the General Liability Insurance policy naming the City, its officers, employees, and agents as additional insured on the policy.

C. The policies shall provide for a 30 day notice to the City prior to termination, cancellation, or change.

D. The general liability and excess liability/umbrella policies must be endorsed to provide that each policy shall apply on a primary and noncontributing basis in relation to any insurance or self-insurance, primary or excess, maintained by or available to the City or its officials, employees, and agents.

E. The Workers Compensation policy shall contain the insurer's waiver of subrogation (or waiver of right of recovery) in favor of City, its elected officials, officers, employees, and agents.

F. If, in the City's opinion, the minimum limits of the insurance herein required have become inadequate during the period of this Lease, the Lessee shall increase such minimum limits by reasonable amounts on request of the City provided that said coverage is available at standard commercial rates.

6.2 Indemnification. To the fullest extent permitted by law, Lessee shall, at Lessee's sole expense and with counsel reasonably acceptable to City, defend, indemnify, and hold harmless City and City's officers, officials, employees and agents from and against all claims, (including demands, losses, actions, causes of action, damages, liabilities, expenses, charges, assessments, fines or penalties of any kind, and costs including consultant and expert fees, costs of investigation, court costs and attorney's fees) from any cause, arising out of or relating (directly or indirectly) to this Lease, the tenancy created under this Lease, or the Demised Premises, including without limitation:

A. The use or occupancy, or manner of use or occupancy, of the Demised Premises;

B. Any act, error or omission, or negligence of Lessee or of any subtenant, invitee, guest, contractor or licensee or Lessee or any subtenant in, on, or about the Demised Premises;

C. Lessee's conducting or managing of its business;

D. Any alterations, activities, work, or things done, omitted, permitted, allowed, or suffered by Lessee in, at, or about the Demised Premises, including the violation of or failure to comply with any insurance requirements or any applicable laws, statues, ordinances, standards, rules, regulations, orders, decrees, or judgments in existence on the Commencement Date or enacted, promulgated, or issued after the date of this Lease, and;

E. Any breach or default in performance of any obligation on Lessee's part to be performed under this Lease, whether before or during the term of this Lease or after its expiration or earliest termination.

6.3 This indemnification extends to and includes, without limitation, claims for:

A. Injury to any persons (including death at any time resulting from that injury);

B. Loss of, injury or damage to, or destruction of property (including loss of use at any time resulting from that loss, injury, damage, or destruction); and

C. All economic losses and consequential or resulting damage of any kind.

6.4 Lessee's indemnification obligation hereunder shall survive the expiration or earlier termination of this Lease until all claims against City involving any of the indemnified matters are fully, finally, and absolutely barred by the applicable statutes of limitations.

7.0 ABANDONMENT AND SURRENDER

7.1 Abandonment. Lessee shall not vacate or abandon the Premises at any time during the term of this Lease. If Lessee shall abandon, vacate or surrender the Premises or be dispossessed by process of law, or otherwise, any personal property belonging to Lessee and left on the Premises shall be deemed to be abandoned, at the option of Lessor, except such property as may be mortgaged to Lessor.

7.2 Surrender of Lease. The voluntary or other surrender of this Lease by Lessee, or a mutual cancellation thereof, shall not work a merger, and shall, at the option of Lessor, terminate all or any existing subleases or sub-tenancies, or may, at the option of Lessor, operate as an assignment to it of any or all of such subleases or sub-tenancies. In the event that Lessor fails to return the Premises in good condition, Lessor may perform any work necessary to correct deficiencies, and Lessee shall pay the cost of the work plus an administrative fee component of not more than 15 percent.

8.0 **DAMAGE AND DESTRUCTION OF PREMISES**. In the event of (a) partial or total destruction of the Premises during the term of this Lease which requires repairs to the Premises, or (b) the Premises being declared unsafe or unfit for occupancy by any authorized public authority for any reason other than Lessee's act, use or occupation, which declaration requires repairs to the Premises, Lessor shall forthwith make said repairs provided Lessee gives to Lessor thirty (30) days written notice of the necessity therefor. No such partial destruction (including any destruction necessary in order to make repairs required by any declaration made by any public authority) shall in any way annul or void this Lease except that Lessee shall be entitled to a proportionate reduction of Monthly Rental while such repairs are being made, such proportionate reduction to be

based upon the extent to which the making of such repairs shall interfere with the business carried on by Lessee in the Premises. However, if during the last two (2) years of the term of this Lease the Premises are damaged as a result of fire or any other insured casualty to an extent in excess of twenty five percent (25%) of the then replacement cost (excluding foundations), Lessor may within thirty (30) days following the date such damage occurs, terminate this Lease by written notice to Lessee. If Lessor, however, elects to make said repairs, and provided Lessor uses due diligence in making said repairs, this Lease shall continue in full force and effect, and the Monthly Rental shall be proportionately reduced while such repairs are being made as hereinabove provided. Nothing in the foregoing to the contrary withstanding, if the Premises or said building is damaged or destroyed at any time during the term hereof to an extent of more than twenty-five percent (25%) of the then replacement cost (excluding foundations) as a result of a casualty not insured against, Lessor may within thirty (30) days following the date of such destruction terminate this Lease upon written notice to Lessee. If Lessor does not elect to terminate because of said uninsured casualty, Lessor shall promptly rebuild and repair the Premises and/or the building and the Monthly Rental shall be proportionately reduced while such repairs are being made as hereinabove provided. If Lessor elects to terminate this Lease, all rentals shall be prorated between Lessor and Lessee as of the date of such destruction. In respect to any partial or total destruction (including any destruction necessary in order to make repairs required by any such declaration of any authorized public authority) which Lessor is obligated to repair or may elect to repair under the terms of this Section, Lessee waives any statutory right it may have to cancel this Lease as a result of such destruction.

9.0 SUBLETTING. For the purposes of this lease, subletting shall not be allowed.

10.0 DEFAULT

10.1 Default by Lessee. The occurrence of any one (1) or more of the following events shall constitute a default and breach of this Lease by Lessee: (a) the failure to pay any rental or other payment required hereunder to or on behalf of Lessor more than three (3) days after written notice from Lessor to Lessee that Lessee has failed to pay rent when due; (b) the failure to perform any of Lessee's agreements or obligations hereunder (exclusive of a default in the payment of money) where such default shall continue for a period of thirty (30) days after written notice thereof from Lessor to Lessee which notice shall be deemed to be the statutory notice so long as such notice complies with statutory requirements; (c) the vacation or abandonment of the Premises by Lessee; (d) the making by Lessee of a general assignment for the benefit of creditors; (e) the filing by Lessee of a voluntary petition in bankruptcy or the adjudication of Lessee bankruptcy; (f) the appointment of a receiver to take possession of all or substantially all the assets of Lessee located at the Premises or of Lessee's leasehold interest in the Premises; (g) the filing by any creditor of Lessee of an involuntary petition in bankruptcy which is not dismissed within sixty (60) days after filing; or (h) the attachment, execution or other judicial seizure of all or substantially all of the assets of Lessee or Lessee's leasehold where such an attachment, execution or seizure is not discharged within sixty (60) days. Any repetitive failure by Lessee to perform its agreements and obligations hereunder, though intermittently cured, shall be deemed an incurable default. Two (2) breaches of

the same covenant within a sixty (60) day period, a notice having been given pursuant to (a) or (b) above for the first breach, or three (3) of the same or different breaches at any time during the term of this Lease for which notices pursuant to (a) or (b) above were given for the first two (2) breaches shall conclusively be deemed to be an incurable repetitive failure by Lessee to perform its obligations hereunder.

In the event of any such default or breach by Lessee, Lessor may at any time thereafter, without further notice or demand, rectify or cure such default, and any sums expended by Lessor for such purposes shall be paid by Lessee to Lessor upon demand and as additional rental hereunder, with an administrative fee component of not more than 15%. In the event of any such default or breach by Lessee, Lessor shall have the right (i) to continue the lease in full force and effect and enforce all of its rights and remedies under this Lease, including the right to recover the rental as it becomes due under this Lease, or (ii) Lessor shall have the right at any time thereafter to elect to terminate the Lease and Lessee's right to possession thereunder.

10.2 No Waiver. Acceptance of rental hereunder shall not be deemed a waiver of any default or a waiver of any of Lessor's remedies.

10.3 Lessor's Default. Lessor shall not be in default unless Lessor fails to perform obligations required of Lessor within a reasonable time, but in no event later than thirty (30) days after written notice by Lessee to Lessor and to the holder of any first mortgage or deed of trust covering the Premises whose name and address shall have theretofore been furnished to Lessee in writing, specifying wherein Lessor has failed to perform such obligation; provided, however, that if the nature of Lessor's obligation is such that more than thirty (30) days are required for performance then Lessor shall not be deemed in default if Lessor commences performance within a thirty (30) day period and thereafter diligently prosecutes the same to completion. In no event shall Lessee have the right to terminate this Lease as a result of Lessor's default and Lessee's remedies shall be limited to damages and/or an injunction.

11.0 CONDEMNATION. In the event a condemnation or a transfer in lieu thereof results in a taking of any portion of the Premises, Lessor may, or in the event a condemnation or a transfer in lieu thereof results in a taking of twenty-five percent (25%) or more of the Premises, Lessee may, upon written notice given within thirty (30) days after such taking or transfer in lieu thereof, terminate this Lease. Lessee shall not be entitled to share in any portion of the award and Lessee hereby expressly waives any right or claim to any part thereof. Lessee shall, however, have the right to claim and recover, only from the condemning authority (but not from Lessor), any amounts necessary to reimburse Lessee for the cost of removing stock and fixtures. If this Lease is not terminated as above provided, Lessor shall use a portion of the condemnation award to restore the Premises.

12.0 MISCELLANEOUS

12.1 Reservation of Right to Modify Property. Lessor hereby reserves the right (but not the obligation) to renovate, modernize, rehabilitate, expand, reduce, reconfigure, enclose and/or otherwise alter all or any portion of the Premises (collectively

"Modifications"), in such manner and at such time or times, throughout the term of this Lease, as Lessor may, in its sole and absolute discretion, deem to be in the best interests of the Property. Such Modifications may include, without limitation, the right to construct new buildings on the Property for additional uses, to remove, renovate, repair, add to, modernize or otherwise alter the building in which the Premises are situated as well as other buildings, facilities, structures, malls, walkways, landscaping, parking and common areas or other areas within the Property. In connection with any and all such Modifications, Lessor may enter the Premises to the extent reasonably required by Lessor to pursue and complete such Modifications. In addition, Lessor may temporarily close portions of the parking and common areas and cause temporary obstructions in connection with any Modifications. Lessee agrees that under no circumstances shall the Modifications as to any portion of the Property or the construction activity that takes place in the course of making the Modifications, or any aspect thereof, including Lessor's entry into the Premises, constitute an eviction or partial eviction of Lessee or a breach of Lessee's right to quiet enjoyment or of any other provision of this Lease, nor entitle Lessee to damages, injunctive relief or other equitable relief, nor entitle Lessee to any abatement or reduction in the Monthly Rental, additional rental or other charges or sums due under this Lease; provided Lessor uses reasonable efforts to mitigate any adverse effects on Lessee caused by the Modifications.

12.2 Entry and Inspection. Lessor and its agents shall have the right to enter upon the Leased Premises during such times as may be reasonable under the circumstances for any purpose necessary, incidental to or connected with the performance of its obligations or in the exercise of its governmental functions relating to the public health, safety, good conduct, and the proper management of the Airport.

12.3 Estoppel Certificate. In the event of any proposed encumbrance, assignment, or other transfer of this Lease, Tenant shall submit its request to the City no less than 90 days in advance of the effective date of the proposed assignment in order for the City to make its determination. If, as a result of a proposed sale, assignment, or hypothecation of the Premises or the land thereunder by Lessor, or at any other time, an estoppel certificate shall be requested of Lessee, Lessee agrees, within ten (10) days thereafter, to deliver such estoppel certificate addressed to any existing or proposed mortgagee or proposed purchaser, and to the Lessor. Lessee shall be liable for any loss or liability resulting from any incorrect information certified, and such mortgagee and purchaser shall have the right to rely on such estoppel certificate and financial statement.

12.4 Jurisdiction and Venue. The parties hereto agree that the State of California is the proper jurisdiction for litigation of any matters relating to this Lease, and service mailed to the address of Lessees set forth herein shall be adequate service for such litigation. The parties further agree that Riverside County, California is the proper place for venue as to any such litigation and Lessee agrees to submit to the personal jurisdiction of such court in the event of such litigation.

12.5 Partial Invalidity. If any term, covenant, condition or provision of this Lease is held to be invalid, void, or unenforceable, the remainder of the provisions hereof

shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereof.

12.6 Successors in Interest. The covenants herein contained shall, subject to the provisions as to assignment, apply to and bind the heirs, successors, executors, administrators and assigns of all the parties hereto; and all of the parties hereto shall be jointly and severally liable hereunder.

12.7 No Oral Agreements. This (i) Lease covers in full each and every agreement of every kind or nature whatsoever between the parties hereto concerning this Lease, (ii) supersedes any and all previous obligations, agreements and understandings, if any, between the parties, oral or written, and (iii) merges all preliminary negotiations and agreements of whatsoever kind or nature herein. Lessee acknowledges that no representations or warranties of any kind or nature not specifically set forth herein have been made by Lessor or its agents or representatives.

12.8 Authority. In the event that Lessee is a corporation or a partnership, each individual executing this Lease on behalf of said corporation or said partnership, as the case may be, represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of said corporation or partnership, in accordance with a duly adopted resolution of the Board of Directors, if a corporation, or in accordance with the Partnership Agreement, if a partnership, and that this Lease is binding upon said corporation or partnership in accordance with its terms. Lessee represents and warrants to Lessor that the entering into this Lease does not violate any provisions of any other agreement to which Lessee is bound.

12.9 Relationship of Parties. The relationship of the parties hereto is that of Lessor and Lessee, and it is expressly understood and agreed that Lessor does not in any way or for any purpose become a partner of Lessee in the conduct of Lessee's business or otherwise, or a joint venture with Lessee, and that the provisions of this Lease and the agreements relating to rent payable hereunder are included solely for the purpose of providing a method whereby rental payments are to be measured and ascertained.

12.10 Nondiscrimination. Lessee for itself, personal representatives, successors in interest, and assigns, as part of the consideration hereof, does hereby covenant and agree as a covenant running with the Demised Premises that: (1) no person, because of actual or perceived race, religion, color, sex, age, marital status, ancestry, national origin (i.e., place of origin, immigration status, cultural or linguistic characteristics, or ethnicity), sexual orientation, gender identity, gender expression, physical or mental disability, or medical condition (each a "prohibited basis") shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities; (2) it shall ensure that applicants are employed, and that employees are treated during their employment, without regard to any prohibited basis; (3) as a condition precedent to City's lawful capacity to enter this Lease, and in executing this Lease, Lessee certifies that its actions and omissions hereunder shall not incorporate any discrimination arising from or related to any prohibited basis in any Lessee activity, including but not limited to the following: employment, upgrading,

demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship; and further, that, to the extent applicable to Lessee, it is in full compliance with the provisions of Palm Springs Municipal Code Section 7.09.040, including without limitation the provision of benefits, relating to non-discrimination in city contracting; (4) in the construction of any improvements on, over, or under such Premises and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination; and (5) it shall use the 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, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, including applicable Regulations that may be amended and are hereby incorporated and attached as Exhibit "C" & "D",

12.11 Notices. Wherever in this Lease it shall be required or permitted that notice and demand be given or served by either party to this Lease to or on the other, such notice or demand shall be given or served in writing and shall not be deemed to have been duly given or served unless in writing, and personally served or forwarded by certified mail, postage prepaid, addressed, if to Lessor, as specified in Section 1.9. Either party may change the address set forth herein by written notice by certified mail to the other. Any notice or demand given by certified mail shall be effective one (1) day subsequent to mailing.

To City: Palm Springs International Airport
3400 E. Tahquitz Canyon Way, Suite OFC
Palm Springs, CA 92262

To Tenant: [TENANT NAME]
[TENANT ADDRESS]

12.12 Waiver. No delay or omission in the exercise of any right or remedy by a non-defaulting party shall impair such right or remedy or be construed as a waiver. A party's consent to or approval of any act by the other party requiring the party's consent or approval shall not be deemed to waive or render unnecessary the other party's consent to or approval of any subsequent act. Any waiver by either party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Lease.

12.13 Exhibits and Addenda. The Exhibits and Addenda attached to this Lease are made a part hereof as if fully set forth herein. In the event of a conflict between the terms and provisions of Addenda and the terms and provisions of this Lease, the terms and provisions of the Addenda shall prevail.

SIGNATURE PAGE TO FOLLOW

SIGNATURE PAGE FOR LEASE AGREEMENT BETWEEN THE CITY OF PALM SPRINGS AND [INSERT NAME]

IN WITNESS WHEREOF, the Parties have entered into this Non-Exclusive Operating and Lease Agreement as of the day and year first above written.

CITY OF PALM SPRINGS

[INSERT NAME]

Approved By:

Scott Stiles
City Manager

Signature

Name

Date

Title

Attested By:

City Clerk

Signature

Name

Approved as to Form:

City Attorney

Title

Corporations require two notarized signatures. One signature must be from Chairman of Board, President, or any Vice President. The second signature must be from the Secretary, Assistant Secretary, Treasurer, Assistant Treasurer, or Chief Financial Officer.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)

County of _____)

On _____ before me, _____
Date Here Insert Name and Title of the Officer

Personally appeared _____
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document _____ Document Date _____

Number of Pages _____ Signer(s) Other Than Named Above _____

Capacity(ies) Claimed by Signer(s)

Signer's Name _____	Signer's Name _____
Corporate Officer—Title(s) _____	Corporate Officer—Title(s) _____
Partner Limited General _____	Partner Limited General _____
Individual Attorney in Fact _____	Individual Attorney in Fact _____
Trustee Guardian or Conservator _____	Trustee Guardian or Conservator _____
Other _____	Other _____

Signer Is Representing _____ Signer Is Representing _____

EXHIBIT "A"

*****DIAGRAM OF LEASED AREA*****

EXHIBIT "B"

ESTOPPEL CERTIFICATE

Lessee:

Lessor:

Date of Lease:

Demised Premises:

To:

The undersigned hereby certifies as follows:

1. The undersigned is the Lessee ("Lessee") under the above-referenced lease ("Lease") covering the above-referenced premises ("Demised Premises").
2. The Lease constitutes the entire agreement between Lessor and Lessee with respect to the Demised Premises and the Lease has not been modified, changed, altered or amended in any respect except as set forth above.
3. The term of the Lease commenced on _____, 20____ and, including any presently exercised option or renewal term, will expire on _____, 20____. Lessee is in possession of the Demised Premises and is the actual occupant in possession thereof and has not sublet, assigned or hypothecated its leasehold interest. All improvements to be constructed on the Demised Premises by Lessee have been completed and accepted by Lessor and any Lessee construction allowances have been paid in full.
4. As of this date, to the best of Lessee's knowledge, there exists no breach or default, nor state of facts which, with notice, the passage of time, or both, would result in a breach or default on the part of either Lessee or Lessor. To the best of Lessee's knowledge, no claim, controversy, dispute, quarrel or disagreement exists between Lessee and Lessor.
5. Lessee is currently obligated to pay Monthly Rent in installments of \$_____ per month, and such monthly installments have been paid not more than one month in advance. To the best of Lessee's knowledge, no other rent has been paid in advance and Lessee has no claim or defense against Lessor under the Lease and is asserting no offsets or credits against either the rent or Lessor. Lessee has no claim against Lessor for any security or other deposits except \$_____ which was paid pursuant to the Lease.

6. Lessee has no option or preferential right to lease or occupy additional space within the Property of which the Demised Premises are a part. Lessee has no option or preferential right to purchase all of any part of the Demised Premises nor any right or interest with respect to the Demised Premises other than as Lessee under the Lease. Lessee has no right to renew or extend the term of the Lease except as set forth in the Lease.

7. Lessee has made no agreements with Lessor or its agent or employees concerning free rent, partial rent, rebate of rental payments or any other type of rent or other concession except as expressly set forth in the Lease.

8. There has not been filed by or against Lessee a petition in bankruptcy, voluntary or otherwise, any assignment for the benefit of creditors, any petition seeking reorganization or arrangement under the bankruptcy laws of the United States, or any state thereof, or any other action brought under said bankruptcy laws with respect to Lessee.

9. All insurance which Lessee is required to maintain under the Lease has been obtained by Lessee and is in full force and effect and all premiums with respect thereto have been paid.

Dated this _____ day of _____, 20____.

By: _____

Its: _____

APPENDIX A

During the performance of this contract, the contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the "contractor") agrees as follows:

1. **Compliance with Regulations:** The contractor (hereinafter includes consultants) will comply with the Acts and the Regulations relative to Non-discrimination in Federally-assisted programs of the U.S. Department of Transportation, **Federal Aviation Administration**, as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.
2. **Non-discrimination:** The contractor, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The contractor will not participate directly or indirectly in the discrimination prohibited by the Acts and the Regulations, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR part 21.
3. **Solicitations for Subcontracts, Including Procurements of Materials and Equipment:** In all solicitations, either by competitive bidding, or negotiation made by the contractor for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by the contractor of the contractor's obligations under this contract and the Acts and the Regulations relative to Non-discrimination on the grounds of race, color, or national origin.
4. **Information and Reports:** The contractor will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the Recipient or the **Federal Aviation Administration** to be pertinent to ascertain compliance with such Acts, Regulations, and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, the contractor will so certify to the Recipient or the **Federal Aviation Administration**, as appropriate, and will set forth what efforts it has made to obtain the information.
5. **Sanctions for Noncompliance:** In the event of a contractor's noncompliance with the Non-discrimination provisions of this contract, the Recipient will impose such contract sanctions as it or the **Federal Aviation Administration** may determine to be appropriate, including, but not limited to:

- a. withholding payments to the contractor under the contract until the contractor complies; and/or
 - b. cancelling, terminating, or suspending a contract, in whole or in part.
6. **Incorporation of Provisions:** The contractor will include the provisions of paragraphs one through six in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations and directives issued pursuant thereto. The contractor will take action with respect to any subcontract or procurement as the Recipient or the **Federal Aviation Administration** may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the contractor becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the contractor may request the Recipient to enter into any litigation to protect the interests of the Recipient. In addition, the contractor may request the United States to enter into the litigation to protect the interests of the United States.

EXHIBIT "D"

08/27/13

1400.11
Appendix 4

APPENDIX E

During the performance of this contract, the contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the "contractor") agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

Pertinent Non-Discrimination Authorities:

- Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d *et seq.*, 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin); and 49 CFR part 21.
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. § 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794 *et seq.*), as amended, (prohibits discrimination on the basis of disability); and 49 CFR part 27;
- The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 6101 *et seq.*), (prohibits discrimination on the basis of age);
- Airport and Airway Improvement Act of 1982, (49 USC § 471, Section 47123), as amended, (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987, (PL 100-209), (Broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§ 12131 – 12189) as implemented by Department of Transportation regulations at 49 CFR parts 37 and 38;
- The Federal Aviation Administration's Non-discrimination statute (49 U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures discrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;



palm springs
INTERNATIONAL AIRPORT

Marketing & Air Service Update

January 2025



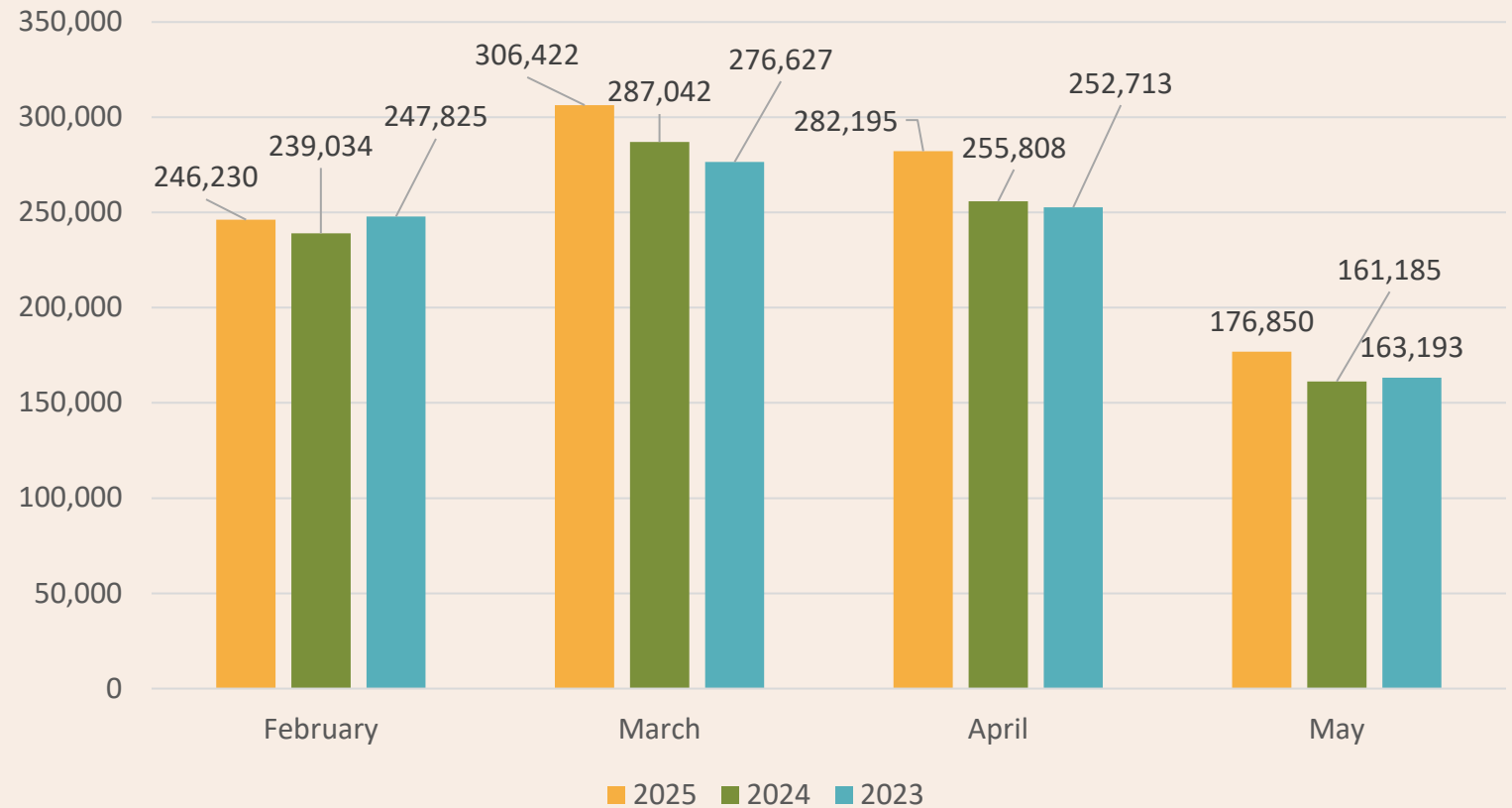
ITEM 8.G

Scheduled Departing Seats

Based on 1/6/25 schedule data, subject to change.

Seats vs. 1 Year Ago

Month	% Change
February	3 %
March	6.8 %
April	10.3 %
May	9.7 %



Bar Graph: Left to right: 2025, 2024, 2023

Airport Round Table Conference

- Co-Hosted with Visit Greater Palm Springs
- Industry professionals from airports across the US and Canada attended
- Nine airlines attended and were able to experience our destination
- Hosting air service development conferences is part of our efforts to increase service at PSP
- Providing an in-market experience to airlines strengthens our business case to airlines



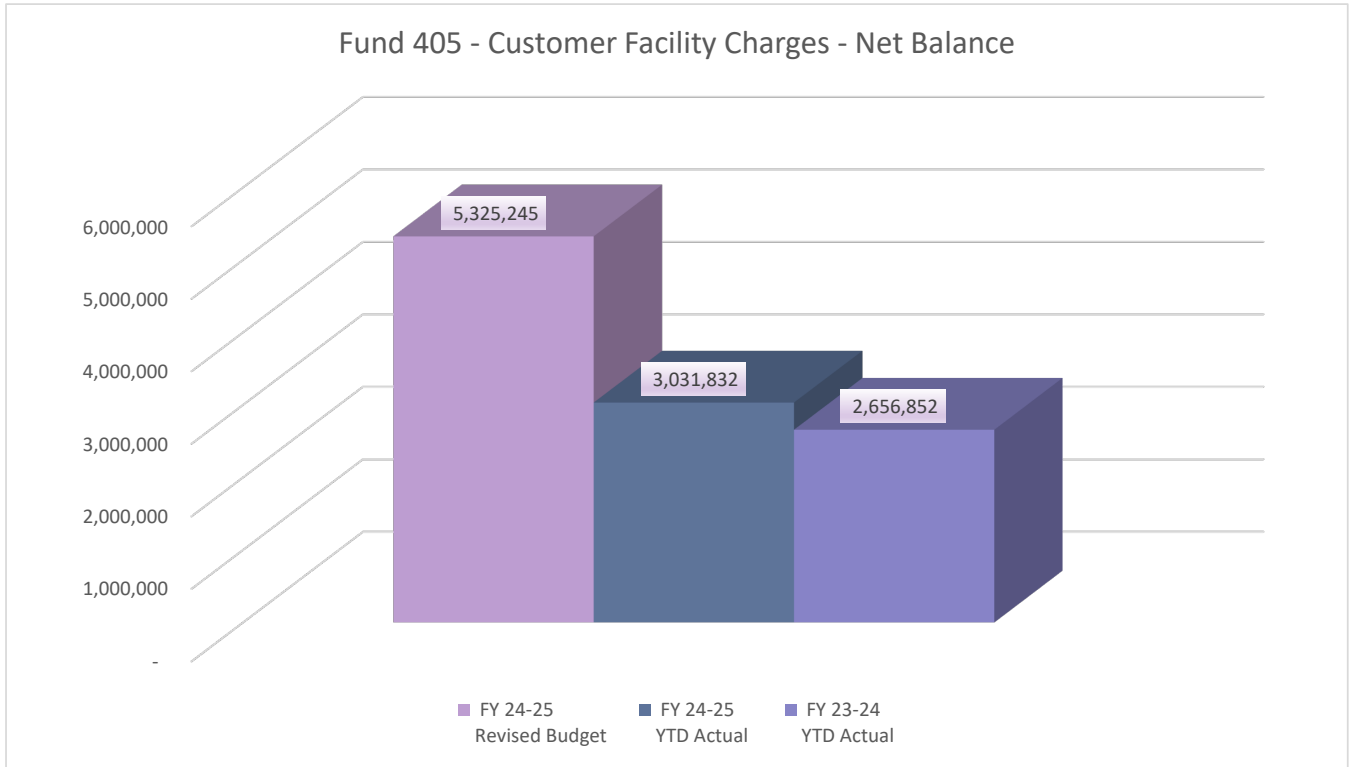
- The Airport is committed to enhancing passenger services and becoming one of the most accessible and customer-friendly airports in the country.
- This initiative aims to deliver seamless, inclusive, and memorable travel experiences while addressing the rising passenger volumes and planned expansions.
- The program plan will be designed to be fully implemented and executed within three years of its launch.
- This plan will include development of a Customer Experience team that will operate seven days per week

Consultant

- PSM Squared, based in Tempe, AZ, selected via RFP process
- RFP Scope of Work developed by Airport Staff, Marketing & Operations Commission Chairs, and staff from Visit Greater Palm Springs.
- PSM Squared has staff in SoCal
- Experience in developing Customer Experience programs at LAX, SNA, and PHX
- \$275,0000 to develop the program plan

CITY OF PALM SPRINGS
PALM SPRINGS INTERNATIONAL AIRPORT
 Financial Summary
 Ending December 31, 2024

Fund 405 - Customer Facility Charges	FY 24-25 Revised Budget	FY 24-25 YTD Actual	FY24-25 % Of Budget	FY 23-24 YTD Actual	FY 23-24 vs FY 24-25 % Change
Operating Revenue	9,406,451	3,031,832	32%	2,656,852	14%
Operating Expenditures	4,081,206	-	0%	-	0%
Surplus / (Deficit)	5,325,245	3,031,832	57%	2,656,852	-14%



Fund 405 is the airports fund for customer facility charges (CFC).

Revenues

CFC revenue is collected by the car rental concessionaires and remitted to the Airport according to state law to support the future consolidated rental car facility project. In March 2022, City Council approved a change in the collection methodology rate from \$10 per transaction to \$9 per day up to five days maximum.

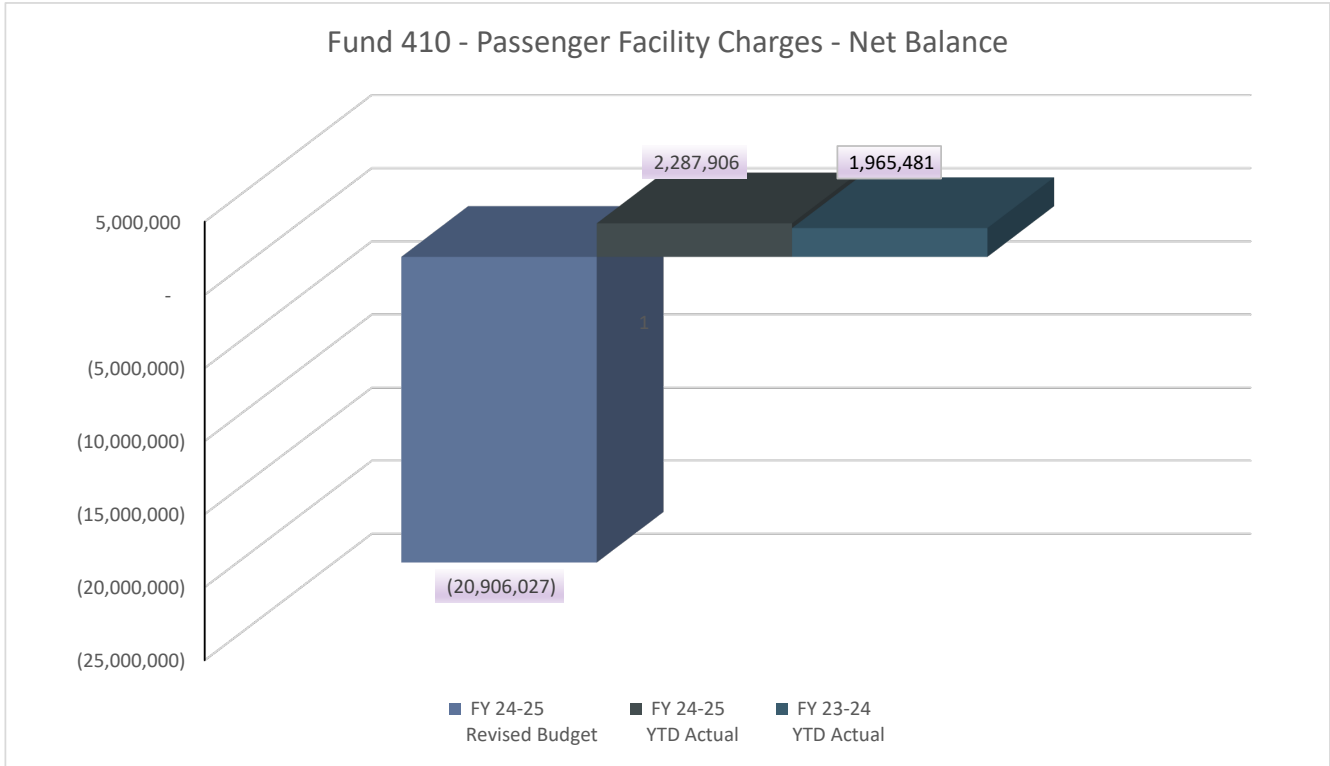
YTD, revenues of \$3,031,832 represents 32% of the full year budget, reflecting seasonal nature of CFC revenues.

Expenditures

YTD, the airport has not spent any of the Fund 405 budgeted expenditures.

CITY OF PALM SPRINGS
PALM SPRINGS INTERNATIONAL AIRPORT
 Financial Summary
 Ending December 31, 2024

Fund 410 - Passenger Facility Charges	FY 24-25 Revised Budget	FY 24-25 YTD Actual	FY24-25 % Of Budget	FY 23-24 YTD Actual	FY 23-24 vs FY 24-25 % Change
Operating Revenue	6,603,496	2,293,201	35%	2,372,466	-3%
Operating Expenditures	27,509,523	5,295	0%	406,985	-99%
Surplus / (Deficit)	(20,906,027)	2,287,906	-11%	1,965,481	16%



Fund 410 is the airports fund for passenger facility charges (PFC).

Revenues

The PFC, provides a source of additional capital to improve, expand, and repair the nation’s airport infrastructure. The FAA must approve any facility charges imposed on enplaning passengers. The PFC at PSP is \$4.50 and the maximum PFC charge on any one passenger travel ticket is capped at \$18.00.

YTD, revenues of \$2,293,201 represents 35% of the full year budget, reflecting seasonal nature of CFC revenues. The budgetd expenditures of \$27,509,523 includes \$25,000,000 for the construction of the baggage handling system terminal building and the remaining for bond principal, interest and fees.

Expenditures

On July 18, 2019, the City of Palm Springs issued 2019 Airport Passenger Facility Charge Revenue Bonds for \$22,270,000 to finance a portion of the design, acquisition, and construction of ticketing hall and baggage handling system improvements. Interest is payable semiannually on June 1, and December 1 of each year, commencing December 1, 2019, until maturity or earlier redemption. FY 24-25 principal is \$1,775,000 and interest is \$722,500. Expenses to fund 410 include principal and interest and contractual services to the bond consultant.

YTD, expenditures of \$5,295 include administrative fees for the 2019 bond.

CITY OF PALM SPRINGS
PALM SPRINGS INTERNATIONAL AIRPORT
 Financial Summary
 Ending December 31, 2024

Fund 415 - Airport					
Operations &	FY 24-25	FY 24-25	FY24-25	FY 23-24	FY 23-24
Maintenance	Revised Budget	YTD Actual	% Of Budget	YTD Actual	vs FY 24-25 % Change
Operating Revenue	69,312,200	20,552,937	30%	17,017,807	21%
Operating Expenditures	63,533,057	14,874,026	23%	16,452,987	-10%
Surplus / Deficit	5,779,143	5,678,910	98%	564,820	905%

Fund 415 is the airports operation & maintenance fund which records for all the revenues and expenditures.

Revenues

Airport revenues included operating and non-operating revenues from airlines, fuel fees, terminal rentals, ground rentals, concessions, fines, parking, ground transportation, grant reimbursements, admission fees for the Palm Springs Air Museum and interest income.

Expenditures

Airport expenditures consist of personnel, contractual services, safety and security (Aircraft Rescue and Fire Fighting (ARFF) and law enforcement), utilities, maintenance, supplies, operating equipment, insurance, employee development, equipment rentals and repairs.

CITY OF PALM SPRINGS
PALM SPRINGS INTERNATIONAL AIRPORT
Financial Summary
Ending December 31, 2024

Fund 415 - Airport					
Operations & Maintenance	FY 24-25 Revised Budget	FY 24-25 YTD Actual	FY24-25 % Of Budget	FY 23-24 YTD Actual	FY 23-24 vs FY 24-25 % Change
Operating Revenue					
Airline Revenue					
Landing Fees	6,660,726	2,163,090	32%	1,779,275	22%
Landing Fee Surcharge	-	-	0%	(93,778)	-100%
Terminal Airline Space/Joint Use	14,090,552	3,198,193	23%	2,465,477	30%
Gate Per Use Fees	4,512,015	783,440	17%	548,439	43%
Passenger Loading Bridge Fee	1,208,363	160,505	13%	319,947	-50%
Baggage Handling System Fees	941,850	172,768	18%	361,628	-52%
Total Airline Revenues	27,413,506	6,477,996	24%	5,380,988	20%
Non-Airline Revenue					
General Aviation	446,000	123,275	28%	110,016	12%
Non-Aeronautical Ground Rental	458,415	265,264	58%	250,829	6%
Aeronautical Ground Rental	1,409,974	658,233	47%	602,667	9%
Parking	6,797,520	2,855,265	42%	2,929,800	-3%
Airport Use Permits	62,371	69,417	111%	65,485	6%
Non-Airline Terminal Rent Fee	15,437,857	1,536,972	10%	937,401	64%
Rental Car - Overflow Parking	399,030	506	0%	578	-12%
Advertising	440,000	334,214	76%	130,821	155%
On Airport Rental Car	12,303,124	5,830,668	47%	3,440,035	69%
Commercial Services Fees	1,189,000	381,629	32%	388,114	-2%
Ground Transportation Fees	1,277,000	485,418	38%	508,712	-5%
Customs	303,598	112,108	37%	119,701	-6%
All Other Revenue	1,374,804	1,421,971	103%	2,152,660	-34%
Total Non-Airline Revenue	41,898,694	14,074,940	34%	11,636,819	21%
Total Operating Revenues	69,312,200	20,552,937	30%	17,017,807	21%

The Landing Fee Surcharge is no longer collected from the airlines; therefore is removed in FY25.

The Passenger Loading Bridge Fee and Baggage Handling System Fees are 50% of prior year actual budget, the rates were reassessed at the start of the FY25 and lowered to match operating costs.

The Parking decreased by 3% due to the 5% decrease in total passengers from July thru November 2024.

For Advertising, the FUSE contract started in July 2024 with a higher revenue share

On Airport Rental Car for FY25 we are recording MAG, on FY24 only recorded 10% of revenue.

For Customs we have a decrease in inspections.

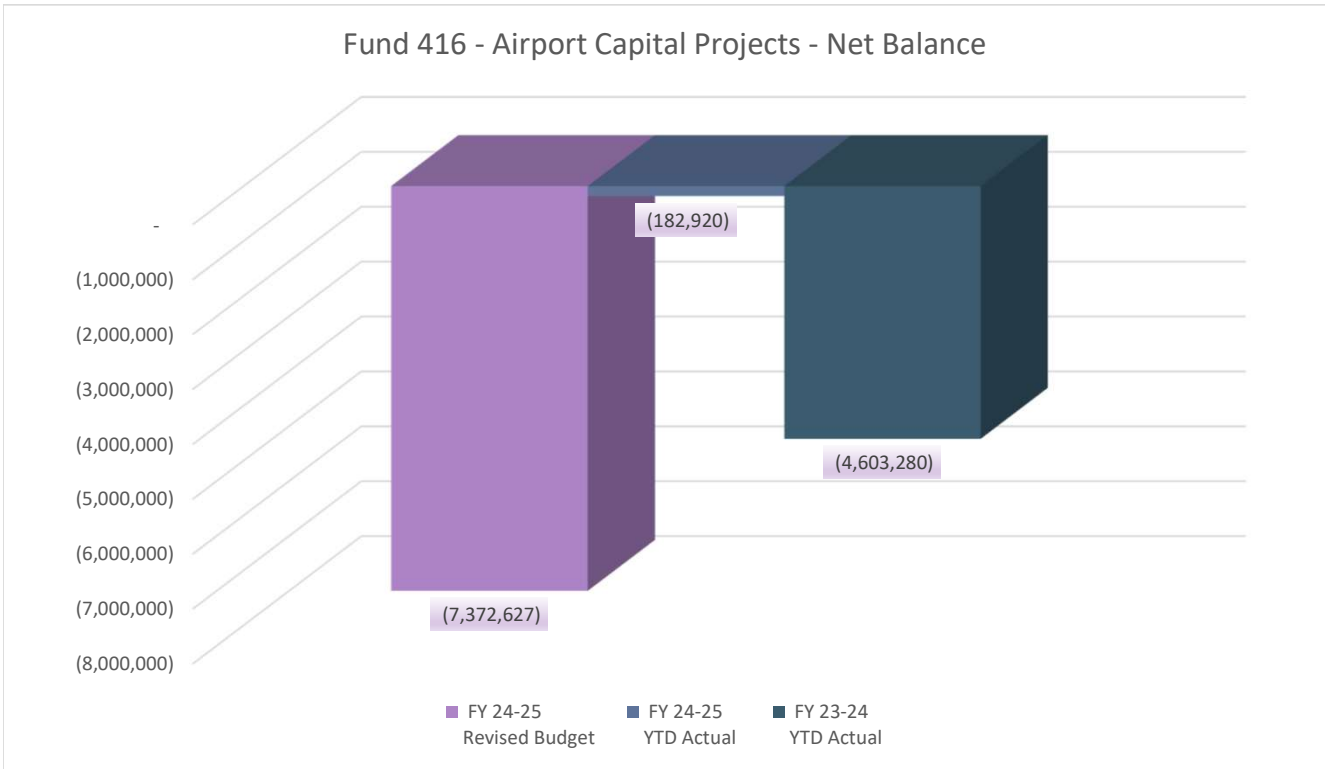
CITY OF PALM SPRINGS
PALM SPRINGS INTERNATIONAL AIRPORT
Financial Summary
Ending December 31, 2024

Fund 415 - Airport					
Operations & Maintenance	FY 24-25 Revised Budget	FY 24-25 YTD Actual	FY24-25 % Of Budget	FY 23-24 YTD Actual	FY 23-24 vs FY 24-25 % Change
Operating Expenditures					
Emergency Disaster	27,358	3,536	13%	-	0%
Airport Administration	9,495,884	2,435,171	26%	2,749,490	-11%
Airport Information Technology	971,261	350,305	36%	193,843	81%
Airport Law Enforcement	3,219,986	1,186,956	37%	1,739,348	-32%
Aviation Security	2,051,106	252,797	12%	80,339	215%
Airside Operations	6,280,093	2,446,652	39%	2,742,082	-11%
Airport Rescue - Fire	5,076,634	1,752,567	35%	1,966,638	-11%
Landside Operations	2,917,926	940,621	32%	760,892	24%
Grounds Maintenance	675,350	190,436	28%	221,396	-14%
Terminal Building Operations	11,544,921	2,960,115	26%	2,078,020	42%
Passenger Boarding Bridges	120,000	9,994	8%	23,200	-57%
Baggage Handling System	952,230	220,881	23%	110,243	100%
Control Center Operations	4,187,508	1,911,587	46%	2,198,298	-13%
U.S. Customs	317,301	147,961	47%	137,230	8%
Planning & Projects	707,498	64,445	9%	55,626	16%
PERS Cost Recovery	500,000	-	0%	-	0%
Budget Transfer Out	-	-	0%	-	0%
Total Operating Expenditures	49,045,057	14,874,026	30%	15,056,645	1%
Surplus / (Deficit)	20,267,143	5,678,910	28%	1,961,162	190%

For Airport Information Technology we have new positions and new IT equipment.
The Aviation Security payroll is recording thru Administration.
For Baggage Handling System we recorded Services Agreement for September thru November.

CITY OF PALM SPRINGS
PALM SPRINGS INTERNATIONAL AIRPORT
 Financial Summary
 Ending December 31, 2024

Fund 416 - Airport Capital Projects	FY 24-25 Revised Budget	FY 24-25 YTD Actual	FY24-25 % Of Budget	FY 23-24 YTD Actual	FY 23-24 vs FY 24-25 % Change
Operating Revenue	110,047,500	3,734,578	3%	545,126	585%
Operating Expenditures	117,420,127	3,917,499	3%	5,148,405	-24%
Surplus / (Deficit)	(7,372,627)	(182,920)	2%	(4,603,280)	-96%



Fund 416 is the Airport Capital Program

Revenues

Airport Improvement Program (AIP) grants are offered to PSP to provide funding assistance for eligible capital projects that meet the criteria of the federal program. Additional funding is being distributed through AIP grant program by the Bipartisan Infrastructure Law (BIL). These grants have a 9.34% local share and the remaining 90.66% are reimbursed by the FAA. Revenues in excess of the Airport Operations & Maintenance are transferred to fund 416 to cover capital projects.

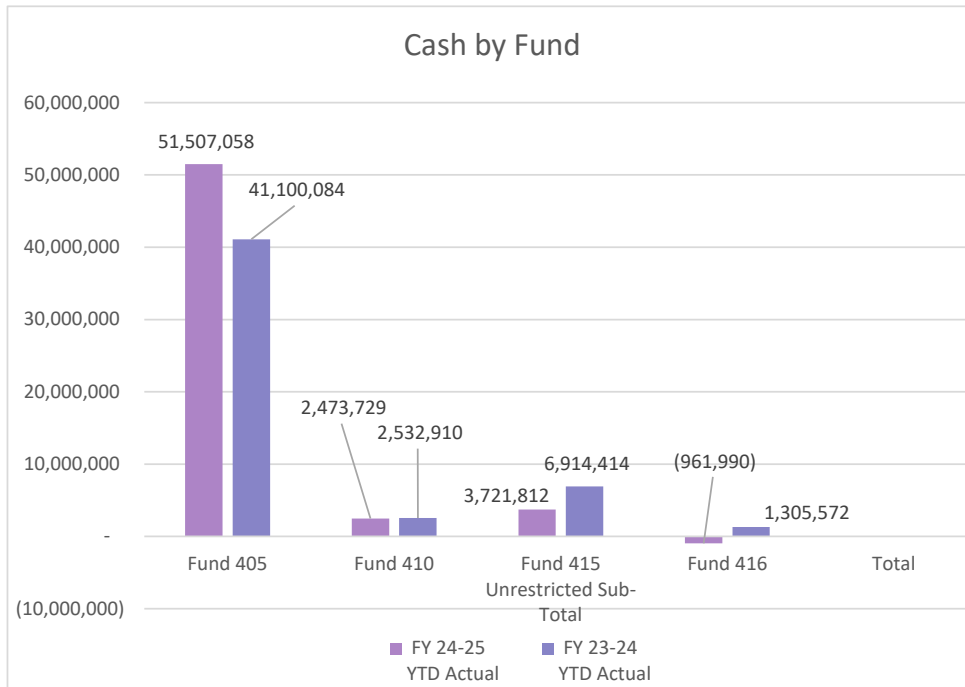
Expenditures

The airports Capital Improvement Program and Capital Outlay projects are shown on a separate sheet. Under the new the AULA, the airlines will be charged amortization for certain capital projects to help recover its portion of funds used for capital assets. A capital expenditure is any single item that costs \$300,000 or more with a useful life in excess of three years, including planning studies, environmental studies, and environmental mitigation measures.

YTD there is a deficit of \$182,920, but the Airport will transfer cash from Fund 415 to fund 416 to fund the deficit. The Airport anticipates two TSA reimbursements \$365,352.17.

CITY OF PALM SPRINGS
PALM SPRINGS INTERNATIONAL AIRPORT
 Financial Summary
 Ending December 31, 2024

<u>Cash Summary</u>	FY 24-25 YTD Actual	FY 23-24 YTD Actual
Fund 405	51,507,058	41,100,084
Fund 410	2,473,729	2,532,910
Fund 415 Unrestricted Sub-Total	3,721,812	6,914,414
Fund 416	(961,990)	1,305,572
Total		



CITY OF PALM SPRINGS
PALM SPRINGS INTERNATIONAL AIRPORT
Financial Summary
Ending December 31, 2024

NO. OF PROJECTS	PROJECT NAME	BUDGET FY 2021-2022	BUDGET FY 2022-2023	BUDGET FY 2023-2024	BUDGET FY 2024-2025	PRIOR EXPENSES	EXPENSES TO DATE	REMAINING	FUNDING SOURCE
1	AIRCRAFT RESCUE & FIREFIGHTING TRUCK			-	1,500,000	1,127,610	1,127,610	372,390	Airport
2	AIRFIELD 31L/13R REHABILITATION & AIRFIELD CONNECTOR - (DESIGN)	-	-	-	1,500,000	-	-	1,500,000	Airport / ACIP Grant
3	AIRFIELD W & A1 - (CONSTRUCT - PHASE 1)	-	-	-	6,500,000	-	-	6,500,000	Airport / ACIP / BIL-AIG Grant
4	AUTOMATED EXIT LANES	-	-	-	750,000	-	-	750,000	Airport
5	AUTOMATED VEHICLE IDENTIFICATION	300,000	-	-	-	276,384	276,384	23,616	Airport
6	BHS - TERMINAL BUILDING EXPANSION (CONSTRUCT)	-	-	-	25,000,000	-	-	25,000,000	PFC
7	CARPET REPLACEMENT - MAIN TERMINAL LOBBY AND SECURITY CHECK POINT	-	-	400,000	-	-	-	400,000	Airport
8	COMMON USE	225,860	2,777,514	-	-	1,322,121	2,296,478	706,896	Airport
9	CONSOLIDATED RENTAL CAR FACILITY (DESIGN)	-	-	-	2,500,000	-	-	2,500,000	CFC
10	CONVEYANCE REPLACEMENT	-	-	-	4,700,000	-	-	4,700,000	Airport / BIL-ATP Grant
11	ECONOMY LOT (CONSTRUCT) - PHASE 1	-	-	-	3,000,000	-	30,677	2,969,323	Airport
12	ECONOMY LOT (CONSTRUCT) - PHASE 2	-	-	-	3,000,000	-	-	3,000,000	Airport
13	ELECTRIC VEHICLE (EV) CHARGERS	-	-	300,000	-	295,708	295,708	4,292	Airport/ACIP
14	FEDERAL INSPECTION STATION - (DESIGN) & NEW TERMINAL EXPANSION	-	-	-	19,000,000	-	225,878	18,774,122	Airport / BIL - Entitlement Grant
15	GATE STRIPING	-	-	599,900	-	599,900	599,900	-	Airport
16	HOT SPOT STUDY	-	-	181,320	-	53,283	53,283	128,037	Airport/ACIP
17	HVAC INFRASTRUCTURE REPLACEMENT	-	-	-	2,000,000	-	6,209	1,993,791	Airport / BIL-ATP Grant
18	INBOUND BAGGAGE CLAIM	-	-	6,000,000	12,000,000	326,915	1,383,138	16,616,862	Airport/BIL-ATP Grant
19	LED RIBBON	-	-	-	-	-	1,851	(1,851)	Airport
20	LOT A (CONSTRUCT)	-	-	-	700,000	-	-	700,000	Airport
21	MAIN TERMINAL FAÇADE RESTORATION (DESIGN)	-	-	-	500,000	-	-	500,000	Airport
22	MASTER PLAN	-	-	2,275,816	-	680,937	1,261,998	1,013,818	Airport/ACIP
23	OUTBOUND BAGGAGE HANDLING SYSTEM	-	-	20,000,000	10,000,000	540,106	1,055,002	28,944,998	Airport/ACIP/PFC
24	PAINT STRIPING TRUCK	-	-	1,000,000	-	-	-	1,000,000	Airport
25	PARKING REVENUE SYSTEM	-	-	500,000	-	-	-	500,000	Airport
26	PAVEMENT MANAGEMENT PLAN (APMS)	-	-	340,000	-	-	99,943	240,057	Airport
27	PRIOR YEAR PROJECTS	29,205,802	-	-	-	-	-	29,205,802	
28	PROCURE LANDSIDE VEHICLES	-	-	210,000	-	-	153,125	56,875	Airport / VALE/ZEV Grant
29	PROCURE TWO ZERO EMISSIONS BUSES	-	-	-	2,000,000	-	-	2,000,000	Airport / VALE/ZEV Grant
30	PROPERTY ACQUISITION	-	-	8,800,000	-	-	-	8,800,000	CFC
31	PUBLIC PARKING PAVING	-	-	2,400,000	-	1,523	44,659	2,355,341	Airport
32	PUBLIC RESTROOMS	-	-	10,000,000	-	29,028	233,390	9,766,610	Airport/BIL-ATP Grant
33	REMAIN OVER NIGHT (RON) PARKING SPACES	-	-	-	4,000,000	-	-	4,000,000	Airport / ACIP Grant
34	SAFETY MANAGEMENT SYSTEMS CONSULTANT	-	-	200,000	-	-	111,301	88,699	Airport
35	SHADE AREA - PHASE 1	-	-	236,000	-	-	148,209	87,791	Airport / VGPS Grant
36	SOLID SEPARATOR	-	-	100,000	-	-	-	100,000	Airport
37	TAXIWAY REHABILITATION W & A1	-	-	571,158	-	53,394	99,678	471,480	Airport/ACIP
38	TSA RENOVATION	-	-	-	-	-	84,108	(84,108)	Airport
39	TELEHANDLER/FORKLIFT	-	-	150,000	-	-	373,469	(223,469)	Airport
40	VERBIAGE MESSAGE SIGNAGE - DIGITAL	-	-	800,000	-	-	-	800,000	Airport
41	WI-FI CONSULTANT (DESIGN)	-	-	150,000	-	-	-	150,000	Airport
42	WIFI WIRELESS EQUIPMENT	-	-	500,000	-	5,474	461,073	38,927	Airport
43	WILDLIFE HAZARD ASSESSEMENT	-	-	126,924	-	15,044	71,656	55,268	Airport/ACIP
	TOTAL	29,731,662	2,777,514	54,264,194	98,650,000	5,306,909	10,103,107	176,505,568	



City of Palm Springs

Department of Human Resources
 3111 East Tahquitz Canyon Way • Palm Springs, CA 92262
 Tel: 760-323-8215 • Fax: 760-322-8287 • TDD (760)864-9527

DATE: January 7, 2025
TO: Harry Barrett, Executive Director of Aviation
FROM: Paola Rafael, Human Resources Specialist
SUBJECT: Department of Aviation Recruitment Activity Report

MEMORANDUM

The following is a summary of recruitment activity for the Department of Aviation.

I. UNFILLED AND FILLED POSITIONS

Department of Aviation Unfilled and Filled Position Totals by Month		
	Unfilled	Filled
November 2024	28.5	79.0
December 2024	16.5	91.0
January 2025	15.5	92.0

Funded Department of Aviation Unfilled and Filled Position Totals by Month		
	Unfilled	Filled
November 2024	3.0	30.0
December 2024	3.0	30.0
January 2025	3.0	30.0

Please refer to Attachment 1, for a complete list of unfilled and filled positions.

Unfilled positions:

- Airport Operations Aide (1.0) *
- Airport Operations Specialist II (2.0)
- Airport Safety Management Systems Manager**
- Airport Security Manager
- Commercial Vehicle Operator (5.0)
- Custodian (2.5) **
- Deputy Director of Capital Development*
- Innovation & Strategic Implementation Administrator**
- Maintenance Technician II

Unfilled Aviation funded positions:

- Emergency Management Program Specialist
- Learning and Leadership Program Manager
- Climate Action and Sustainability Specialist*

(* Denotes recruitment is in progress.

(**) Denotes recruitment has been concluded and new hires are undergoing the pre-employment process.

II. ACTIVE RECRUITMENTS

POSITION TITLE	RECRUITMENT OPEN DATE
Climate Action and Sustainability Specialist	11/07/2024
Custodian	01/06/2025
Deputy Director of Capital Development (<i>via ADK Consulting & Executive Search</i>)	January 2025

III. VACANT POSITIONS BY CATEGORY

1. Senior Leadership (1.0)

- Deputy Director of Capital Development

2. Middle Management (4.0)

- Airport Safety Management Systems Manager
- Airport Security Manager
- Innovation & Strategic Implementation Administrator
- Learning and Leadership Program Manager

3. Frontline (14.5)

- Airport Operations Aide (1.0)
- Airport Operations Specialist II (2.0)
- Climate Action and Sustainability Specialist
- Commercial Vehicle Operator (5.0)
- Custodian (2.5)
- Emergency Management Program Specialist
- Maintenance Technician II

Sincerely,

Paola Rafael

PAOLA RAFAEL
Human Resources Specialist

CITY OF PALM SPRINGS Dept. of Aviation Funded Position Allocation & Vacancy Report FY2024-25

<i>Dept./Classification</i>	<i>Vacant</i>	<i>Filled</i>	<i>Allocated</i>
AVIATION			107.50
<i>Airport Administration</i>		<i>Section Total</i>	<i>17.00</i>
Executive Director PS International Airport	0.0	1.0	1.00
Assistant Airport Director	0.0	1.0	1.00
Airport Safety Management Systems Manager	1.0	0.0	1.00
Deputy Director of Capital Development	1.0	0.0	1.00
Aviation Planner	0.0	1.0	1.00
Innovation & Strategic Implementation Administrator	1.0	0.0	1.00
Project Manager	0.0	1.0	1.00
Executive Program Administrator	0.0	2.0	2.00
Executive Administrative Assistant	0.0	1.0	1.00
Deputy Director of Aviation - Marketing	0.0	1.0	1.00
Marketing & Communications Specialist	0.0	2.0	2.00
Airport Administration Manager	0.0	1.0	1.00
Administrative Specialist	0.0	1.0	1.00
Administrative Assistant	0.0	2.0	2.00
<i>Control Center Operations</i>		<i>Section Total</i>	<i>40.00</i>
Airport Operations Manager	0.0	2.0	2.00
Airport Security Supervisor	0.0	1.0	1.00
Airport Security Manager	1.0	0.0	1.00
Airport Operations Supervisor	0.0	4.0	4.00
Airport Operations Specialist II	2.0	3.0	5.00
Airport Operations Specialist I	0.0	15.0	15.00
Airport Operations Aide	1.0	11.0	12.00
<i>Terminal Operations</i>		<i>Section Total</i>	<i>50.50</i>
Maintenance Superintendent	0.0	1.0	1.00
Maintenance Supervisor	0.0	4.0	4.00
Maintenance Coordinator	0.0	2.0	2.00
Maintenance Electrician	0.0	2.0	2.00
Maintenance Electrician HVAC	0.0	2.0	2.00
Maintenance Technician, Senior	0.0	1.0	1.00
Maintenance Technician II	1.0	2.0	3.00
Maintenance Technician I	0.0	4.0	4.00
Maintenance Worker, Lead	0.0	2.0	2.00
Maintenance Worker I	0.0	8.0	8.00
Industrial Technician, Lead	0.0	1.0	1.00
Industrial Technician	0.0	4.0	4.00
Commercial Vehicle Operator	5.0	0.0	5.00
Custodian	2.5	9.0	11.50
	<i>Vacant</i>	<i>Filled</i>	<i>Allocated</i>

CITY OF PALM SPRINGS Dept. of Aviation Funded Position Allocation & Vacancy Report FY2024-25

<i>Dept./Classification</i>	<i>Vacant</i>	<i>Filled</i>	<i>Allocated</i>
Totals	15.5	92.0	107.50
ENGINEERING SERVICES			1.00
<i>Engineering Services</i>		<i>Section Total</i>	1.00
Civil Engineer, Senior (funded in Aviation)	0.00	1.00	1.00
FINANCE & TREASURY			1.00
<i>Accounting & Accounts Receivable</i>		<i>Section Total</i>	1.00
Accountant (funded in Aviation)	0.00	1.00	1.00
FIRE			13.00
<i>Fire Administration</i>		<i>Section Total</i>	1.00
Emergency Management Program Specialist (funded in Aviation)	1.0	0.0	1.00
<i>Airport Rescue Firefighting</i>		<i>Section Total</i>	12.00
Fire Captain	0.0	3.0	3.00
Fire Engineer (includes Paramedic classification)	0.0	9.0	9.00
HUMAN RESOURCES			2.00
<i>Human Resources</i>		<i>Section Total</i>	1.00
Human Resources Specialist (funded in Aviation)	0.0	1.0	1.00
<i>Worker's Compensation</i>		<i>Section Total</i>	1.00
Learning and Leadership Program Manager (funded in Aviation)	1.0	0.0	1.00
INFORMATION TECHNOLOGY			5.00
<i>Information Technology</i>		<i>Section Total</i>	5.00
Information Technology Network Engineer (Funded in Aviation)	0.0	1.0	1.00
Information Technology Technician (Funded in Aviation)	0.0	4.0	4.00
POLICE			10.00
<i>Airport Security</i>		<i>Section Total</i>	10.00
Police Officer (Aviation - TSA) (includes Senior & Master Officer classifications)	0.0	2.0	2.00
Police Officer (Aviation) (includes Senior & Master Officer classifications)	0.0	7.0	7.00
Police Sergeant (Aviation) (includes Sergeant II & III classifications)	0.0	1.0	1.00
SUSTAINABILITY			1.00
<i>Office of Sustainability</i>		<i>Section Total</i>	1.00
Climate Action and Sustainability Specialist (funded in Aviation)	1.00	0.00	1.00
Totals	18.5	122.0	140.50



A Department of the City of Palm Springs

Palm Springs International Airport
3400 E. Tahquitz Canyon Way, Suite 1
Palm Springs, CA 92262-6966

flypsp.com
T: (760) 318-3800

DATE: January 15, 2025
TO: Chairman Corcoran and Airport Commissioners
FROM: Harry Barrett, Jr., Executive Director of Aviation
SUBJECT: Projects and Airport Capital Improvement Update

Capital Projects

*Due to the recent holidays, there has been no change in the status of projects from the last CIP Update.

Commercial Runway Project: (December 15, 2024)

Background: The Airport is required to assess aeronautical pavement condition of the facility under Federal Aviation Administration requirements to ensure the safety of aeronautical operations. The Airport is underway on this assessment and initial findings suggest that additional assessment is necessary.

Status: In process - assessment: The Airport's on-call consultant has conducted a pavement analysis, and initial findings have determined that large proportions of the runway and taxiways system, including the commercial runway, are rated in poor condition. Currently, the life expectancy or the repair needs of the runway are unknown, however it is likely that contributing factors of this condition are a combination of the prevalence of larger and heavier aircraft utilizing the runway in addition to the historical lack of a formalized pavement management program. Airport staff directed the on-call consultant to conduct additional analysis, which is expected to take another four months. Given the information available now, staff are anticipating the potential need for a full redesign and reconstruction of the commercial runway; however, it needs to be reiterated that PSP will need additional data to confirm this level of effort. High level estimates for construction are likely to exceed \$50 million if reconstruction is required. Federal Aviation Administration policies require that airports prioritize airfield safety projects such as runway and taxiway maintenance over capacity projects when utilizing federal funding.

Airport Master Plan (Updated December 15, 2024)

Background: This project is a 30-month comprehensive study to plan and develop capital program requirements through the year 2045. The study is scoped to be sustainable, and incorporates future goals related to terminal complex, landside access and parking, and airside improvements for future generation aircraft.

Status: In process. On June 4th, Airport staff in partnership with Mead & Hunt and Aviatrix conducted a public meeting to garner feedback on the conceptual development drawing set for the Master Plan. A major point of discussion was the location and height of the proposed rental car facility, with multiple requests for the Airport and consultant to consider alternatives for the location of the facility. Mead & Hunt has analyzed additional alternatives for the rental car facility including reducing the number of levels and identifying a south site with different orientations. Airport staff informed the public that future public meetings will be held in the coming months, to solicit as much feedback as possible for the community. Daley Strategies has conducted in excess of 30 outreach meetings throughout the Coachella Valley to provide information on the Master Plan update. On December 5th, Airport staff, Daley Strategies and Mead & Hunt hosted a public open house meeting to propose a third alternative hybrid solution to the rental car facility concept. Given the positive feedback from the open house, Airport staff intend to proceed with City Council approval for the overall Airport Conceptual Development Plan on January 23rd. Next steps for the Master Plan involve development of a financial feasibility program document, a California Environmental Quality Act (CEQA) and National Environmental Protection Act (NEPA) assessment, and approval of an Airport Layout Plan drawing set.

Sterile Area Shade Structures (Updated December 15, 2024)

Background: This project aims to add shade structures post security to provide climate mitigation relief during the summer months. This project is partially funded through a grant facilitated by Visit Greater Palm Springs.

Status: In Construction. Design of the sterile area shade structures was completed and Airport staff secured permits for construction in August. Construction commenced early August, and the support beams have all been erected and secured. The shade structure outside of the TSA checkpoint was completed in November after successful installation of both canopies. The shade structure adjacent to Nine Cities Craft remains incomplete as the canopy had to be reproduced to fit the support structure. Completion is now expected in early March.

Taxiway W and A1 Rehabilitation (updated December 15, 2024)

Background: This is an Airport Improvement Program (AIP) funded project to design and rehabilitate the Airport's primary commercial taxiway under the Pavement Management Program.

Status: In Progress.. The Airport's on-call engineering firm RS&H completed surveying and destructive testing of the pavement to determine the project approach for rehabilitation. Design is 100% complete and has been reviewed by the Department of the City Engineer and by the FAA. PSP solicited this project for bid in March and received multiple competitive bids. The bid process was solicited contingent on FAA grant funding. PSP has secured an Airport Improvement Program (AIP) grant for roughly \$8.6M to begin construction which includes a mill and overlay of the taxiway. PSP held a kick-off meeting on September 13th with the contractor. Phase 1 and 2 are completed, and Phase 3 is underway which includes repaving of Taxiway W1 to Taxiway G. Completion is expected in early February.

Baggage Claim Expansion and Renovation (Updated December 15, 2024):

Background: This project was previously identified on the Airport's Capital Improvement Program (CIP) list for start in FY 2025.

Status: In progress - design. In the Fall of 2022, Airport staff applied for a nation-wide competitive grant under the Airports Terminal Program (ATP) under the 2021 Bipartisan Infrastructure Law. Airport staff was notified on February 27th that PSP had been awarded a \$5.7M grant to partially fund expansion of baggage claim. Airport staff has determined that a Construction Manager at Risk (CMAR) project delivery methodology is appropriate for this project and Request for Proposal #34-23 was advertised. A contract award for Construction Manager at Risk to Skanska was approved by the City Council in July 2023 with a project budget of \$45M.

Bag Claim design is now at 90%. After 16 months, PSP received notice from the FAA affirming that this project has been environmentally cleared. The original project anticipated leveraging funding that was announced under the Inflation and Infrastructure Jobs Act to partially fund this project; however, the \$5.7 million grant announced to PSP in February 2023 for the bag claim expansion was clawed back and reallocated to another airport due to the prolonged environmental process. PSP has since applied for additional competitive funding for this project and will continue to apply for subsequent Airport Terminal Program grant funding under the Bi-Partisan Infrastructure Law, however future competitive grants are not guaranteed. The latest FAA announcement for the ATP competitive grant earmarked funds for another higher ranked PSP project. Due to the claw back of ATP funding in December 2023, combined with the emergence of new information concerning the pavement condition of the commercial runway, Airport staff are forced to re-prioritize projects to maximize budget resources. Airport staff anticipate 100% design completion of bag claim by January 2025, however is unable to determine a construction date for this project until further information about the condition of the commercial runway is known.

Outbound Baggage Handling System Replacement: (Updated December 15, 2024)

Background: This project is intended to modify or replace the current outbound baggage handling system with a new inline baggage handling system to improve capacity and process efficiency, implement additional technology for bag tracking, reduce or eliminate single points of failure, and improve ergonomics.

Status: In process - design: City Council approved the selection of AECOM for inline outbound baggage handling system design services. AECOM has provided 70% of designs which were approved by TSA in consultation with the airlines in November. AECOM is proceeding to 100% design on this project, with documents and design review anticipated December 16th. Airport staff and AECOM continue to hold bi-weekly meetings with TSA and airline stakeholders to review design and seek input. Under the terms of the Airport Use and Lease Agreement, the Airport must seek formal approval from the airlines to proceed with this project under a Majority-In-Interest vote. The Signatory Airlines will meet and confer with a vote anticipated no later than March 2025. Due to urgency around federal funding, PSP anticipates bidding this project in February 2025 and is planning for the start of construction as early as June 2025 and as late as June 2026. Construction is expected to take 20 -24 months.

Public Parking Electrification – Lot D (Updated December 15, 2024)

Background: Airport staff applied for the Southern California Edison electric vehicle charging infrastructure rebate program in the winter of 2022. The program is designed to provide no-cost infrastructure to enable Level 2 electric vehicle charging with the caveat that sponsors self-procure level 2 chargers.

Status: PSP was approved for expansion of electric infrastructure under the SCE rebate program. Request for Proposal #04-23 was issued on June 1st, 2023, for procurement of 40 level two chargers to serve 80 parking positions. Airport staff have ordered the Level 2 chargers which are set to arrive by the end of October. Staff is preparing a Request for Proposal to install the chargers once the infrastructure work has been completed by SCE. Airport staff are developing costs recovery rate and fee plans for EV charging spaces and anticipates bringing proposals to the finance committee in the winter of 2023. SCE has advised Airport staff to expect infrastructure work to feed the chargers to be completed by November 2024. As of December 15, airport staff have not received additional notifications from SCE on a new proposed work schedule. Staff are currently working to identify new timing.

Restroom Renovations (updated April 11, 2024)

Background: City Council approved Airport staff to design and renovate all public restrooms airport wide in the FY 2023 budget. This would include demolition and replacement of all flooring and fixtures, upgrades to ventilation and lighting systems, and conversion of some restrooms to gender neutral facilities.

Status: In progress – Design. Airport staff provided Gensler with Notice to Proceed with a project definition report for design and renovation of restrooms at the Bono concourse and in the courtyard areas while a decision and approval of a terminal development alternative is pending. These areas will be considered Phase I of the project. Gensler has held two stakeholder feedback meetings to date, the first which included Airport staff, the second which included various external stakeholders representing the Airport Commission, modernism and historic preservation communities, tourism organizations and City government. These meetings are intended to incorporate user preferences and ideas into their design process. Gensler is starting conceptual design work which is anticipated to take up to two months.



A Department of the City of Palm Springs

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DATE: January 12, 2025
TO: Chairman Corcoran and Airport Commissioners
FROM: Harry Barrett, Jr., Executive Director of Aviation
SUBJECT: Executive Director Report

Emerging Developments

Aviation Issues Conference Report (New)

Background: The American Association of Airport Executives (AAAE) hosted its 39th Aviation Issues Conference the first week of January. A broad cross-section of participants attended, including over 750 airport CEO's representing airports across the United States, senior leaders of the Transportation Security Administration, Federal Aviation Administration, and Customs and Border Protection, national labor and industry associations, and top executives from airlines and car rental companies. The Aviation Issues Conference is designed to help set the industry annual agenda for legislative advocacy and policy initiatives with the U.S. Congress.

Report: PSP's Executive Director provided a verbal report to the AAAE Board of Directors on national committee work surrounding Diversity, Equity & Inclusion issues as they relate to pending national and state legislation, DBE and ACDBE programs, workforce equity and succession planning within airports. Upon conclusion of the Board Meeting, the conference called to order regular session with the general membership. Topics shed light on issues that will certainly impact on the ability for Airport Executives to make progress on key programmatic priorities. Discussion around the resignation of three senior leaders at the Federal Aviation Administration (FAA), changes in makeup of key committees in the 119th Congress, and policy priorities of the incoming administration were top of mind. The Trump Administration's desire to reduce federal spending and a renewed focus on immigration in the first year of the president-elect's term will likely put pressure on airports to spend unobligated grant money or risk the threat of claw backs. PSP has at least one major project that could be impacted by these dynamics. Discussion about tariffs and other trade controls may impact on the manufacturing branch of the aviation industry which would have a continued effect on aircraft deliveries to airlines around the globe. The General Aircraft Manufacturer's Association in particular expressed concerns about these policies. For PSP, tariffs and the inability to deliver aircraft may have a downline effect on the ability to bring new routes to PSP as airlines seek strategic efficiency in where best to deploy aircraft and flight crews. Airline and labor industry leaders discussed concerns about increasing costs in certain markets – and particularly those where living wages are well above the national market; concerns about aircraft delivery delays; and the gap in infrastructure and innovation in a rapidly changing industry. Airports continued to report

that the Passenger Facility Charge (PFC) cap has hampered the ability of airports to fund infrastructure projects efficiently. The industry committed to working together to address this problem. A few airports reported that their organizations have pursued claims under the Visa/MasterCard Overcharge Class Action Settlement. The PSP Executive Director directed airport staff to put in a request to the City Finance Department look into any potential claims that PSP may have that are tied to the settlement.

As PSP starts to develop this year's federal funding requests, these insights will help align local initiatives with broader industry goals.

Speed Calming – (January 12, 2025)

Background: Airport staff seek to address on-airport speeding which has created a safety issue for vehicles and pedestrians on airport-governed roads.

Report: Over the summer, Airport staff consulted City Engineering to complete a speed study for the airport loop road. The speed study resulted in recommendations for which would allow PS Police to enforce posted speeds. The City Council voted 3-2 to support the speed enforcement measures, with the caveat that Airport staff continue to address speeding through traffic calming mitigations. Airport staff has been working with city engineers to evaluate locations and develop traffic calming measures such as additional signage, speed humps and stop signs. Staff has identified a number of potential options for mitigation and are analyzing the impacts of those options with the City's consultant. Permanent 3-way stop signs have already been installed along Kirk Douglas Way additional mitigations in the early spring.

Customs and Border Protection Strategy (FIS & FTZ expansion) (December 15, 2024)

Background: PSP recently completed a Federal Inspection Station (FIS) Feasibility Study to determine the opportunities and limitations surrounding expanding international air service to PSP. As a result of the study, PSP has committed to strategy development in an effort to advocate for Customs and Border Protection (CBP) resources.

Report: The recently completed FIS study concluded that the construction and operation of an FIS was feasible at PSP and that there were number of indicators suggesting that this program would be successful. A limitation of the FIS expansion program is the ability to bolster CBP resources locally. Federal immigration policies and CBP budget limitations are the likely barrier to successful FIS implementation at PSP. On December 17th, Airport staff and City of PS Economic Development staff jointly hosting a summit with a number of regional stakeholders throughout the valley and consultants to discuss the feasibility of a strategy surrounding linking Air Service initiatives to the Foreign Trade Zone certificate that the city currently holds. The intent of the summit is to understand the potential for a synergistic relationship that could help compel CBP to commit manpower and equipment resources to the region. PSP is hopeful that a successful strategy could lead to a formal application to CBP by Q3 of 2025. The Executive Director will also be attending a meeting at the National Academies in Washington D.C. in January to discuss the use of innovation and technology solutions as an alternative solution or enhancement to more traditional immigration processes. Technological solutions would help ease the capital costs of operating a fully built out FIS facility and could help create a streamlined pathway to immigration services locally.

Special Event Planning – FIFA 2026 & Olympics 2028 (December 15, 2024)

Background: The 2026 FIFA World Cup games and the 2028 Olympic games are scheduled to take place in Los Angeles. It is expected that these events will have an impact on the entire southern California region, which necessitates special planning.

Report: Airport staff are in the process of developing a scope of work for PSP's on-call planning team to begin operation, infrastructure and demand planning for both events. The airport anticipates that there will likely be additional general aviation and commercial traffic through the airport during these events. Additionally, there is the potential for an impact on regional ground transit inventory and connectivity that need to be addressed. PSP intends to work with regional economic development and transit partners to analyze, understand and mitigate impacts from these events. Airport staff held an initial meeting with InterVistas to start the conversation around event planning. InterVistas connected staff to Airport Council International (ACI's) FIFA working group which is holding regular meetings and providing resources for cities and airports involved in the FIFA games. Staff expect the formal logistics planning process to begin in the summer of 2025 for the FIFA games and data suggests that the world cup will have an impact on general aviation more than commercial aviation. Staff is keeping an eye on the timing and phasing of PSP projects for the Olympic games and conducting targeted outreach to regional stakeholders to source information regarding events and regional transit issues. PSP anticipates formal logistics planning for the Olympics to begin in summer 2026.

ITEM 11.A - PAST CITY COUNCIL ACTIONS

Airport Commission Meeting of January 15, 2025

City Council Meetings for December 2024:

There were no items sent to the City Council in December.

ITEM 11.B - FUTURE CITY COUNCIL ACTIONS

Airport Commission Meeting of January 15, 2025

January 9, 2025

- Title IV Plan Resolution
- Contract Services Agreement for Fire Suppression Equipment Maintenance, Testing, Inspection, and Repair Services.
- Aptaero (MIS Choice)

January 23, 2025

- Master Plan/ FIS
- Parking Rate Increase
- Strategic Business Plan
- Advertising Bids for Baggage Handling System
- PSM Squared, Inc. (Customer Experience Program)
- Veteran High Risk Security Solutions, Inc. (Aviation Worker Screening)
- Art Policy
- Measure J & D
- Taxiway Rehab
- Advertising Breach Gate
- Advertising Flooring

Palm Springs International Airport

MONTHLY PASSENGER ACTIVITY REPORT - 2024									
	Enplaned			Deplaned			Total Passengers		
	2024	2023	% Change	2024	2023	% Change	2024	2023	% Change
January	167,926	169,746	-1.1%	168,852	171,910	-1.8%	336,778	341,656	-1.4%
February	186,052	184,973	0.6%	196,544	188,877	4.1%	382,596	373,850	2.3%
March	238,473	223,314	6.8%	234,499	226,832	3.4%	472,972	450,146	5.1%
April	202,219	200,753	0.7%	180,068	178,600	0.8%	382,287	379,353	0.8%
May	127,314	129,695	-1.8%	119,176	116,491	2.3%	246,490	246,186	0.1%
June	68,656	71,635	-4.2%	62,983	66,826	-5.8%	131,639	138,461	-4.9%
July	56,556	63,647	-11.1%	56,149	60,689	-7.5%	112,705	124,336	-9.4%
August	58,673	59,309	-1.1%	59,410	59,947	-0.9%	118,083	119,256	-1.0%
September	69,900	73,813	-5.3%	72,788	77,748	-6.4%	142,688	151,561	-5.9%
October	123,263	126,702	-2.7%	135,389	133,106	1.7%	258,652	259,808	-0.4%
November	151,801	162,180	-6.4%	155,718	165,290	-5.8%	307,519	327,470	-6.1%
December	163,851	158,245	3.5%	174,654	166,997	4.6%	338,505	325,242	4.1%
Year to Date	1,614,684	1,624,012	-0.6%	1,616,230	1,613,313	0.2%	3,230,914	3,237,325	-0.2%

Palm Springs International Airport

Best Month Comparison						
ENPLANEMENTS						
	2020	2021	2022	2023	2024	Vs Best Mo
Jan	136,157	39,614	118,204	169,746	167,926	-1.1%
Feb	156,909	57,530	142,206	184,973	186,052	0.6%
Mar	113,166	107,577	202,993	223,314	238,473	6.8%
Apr	5,811	111,376	185,946	200,753	202,219	0.7%
May	10,751	92,820	123,736	129,695	127,314	-1.8%
Jun	14,827	66,885	73,861	71,635	68,656	-4.2%
Jul	17,231	65,869	68,071	63,647	56,556	-11.1%
Aug	18,389	58,793	65,368	59,309	58,673	-1.1%
Sep	23,087	65,682	79,599	73,813	69,900	-5.3%
Oct	41,597	108,923	120,659	126,702	123,263	-2.7%
Nov	52,874	135,677	160,129	162,180	151,801	-6.4%
Dec	41,517	136,897	159,846	158,245	163,851	3.5%
TOTAL	632,316	1,047,643	1,500,618	1,624,012	1,614,684	
% Chg.	-50.89%	65.68%	43.24%	8.22%		
TOTAL PASSENGERS						
	2020	2021	2022	2023	2024	Vs Best Mo
Jan	276,099	79,082	237,388	341,656	336,778	-1.4%
Feb	320,906	120,657	292,336	373,850	382,596	2.3%
Mar	198,850	214,477	403,883	450,146	472,972	5.1%
Apr	10,082	215,777	358,115	379,353	382,287	0.8%
May	19,154	174,535	233,239	246,186	246,490	0.1%
Jun	28,748	129,872	142,524	138,461	131,639	-4.9%
Jul	33,776	129,463	133,664	124,336	112,705	-9.4%
Aug	36,482	117,952	129,952	119,256	118,083	-1.0%
Sep	47,915	136,666	162,834	151,561	142,688	-5.9%
Oct	88,777	225,991	247,457	259,808	258,652	-0.4%
Nov	108,043	271,944	319,237	327,470	155,718	-52.4%
Dec	83,262	276,527	321,215	325,242	174,654	-46.3%
TOTAL	1,252,094	2,092,943	2,981,844	3,237,325	2,915,262	
% Chg.	51.17%	67.16%	42.47%	8.57%		

**ACTIVITY BY AIRLINE
DECEMBER 2024**

AIRLINES	Enplaned			Deplaned			Total			(E & D)
	2024	2023	% Change	2024	2023	% Change	2024	2023	% Change	Market Share
Air Canada	5,539	5,059	9.5%	5,333	5,293	0.8%	10,872	10,352	0.0%	3.2%
Alaska	33,427	30,980	7.9%	34,665	31,911	8.6%	68,092	62,891	8.3%	20.1%
American	24,052	22,963	4.7%	24,361	24,431	-0.3%	48,413	47,394	2.2%	14.3%
Avelo	2,301	2,528	-9.0%	2,374	2,553	-7.0%	4,675	5,081	0.0%	1.4%
Delta Air	10,319	11,659	-11.5%	11,996	13,161	-8.9%	22,315	24,820	-10.1%	6.6%
SkyWest (Delta Connection)	4,907	5,466	-10.2%	5,013	5,416	-7.4%	9,920	10,882	-8.8%	2.9%
SkyWest (United Express)	9,695	7,057	37.4%	10,273	7,852	30.8%	19,968	14,909	33.9%	5.9%
SkyWest (AA)	5,628	3,887	44.8%	6,311	3,818	65.3%	11,939	7,705	55.0%	3.5%
Southwest Air	22,219	25,412	-12.6%	24,167	28,082	-13.9%	46,386	53,494	-13.3%	13.7%
United	20,324	19,345	5.1%	23,036	20,040	15.0%	43,360	39,385	10.1%	12.8%
WestJet	17,617	16,441	7.2%	18,396	16,173	13.7%	36,013	32,614	10.4%	10.6%
Allegiant Air	1,965	1,173	67.5%	2,137	1,129	89.3%	4,102	2,302	0.0%	1.2%
Flair	-	-	0.0%	-	-	0.0%	-	-	0.0%	0.0%
Frontier	1,398	-	0.0%	1,430	-	0.0%	2,828	-	0.0%	0.8%
Porter	692	-	0.0%	1,008	-	0.0%	1,700	-	0.0%	0.5%
MN Airlines (Sun Country)	3,768	3,635	3.7%	4,154	3,965	4.8%	7,922	7,600	4.2%	2.3%
Charters	-	-	0.0%	-	-	0.0%	-	-	0.0%	0.0%
TOTAL	163,851	155,605	5.3%	174,654	163,824	6.6%	338,505	319,429	6.0%	100.0%

Palm Springs International Airport

ENPLANED & DEPLANED PASSENGERS - FY 2024 2025													
ENPLANED PASSENGERS													
Airlines	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	FYTD
Air Canada	-	-	-	429	1,722	5,539							7,690
Alaska	10,396	10,382	10,857	24,171	33,957	33,427							123,190
American	10,690	13,027	15,109	21,444	23,050	24,052							107,372
Avelo Air	601	570	64	463	1,769	2,301							5,768
Delta Air	-	-	314	4,051	6,126	10,319							20,810
SkyWest (Delta Connection)	3,943	3,846	4,569	5,021	4,916	4,907							27,202
SkyWest (United Express)	8,196	7,060	5,639	6,680	10,770	9,695							48,040
SkyWest (American Air)	5,661	4,407	4,056	4,815	5,576	5,628							30,143
Southwest Air	14,158	12,399	13,589	20,730	24,115	22,219							107,210
United	-	3,872	10,878	19,131	15,699	20,324							69,904
WestJet	2,911	3,082	4,207	12,585	19,178	17,617							59,580
Allegiant Air	-	-	-	1,215	1,697	1,965							4,877
Flair	-	-	-	-	-	-							-
Frontier	-	-	-	-	-	1,398	-						1,398
Porter	-	-	-	-	-	692							692
MN Airlines (Sun Country)	-	28	618	2,528	3,226	3,768							10,168
Charters	-	-	-	-	-	-							-
TOTAL ENPLANED	56,556	58,673	69,900	123,263	151,801	163,851	-	-	-	-	-	-	624,044
DEPLANED PASSENGERS													
Airlines	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	FYTD
Air Canada	-	-	-	772	2,099	5,333							8,204
Alaska	10,629	10,965	11,618	28,302	35,086	34,665							131,265
American	10,441	13,014	16,659	22,997	21,318	24,361							108,790
Avelo Air	586	576	42	563	1,991	2,374							6,132
Delta Air	-	-	430	4,351	6,481	11,996							23,258
SkyWest (Delta Connection)	3,870	3,829	5,028	5,611	4,991	5,013							28,342
SkyWest (United Express)	8,097	7,148	5,668	6,874	11,022	10,273							49,082
SkyWest (American Air)	5,413	4,593	3,157	4,212	6,462	6,311							30,148
Southwest Air	14,150	12,252	13,669	22,180	25,889	24,167							112,307
United	-	3,947	10,878	19,131	15,822	23,036							72,814
WestJet	2,963	3,059	4,980	15,666	19,196	18,396							64,260
Allegiant Air	-	-	-	1,681	1,742	2,137							5,560
Flair	-	-	-	-	-	-							-
Frontier	-	-	-	-	-	1,430							1,430
Porter	-	-	-	-	-	1,008							1,008
MN Airlines (Sun Country)	-	27	659	3,049	3,619	4,154							11,508
Charters	-	-	-	-	-	-							-
TOTAL DEPLANED	56,149	59,410	72,788	135,389	155,718	174,654	-	-	-	-	-	-	654,108
TOTAL E & D	112,705	118,083	142,688	258,652	307,519	338,505	-	-	-	-	-	-	1,278,152

PASSENGER ACTIVITY REPORT - FISCAL YEAR COMPARISON

	ENPLANED PASSENGERS								DEPLANED PASSENGERS								TOTAL PASSENGERS							
	FY '24-'25	% CHANGE	FY '23-'24	% CHANGE	FY '22-'23	% CHANGE	FY '21-'22	FY '24-'25	% CHANGE	FY '23-'24	% CHANGE	FY '22-'23	% CHANGE	FY '21-'22	FY '24-'25	% CHANGE	FY '23-'24	% CHANGE	FY '22-'23	% CHANGE	FY '21-'22			
July	56,556	↓ -11%	63,647	↓ -6%	68,071	↑ 3%	65,869	56,149	↓ -7%	60,689	↓ -7%	65,593	↑ 3%	63,594	112,705	↓ -9%	124,336	↓ -7%	133,664	↑ 3%	129,463			
August	58,673	↓ -1%	59,309	↓ -9%	65,368	↑ 11%	58,793	59,410	↓ -1%	59,947	↓ -7%	64,584	↑ 9%	59,159	118,083	↓ -1%	119,256	↓ -8%	129,952	↑ 10%	117,952			
September	69,900	↓ -5%	73,813	↓ -7%	79,599	↑ 21%	65,682	72,788	↓ -6%	77,748	↓ -7%	83,235	↑ 17%	70,984	142,688	↓ -6%	151,561	↓ -7%	162,834	↑ 19%	136,666			
October	123,263	↓ -3%	126,702	↑ 5%	120,659	↑ 11%	108,923	135,389	↑ 2%	133,106	↑ 5%	126,798	↑ 8%	117,068	258,652	↓ 0%	259,808	↑ 5%	247,457	↑ 9%	225,991			
November	151,801	↓ -6%	162,180	↑ 1%	160,129	↑ 18%	135,677	155,718	↓ -6%	165,290	↑ 4%	159,108	↑ 17%	136,267	307,519	↓ -6%	327,470	↑ 3%	319,237	↑ 17%	271,944			
December	163,851	↑ 4%	158,245	↓ -1%	159,846	↑ 17%	136,897	174,654	↑ 5%	166,997	↑ 3%	161,369	↑ 16%	139,630	338,505	↑ 4%	325,242	↑ 1%	321,215	↑ 16%	276,527			
January		↓ -100%	167,926	↓ -1%	169,746	↑ 44%	118,204		↓ -100%	168,852	↓ -2%	171,910	↑ 44%	119,184	-	↓ -100%	336,778	↓ -1%	341,656	↑ 44%	237,388			
February		↓ -100%	186,052	↑ 1%	184,973	↑ 30%	142,206		↓ -100%	196,544	↑ 4%	188,877	↑ 26%	150,130	-	↓ -100%	382,596	↑ 2%	373,850	↑ 28%	292,336			
March		↓ -100%	238,473	↑ 7%	223,314	↑ 10%	202,993		↓ -100%	234,499	↑ 3%	226,832	↑ 13%	200,890	-	↓ -100%	472,972	↑ 5%	450,146	↑ 11%	403,883			
April		↓ -100%	202,219	↑ 1%	200,753	↑ 8%	185,946		↓ -100%	180,068	↑ 1%	178,600	↑ 4%	172,169	-	↓ -100%	382,287	↑ 1%	379,353	↑ 6%	358,115			
May		↓ -100%	127,314	↓ -2%	129,695	↑ 5%	123,736		↓ -100%	119,176	↑ 2%	116,491	↑ 6%	109,503	-	↓ -100%	246,490	↑ 0%	246,186	↑ 6%	233,239			
June		↓ -100%	68,656	↓ -4%	71,635	↓ -3%	73,861		↓ -100%	62,983	↓ -6%	66,826	↓ -3%	68,663	-	↓ -100%	131,639	↓ -5%	138,461	↓ -3%	142,524			
YTD	624,044	↓ -62%	1,634,536	↑ 0%	1,633,788	↑ 15%	1,418,787	654,108	↓ -60%	1,625,899	↑ 1%	1,610,223	↑ 14%	1,407,241	1,278,152	↓ -61%	3,260,435	↑ 1%	3,244,011	↑ 15%	2,826,028			

ITEM 13.A - FUTURE COMMITTEE MEETINGS

Airport Commission Meeting of January 15, 2025

Date	Time	Committee
TBD	TBD	Operations, Properties and Facilities Committee
01/15/2024	5:00pm	Noise Committee
TBD	TBD	Marketing and Business Development Committee
TBD	TBD	Ad Hoc Design Review Committee
TBD	TBD	Budget and Finance Committee

AIRPORT COMMITTEES FY2023-24

REVISED 9-5-24

REPRESENTING	COMMISSIONERS	Marketing (7 Members)	Budget (9 Members)	Operations (9 Members)	Noise (5 Members)	Ad Hoc Design Review (6 Members)
Palm Springs	BANKS, Dave		Member			
Indian Wells	BERRIMAN, Robert			Member	Member	
Palm Springs	BURKE, Todd	Member			Member	Member
Palm Springs	CALDWELL, Daniel	Member		Member		
Palm Springs	CORCORAN, Kevin		Member			Chair
Coachella	DELGADO, Denise			Member		
Palm Springs	EBENSTEINER, Bryan	Member	Member			
Palm Springs	FELTMAN, David			Member		Member
Palm Springs	FONG, J Craig	Member			Chair	
Palm Springs	HEDRICK, Ken		Member			
La Quinta	KIEHL, Geoffrey		Member			
Palm Springs	MARTIN, Tracy		Chair			
Palm Springs	McDERMOTT, Sam	Chair			Member	
Riverside County	PARK, Margaret			Member		
Desert Hot Springs	PYE, Jan		Member	Member		
Cathedral City	SAMLASKA, Christian			Member		
Palm Desert	WISEMAN, Kevin	Member		Chair	Member	Member
Indio	WISE, Rick	Member	Member			Member
Rancho Mirage	YOUNG, Keith		Member	Member		Member