

Town of Islip

TOWN CLERK

PUBLIC HEARING
655 Main Street
Islip, NY 11751

February 8, 2022
2:00pm

-
- 1. To enact Local Law No. 1 of 2022 amending Local Law No. 8-2013 Chapter 19 of the Islip Town Code entitled "Fire Prevention".**
 - 2. To enter into an Airline Use and Lease Agreement with Breeze Aviation Group, Inc.**

GIVEN that any person who needs a sign language interpreter or has concerns regarding accessibility to the Town Board Meeting, please call Constituent Services at 631-224-5380.

Dated at Islip, NY
TOWN OF ISLIP
Published
OHM/tb

TOWN BOARD,
By: OLGA H. MURRAY
TOWN CLERK

February 8, 2022
Public Hearing #1

WHEREAS, a review of the Islip Town Code has been conducted by the Division of Fire Prevention and the Office of the Town Attorney; and

WHEREAS, on the basis of said review, certain modifications are deemed appropriate in order to clarify, modernize, and streamline portions of the Code that are either ambiguous, lacking clarity, or are insufficient in addressing current trends; and

WHEREAS, the Town Board wishes to amend Local Law No. 8-2013 Chapter 19 of the Islip Town Code entitled "Fire Prevention" as it relates to operation and structural maintenance of parking garages within the Town of Islip;

WHEREAS, the Chief Fire Marshall has recommended that these modifications to Chapter 19 to ensure the health, safety and welfare of residents within the Town of Islip;

WHEREAS, the Town Clerk has placed a Public Notice in the newspaper circulated locally which indicates the nature of the proposed Code changes; and

WHEREAS, on February 8, 2022, a public hearing was held;

NOW, THEREFORE, on motion of Councilperson _____, seconded by Councilperson _____, be it

RESOLVED, that the Town Board hereby adopts Local Law No. 1 of 2022 amending Local Law No. 8-2013 Chapter 19 of the Islip Town Code entitled "Fire Prevention", as follows:

SEE ATTACHED

Additions are indicated by UNDERLINING
Deletions are indicated by ~~STRIKEOUTS~~

Upon a vote being taken the result was:

Article XXXI. Parking Garages.

§ 19-179. Scope.

This article shall apply to, and provide regulations and standards regarding the operation and the required structural condition assessment of parking garages as defined in section 19-180.

§ 19-180. Definitions.

As used in this chapter, the following terms shall have the meanings indicated:

CONDITION ASSESSMENT

An on-site inspection and evaluation of a parking garage for evidence of deterioration of any structural element or building component of such parking garage, evidence of the existence of any unsafe condition in such parking garage, and evidence indicating that such parking garage is an unsafe structure.

DETERIORATION

The weakening, disintegration, corrosion, rust or decay of any structural element or building component, or any other loss of effectiveness of a structural element or building component.

PARKING GARAGE

Any building or structure, or part thereof, in which all or any part of any structural level or levels is used for parking or storage of motor vehicle, excluding:

- (a) buildings in which the only level used for parking or storage of motor vehicles is on grade;
- (b) an attached or accessory structure providing parking exclusively for a detached one or Two-family dwelling; and
- (c) a townhouse unit with attached parking exclusively for such unit.

PROFESSIONAL ENGINEER

An individual who is licensed or otherwise authorized under Article 145 of the Education Law to practice the profession of engineering in the State of New York and who has at least three years of experience performing structural evaluations.

RESPONSIBLE PROFESSIONAL ENGINEER

The professional engineer who performs a condition assessment, or under whose supervision a condition assessment is performed, and who seals and signs the condition assessment report.

UNSAFE CONDITION

Includes the conditions identified as "unsafe" in section 304.1.1, section 305.1.1, and section 306.1.1 of the 2020 edition of the New York State Property Maintenance Code (or publication currently incorporated by reference in 19 NYCRR Part 1226).

UNSAFE STRUCTURE

A structure that is so damaged, decayed, dilapidated, or structurally unsafe, or is of such faulty construction or unstable foundation, that partial or complete collapse is possible.

§ 19-181. Condition Assessments - General Requirements.

The owner or operator of each parking garage shall cause such parking garage to undergo an initial condition assessment as described in § 19-182, periodic condition assessments as described in § 19-183, and such additional condition assessments as may be required as described in § 19-184. Each condition assessment shall be conducted by or under the direct supervision of a professional engineer. A written report of each condition assessment shall be prepared, and provided to the Chief Fire Marshal, in accordance with the requirements of § 19-15. Before performing a condition assessment (other than the initial condition assessment) of a parking garage, the responsible professional engineer for such condition assessment shall review all available previous condition assessment reports for such parking garage.

§ 19-182. Initial Condition Assessment.

Each parking garage shall undergo an initial condition assessment as follows:

- A. New parking garages shall undergo an initial condition assessment following construction and prior to a certificate of occupancy or certificate of compliance being issued for the structure.
- B. Existing parking garages shall undergo an initial condition assessment as follows:
 1. If originally constructed prior to the effective date of this Article, then prior to June 1, 2022.

§ 19-183. Periodic Condition Assessments.

Following the initial condition assessment of a parking garage, such parking garage shall undergo periodic condition assessments at intervals not to exceed three (3) years.

§ 19-184. Additional Condition Assessments.

- A. If the latest condition assessment report for a parking garage includes a recommendation by the responsible professional engineer that an additional condition assessment of such parking garage, or any portion of such parking garage, be performed before the date by which the next periodic condition assessment would be required under § 19-183, the Chief Fire Marshal shall require the owner or operator of such parking garage to cause such parking garage (or, if applicable, the portion of such parking garage identified by the responsible professional engineer) to undergo an additional condition assessment no later than the date recommended in such condition assessment report.

- B. If the authority having jurisdiction becomes aware of any new or increased deterioration which, in the judgment of the authority having jurisdiction, indicates that an additional condition assessment of the entire parking garage, or of the portion of the parking garage affected by such new or increased deterioration, should be performed before the date by which the next periodic condition assessment would be required under § 19-183, the Chief Fire Marshal shall require the owner or operator of such parking garage to cause such parking garage (or, if applicable, the portion of the parking garage affected by such new or increased deterioration) to undergo an additional condition assessment no later than the date determined by the authority having jurisdiction to be appropriate.

§ 19-185. Condition assessment Reports

The responsible professional engineer shall prepare, or directly supervise the preparation of, a written report of each condition assessment, and shall submit such condition assessment report to the Chief Fire Marshal within thirty (30) days. Such condition assessment report shall be sealed and signed by the responsible professional engineer, and shall include:

- A. an evaluation and description of the extent of deterioration and conditions that cause deterioration that could result in an unsafe condition or unsafe structure;

- B. an evaluation and description of the extent of deterioration and conditions that cause deterioration that, in the opinion of the responsible professional engineer, should be remedied immediately to prevent an unsafe condition or unsafe structure;

- C. an evaluation and description of the unsafe conditions;
- D. an evaluation and description of the problems associated with the deterioration, conditions that cause deterioration, and unsafe conditions;
- E. an evaluation and description of the corrective options available, including the recommended timeframe for remedying the deterioration, conditions that cause deterioration, and unsafe conditions;
- F. an evaluation and description of the risks associated with not addressing the deterioration, conditions that cause deterioration, and unsafe conditions;
- G. the responsible professional engineer's recommendation regarding preventative maintenance;
- H. except in the case of the report of the initial condition assessment, the responsible professional engineer's attestation that he or she reviewed all previously prepared condition assessment reports available for such parking garage, and considered the information in the previously prepared reports while performing the current condition assessment and while preparing the current report; and
- I. the responsible professional engineer's recommendation regarding the time within which the next condition assessment of the parking garage or portion thereof should be performed. In making the recommendation regarding the time within which the next condition assessment of the parking garage or portion thereof should be performed, the responsible professional engineer shall consider the parking garage's age, maintenance history, structural condition, construction materials, frequency and intensity of use, location, exposure to the elements, and any other factors deemed relevant by the responsible professional engineer in his or her professional judgment.

§ 19-186. Review of Condition Assessment Reports

- A. The Chief Fire Marshal shall take such enforcement action or actions in response to the information in such condition assessment report as may be necessary or appropriate to protect the public from the hazards that may result from the conditions described in such report. In particular, but not by way of limitation, the Chief Fire Marshal shall, by Order to Remedy or such other means of enforcement as the Chief Fire Marshal may deem appropriate, require the owner or operator of the parking garage to repair or

otherwise remedy all deterioration, all conditions that cause deterioration, and all unsafe conditions identified in such condition assessment report pursuant to § 19-185.

- B. The Chief Fire Marshal shall forward all condition assessment reports and other pertinent information that may indicate an unsafe building or structure to the Commissioner of Planning and Development.
- C. The Commissioner of Public Safety Enforcement or the Commissioner's designee shall take such enforcement action or actions in response to the information in such condition assessment report as may be necessary or appropriate to protect the public from an Unsafe Structure. In particular, but not by way of limitation, the Commissioner of Public Safety Enforcement or designee shall, by Order of Remedy or such other means of enforcement, require the owner or operator of the parking garage to limit or prohibit occupancy of an unsafe parking garage.
- D. All repairs and remedies shall comply with the applicable provisions of the Uniform Code and the Code of the Town of Islip.
- E. This section shall not limit or impair the right of the Chief Fire Marshal to take any other enforcement action, including but not limited to suspension or revocation of a parking garage's operating permit, as may be necessary or appropriate in response to the information in a condition assessment report.
- F. This section shall not limit or impair the right of the Commissioner of Planning and Development or their designee to take any other enforcement action or actions related to an Unsafe Structure as regulated under the provisions of the code of the Town of Islip.

§ 19-187. Retention of Condition Assessment Reports

The Division of Fire Prevention shall retain all condition assessment reports for the life of the parking garage. Upon request by a professional engineer who has been engaged to perform a condition assessment of a parking garage, and who provides the Division of Fire Prevention with a written statement attesting to the fact that he or she has been so engaged, the Division of Fire Prevention shall make the previously prepared condition assessment reports for such parking garage (or copies of such reports) available to such professional engineer. The Division of Fire Prevention shall be permitted to require the owner or operator of the subject parking garage to pay all costs and expenses associated with making such previously prepared condition assessment reports (or copies thereof) available to the professional engineer.

§ 19-188. Conflicts with Other Obligations

- A. This section shall not limit or impair the right or the obligation of the Division of Fire Prevention:
- (1) to perform such construction inspections as are required by this Chapter;
 - (2) to perform such periodic fire safety and property maintenance inspections as are required by this Chapter; and
 - (3) to take such enforcement action or actions as may be necessary or appropriate to respond to any condition that comes to the attention of the Chief Fire Marshal by means of its own inspections or observations, by means of a complaint or by any other means other than a condition assessment or a report of a condition assessment.

§ 19-189. Operating Permit Required

- A. An operating permit shall be obtained from the Chief Fire Marshal for the operation of a Parking Garage., as defined in this section. The Chief Fire Marshal may promulgate reasonable rules and regulations for the granting of permits, including but not limited to requiring:
- (1) A completed Permit application;
 - (2) the submittal of plans and/or specifications for such structure;
 - (3) initial condition assessments;
 - (4) periodic condition assessments; and
 - (5) the installation and/or testing records for fire protection equipment or systems in use of said structure.
- B. Upon receipt of such application, the Chief Fire Marshal shall cause the Parking Garage to be inspected for compliance with the Uniform Fire Prevention and Building Code of New York State.

- C. No permit for a Parking Garage shall be granted if, in the opinion of the Chief Fire Marshal, such structure is not in compliance with the Uniform Fire Prevention and Building Code.
- D. An operating permit for an area of Parking Garage shall be effective for a period not to exceed three (3) years. An application for renewal must be made prior to the expiration of the current permit.
- E. An operating permit for a Parking Garage may be suspended or revoked if, in the opinion of the Chief Fire Marshal, there is a violation of the Uniform Fire Prevention Code of New York State resulting in immediate danger to the life or health of occupants thereof.
- F. Fees for an operating permit for Parking Garages or for renewal of such permit shall be established by the Chief Fire Marshal, according to § 19-11 of this Chapter.

February 8, 2022
Public Hearing #2

WHEREAS, the Town of Islip (“the Town”) owns and operates Long Island MacArthur Airport (“the Airport”), a FAA Part 139 certificated airport with over one (1) million passengers each year; and

WHEREAS, Breeze Aviation Group Inc. (“Airline”) is a corporation primarily engaged in the business of air transportation with respect to the carriage of persons, property, cargo and mail; and

WHEREAS, Breeze Aviation Group Inc. desires to provide airline service at the Airport; and

WHEREAS, the Town of Islip Department of Aviation and Transportation recommends entering into an Airline Use and Lease Agreement with Breeze Aviation Group Inc. for a period of one (1) year with a renewal option for an additional four (4) one (1) year options with fees that are consistent and set by the Airport’s rates and charges: and

WHEREAS, the Town of Islip held a public hearing on February 8, 2022 at 2:00 p.m. (EST) to hear comments of all persons wishing to be heard relating to the Breeze Aviation Group Inc. Airline Use and Lease Agreement; and

NOW, THEREFORE, on a motion of Councilperson _____, seconded by Councilperson _____; be it

RESOLVED, that the Supervisor is hereby authorized to execute an Airline Use and Lease Agreement with Breeze Aviation Group Inc. for a period of one (1) year with a renewal option for an additional four (4) one (1) year options with fees that are consistent and set by the Airport’s rates and charges.

Upon a vote being taken, the result was:

Permissive Referendum

Town of Islip
Long Island MacArthur Airport
Airline Use and Lease Agreement with Breeze Aviation Group, Inc.

Airline Use and Lease Agreement (the "Agreement"), made this _____ day of _____, 2022 by and between the **Town of Islip**, a municipal corporation organized under the laws of the State of New York with its principal address located at 655 Main Street, Islip, NY 11751 (together with its successors and assigns, the "Town"), and **Breeze Aviation Group, Inc.**, a Delaware corporation, having an office and place of business at 6340 S 3000 E, Suite 500, Cottonwood Heights, UT 84121 ("Airline").

RECITALS

WHEREAS, the Town owns and operates the Long Island MacArthur Airport ("the Airport"), a 14 CFR part 139 certificated airport with commercial (air carrier) and general aviation operations; and

WHEREAS, Airline is a corporation primarily engaged in the business of air transportation with respect to the carriage of persons, property, cargo and mail; and

WHEREAS, the Town proposes to lease certain premises to Airline and to grant unto Airline certain privileges, rights and uses pertaining thereto; and

WHEREAS, the Town has adopted an Air Service Development Incentive Program for the Airport, which was last amended March 1, 2020, wherein commercial airlines that introduce new non-stop air service at the Airport for defined periods and frequencies shall receive marketing funds, and other discounts; and

WHEREAS, Airline desires to avail itself of such premises, along with the privileges, rights and obligations and upon the terms and conditions herein contained; and

WHEREAS, the intent of the parties hereto is to definitively specify the privileges, rights and obligations of the parties with respect to the operation of the Airport by the Town and the use and occupancy of the Airport by the Airline, and this Agreement accomplish that intent;

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

ARTICLE I
DEFINITIONS

SECTION 1.01. DEFINITIONS

The following words and phrases, wherever used in this Agreement, shall, for the purposes of this Agreement, have the following meanings:

1. "Affiliate" means any non-tenant air transportation company that is either a wholly-owned subsidiary of Airline or operates under essentially the same trade name as Airline at the Airport and uses essentially the same livery as Airline (including the livery of an Air Transportation company not a party to this Agreement). An Affiliate shall have the rights afforded Airline without incurring any additional charges or premiums so long as Airline remains a Signatory to this Agreement. Airline and any Affiliate shall be counted as one entity for the purposes of computing any Common Use charges. An Affiliate shall be primarily liable for the payment of Landing Fees, Common Use charges and other fees incurred at the Airport; provided, however, that Airline shall be secondarily liable as a guarantor for all unpaid fees or charges incurred by such Affiliate while such Affiliate operates at the Airport.

2. "Agreement" means this Use and Lease Agreement between Town and Airline, together with all exhibits, attachments, schedules and supplements attached hereto, as it may be amended from time to time.

3. "Air Transportation" means the carriage of persons, property, cargo and/or mail by aircraft.

4. "Aircraft Landing" means any aircraft landing at the Airport (including, without limitation, scheduled, charter, sightseeing, test, ferry, training, courtesy, and inspection flights, or any other flights) operated by an air transportation company. Aircraft landings shall not include any flights that immediately return to the Airport because of mechanical, meteorological, or other precautionary reason, or any flight by aircraft owned or operated by the U.S. Government.

5. "Airport" means the presently existing Long Island MacArthur Airport.

6. "Applicable Law" means all laws, regulations, codes, ordinances, by-laws, rules, executive orders and other orders, guidelines, interpretations and other legally enforceable principles of the United States, the State of New York, local government (including their respective agencies and authorities), and courts of competent jurisdiction, as the same may be amended from time to time by legislative, executive, or judicial authority.

7. "Bonds" shall mean bonds, notes, general obligation bonds, certificates of participation, bond anticipation notes, airport revenue bonds or other evidences of indebtedness issued by or for the Town.

8. "Bond Documents" means resolutions, ordinances, trust indentures, agreements or other instruments related to the issuance of Bonds.

9. "Town" means the Town of Islip, a political subdivision of the State of New York, its successors and assigns, including any agency, commission or authority established for the purpose of operating the Airport.

10. "Commissioner" means the Commissioner of the Town Department of Aviation and Transportation or their authorized representative.

11. "Common Use" shall mean any Town of Islip owned or controlled facilities located at the Airport including baggage claim, gate areas, aprons, and holding rooms used for servicing the traveling public.

12. "Deplaned Passengers" means any deplaned passenger at the Airport other than interline transfer or intraline transfer passengers and Airline's employees or retirees traveling on airline-issued passes, including those of any Affiliate(s) and any Air Transportation company ground handled or otherwise accommodated by Airline, if such Affiliate or accommodated or handled Air Transportation company does not have its own agreement with the Town requiring the direct submission of such data.

13. "Enplaned Passenger" means any enplaned passenger at the Airport other than interline transfer or intraline transfer passengers and Airline's employees or retirees traveling on airline-issued passes, including those of any Affiliate and any Air Transportation company ground handled or otherwise accommodated by Airline, if such Affiliate(s) or accommodated or handled Air Transportation company does not have its own agreement with the Town requiring the direct submission of such data.

14. "Exclusive Space Use" shall mean space for the sole use of Airline and shall only consist of the ticket counter, office space and baggage makeup as further depicted in Exhibit "A" attached hereto.

15. "Extension Option" means option to extend the Agreement beyond the initial one year term for four (4) one (1) year terms.

16. "FAA" means the Federal Aviation Administration of the U.S. Government or any Federal agencies succeeding to its jurisdiction.

17. "Fixed Base Operator" means any company under contract with Town to provide general aviation or commercial ground support services, including but not limited to (a) loading and unloading passengers, cargo, baggage, and mail, (b) performing minor and major avionic repairs, (c) minor maintenance and repairs, (d) fueling, (e) aircraft de-icing and (f) aircraft parking and towing.

18. "Gate(s)" or "Aircraft Gate Area" mean(s) the aircraft parking area adjacent to the Terminal Building, the Apron assigned to that aircraft parking area, and the Terminal Building holdroom (boarding gate) adjacent thereto (including the loading bridge if owned or rented by the Town), as more fully described in Section 4.02.A.

19. "Good Condition" shall mean a condition consistent with the Commencement Date condition, subject to ordinary wear and tear not preventable by diligent repairs on each portion of the premises, including without limitation, all of the Airline's improvements, alterations, and trade fixtures. All of the following shall be in good condition and repair: interior walls and floors of all exclusive use space, lighting systems, counter furnishings and required replacements.

20. "Incentive" means Airline Incentive Agreement, as more fully described in Attachment "C".

21. "Maximum Certificated Gross Landing Weight" means the maximum weight, in one thousand (1,000) pound units, that each aircraft operated by Airline is certificated by the FAA.

22. "Passenger Facility Charges" or "PFCs" means charges collected from passengers using the Airport pursuant to §1113(3) of the Federal Aviation Act, as it has been and may be amended from time to time.

23. "Preferential Use Space" shall mean space that remain in the Airport's control but where Airline has priority over other airlines to use such space.

24. "Required Reserves" means any reserve funds that the Town in its reasonable discretion may establish from time to time, including any reserve funds established or required by Bond Documents, for debt service (including sinking funds and sinking fund reserves), operations and maintenance, insurance, and renewal and replacement of Airport facilities.

25. "Rules and Regulations" means those rules, regulations, and ordinances promulgated by Town pursuant to this Agreement and those reasonable rules and regulations promulgated by the Commissioner for the orderly use of the Airport by Air Transportation

companies and other tenants and users of the Airport as the same may be amended, modified, or supplemented from time to time. In the event such rules and regulations are inconsistent with the provisions and purposes of this Agreement, this Agreement shall govern.

26. "Scheduled Service" means providing air transportation for hire of passengers, property, and/or mail to and from the Airport with a minimum of two (2) aircraft landings per week. Airline may request an exemption from the minimum requirement of two (2) aircraft landings per week under the following circumstances: (i) The scheduling of Airline's operations at the Airport is under the authority or control of a separate air transportation company which may or may not be signatory to this Agreement nor operate Scheduled Service at the Airport (the "Scheduling Company") and (ii) Airline operates aircraft with livery that includes the trade name of the Scheduling Company. Notwithstanding any exemption granted under this provision, if Airline fails to operate any service at the Airport, Airline shall remain responsible for the payment of all rentals and fees required under this Agreement, including fees calculated pursuant to the Common Use Formula. Eligibility for this exemption shall be evidenced in writing by the Commissioner upon presentation of satisfactory proof to the Airport of an operating or air service agreement between Airline and the Scheduling Company.

27. "Seasonal Service" Means providing air transportation to a destination at a certain time of the year.

28. "Security Deposit" means a contract bond, irrevocable letter of credit or other security acceptable to Town pursuant to this Agreement.

29. "Signatory Airlines", also Airline, means passenger Air Transportation companies that have executed agreements with Town substantially similar to this Agreement covering the use and occupancy of facilities at the Airport.

30. "Terminal Building Space" means those categories of space within the Terminal Building used in the calculation of rentals, fees, rates and charges for the Airlines, as such areas now exist or may hereafter be modified or developed, including:

a. "Gross Space," meaning every square foot of interior space in the Terminal Building;

b. "Airline Leased Space," meaning Terminal Building Space actually used by or leased by the Airlines;

c. "Leasable Space," meaning Terminal Building Space, including Airline Leased Space (constructed by Town for the use of air carriers, a portion of which may from time to time be excess to the aggregate space requirements of the Airline. Leasable Space includes: (1) space actually leased to Airline, whether on an exclusive basis ("Exclusive Use Space"), on a preferential basis ("Preferential Use Space") and space used by Airline in common with others ("Common Use Space") which shall include any space used or

occupied by the Federal government in connection with passenger or baggage security screening; and (2) space that is available to be leased by Airline or other air carriers.

d. "Public Space," meaning all Terminal Building Gross Space other than Leasable Space, inclusive of mechanical space, lobby/circulation space, Department of Aviation space, concession space and Concourse Space.

31. "Total Landed Weight" means the sum of the Maximum Gross Certificated Landing Weight for all of Airline's Aircraft Landings over a stated period of time.

32. "Total Landed Weight of the Airline" means the sum of the Maximum Gross certificated Landing Weight for all of the Airlines' aircraft landings over a stated period of time.

ARTICLE 2

TERM

Section 2.01. Term

This Agreement shall be effective as of February 1, 2022, and shall continue until January 31, 2023, with an option for four (4) one (1) year extension options. Said Lease Agreement shall be subject to termination as provided in Article 12.

Section 2.02. Extension Option

The Term may be extended for four (4) one (1) year terms at the sole discretion of the Town Board and written request of the Airline.

- A. The Extension Option may be exercised at any time during the term of the Agreement, but must be exercised within sixty (60) days of the Termination Date.
- B. The Extension Option must be exercised by the Airline by written notice delivered personally or forwarded by registered or certified mail, return receipt requested, to the Town to the Notice Address.
- C. If the Extension Option is not exercised timely then the Agreement shall terminate pursuant to Article 12.
- D. If this Agreement is terminated for any reason, the Extension Option granted in this Article with respect to periods subsequent to such termination or expiration shall be deemed null and void.
- E. The Extension Term shall be upon all of the terms and conditions of this Agreement, except as follows and as otherwise hereinafter provided:

- a. At the end of the Extension Term the provisions of this Article shall be deemed null and void and there shall be no further extension of the term of this Agreement pursuant to this Article.

ARTICLE 3
RIGHTS AND SPECIFIC PRIVILEGES

Section 3.01. Signatory Airlines

- A. Airline is one of the Signatory Airlines operating at the Airport and is hereby granted by Town certain privileges with respect to the use of the Airport.
- B. Airline certifies to Town that it provides and will continue to provide Scheduled Service at the Airport and it has posted a schedule to provide Scheduled Service at the Airport.
- C. Town reserves the right, in its sole discretion, to admit additional airlines to the Airport as Signatory Airlines at any time.
- D. The Town has offered and Airline has accepted the Leased Premises as set forth in Exhibit "A". Only Signatory Airlines or Non Signatory Airlines are entitled to exclusive lease space at the Airport and may do so on a first-to-rent basis.

Section 3.02. Use of the Airport

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

Section 3.03. Specific Rights of Airline at the Airport

Airline shall have the right, subject to Rules and Regulations of Town, to use the Airport for the following purposes:

- A. The operation of an air transportation system by aircraft for the carriage of persons, property, and mail, including all activities reasonably necessary to such operation. The scheduling of courtesy, test, training, and sightseeing flights must be approved in writing in advance by the Commissioner.
- B. The landing, taking off, flying over, taxiing, pushing, towing, loading, unloading, of aircraft or other equipment operated by Airline and the repairing, maintaining, fueling, conditioning, servicing, parking, storing, and testing of aircraft or other equipment of or operated by Airline, or other certificated air transportation companies with which Town has an agreement, including the right to provide or handle all or part of the operations or services of such other companies. Flights carrying cargo, freight, and mail only shall load and unload at facilities designated by the Commissioner.

C. The sale of tickets, documentation of shipments, handling of reservations, and the loading and unloading of persons, property, cargo and mail at the Airport by such motor vehicles or other means of conveyance as Airline may desire to use in the operation of its Air Transportation system. Any ground transportation commercial carrier (including Airline, except for such ground transportation as Airline may provide solely for the benefit of its employees) regularly transporting persons or their baggage to and from the Airport shall first secure and thereafter hold a valid lease, license, or other agreement with Town for the right to carry persons or their baggage to and from the Airport and shall pay Town such fees (including, at Town's sole option, percentages of the fares of such ground transportation commercial carrier) for such right, as Town may determine appropriate. Town agrees that in the granting of leases, licenses or other agreements with vendors for the right to carry persons or their baggage, it will offer such opportunities to vendors in a fair and nondiscriminatory manner.

D. The training at the Airport of persons and testing of aircraft and other equipment, such training and testing to be limited to that incidental to Airline's air transportation business at the Airport. Flight training shall be undertaken by Airline only to the extent permitted by, and subject to, the conditions of the Rules and Regulations of Town.

E. The purchase of Airline's requirements of personal property or services, including fuel, lubricants, food, beverage, and other passenger supplies, and any other materials and supplies used by Airline from any person or company of Airline's choice excluding ground services as provided in paragraph 3.04 herein, and the making of agreements with any person or company of Airline's choice for services to be performed for Airline that are incidental to the operation of Airline's air transportation system. Nothing herein shall restrict Town from levying a reasonable and nondiscriminatory concession fee on any person or company for conducting non-air transportation business at the Airport.

F. The sale, disposal, and exchange of Airline's aircraft, engines, accessories, and other equipment, and materials or supplies, provided that (1) such items are not otherwise available on the Airport, except other equipment, materials, parts or supplies provided under any Mutual Assistance Ground Service Agreement (MAGSA) or similar agreements between air transportation companies; and (2) such right shall not be construed as authorizing the conduct of a separate regular business by Airline, but as permitting Airline to perform only such functions as are incidental to the operation of its Air Transportation system.

G. The servicing by Airline, or by its suppliers of materials, or its furnishers of services, of aircraft and other equipment operated by Airline or by other Air Transportation companies with which Airline has an applicable handling agreement, line maintenance, or other materials or supplies, at assigned aircraft parking positions or other locations designated by the Commissioner.

H. The installation and operation of advertising and promotional signs, posters, and graphics in Airline's Leased Premises, subject to the prior written approval of the Commissioner.

All other identifying signs in areas visible to the public shall be substantially uniform in size, type, and location with those of other airlines, consistent with Town's graphic standards, the Rules and Regulations, and in compliance with all Applicable Law.

I. The installation, maintenance, and operation of radio, meteorological, and aerial navigation equipment and facilities at suitable locations in Airline's Leased Premises; provided that (1) the location of such equipment and facilities shall be subject to the prior written approval of the Commissioner, (2) the use and location of such equipment and facilities shall not conflict with other similar equipment and facilities on the Airport.

J. The installation, maintenance and operation of computer data lines, telephone communications equipment and associated conduits, and telephone communications switchgear and support computers at suitable locations outside Airline's Leased Premises as may be necessary or convenient for Airline's operations; provided that: (1) the location of such equipment shall be subject to the prior written approval of the Commissioner; (2) the use and location of such equipment shall not interfere with the use of other similar equipment on the Airport; and (3) the use and installation of such equipment shall be subject to such nondiscriminatory charges, if any, that may be imposed by the Town on all tenants that install, maintain and operate comparable equipment.

K. Intentionally deleted.

L. The rights and privileges granted Airline under this Agreement with respect to the performance of ground services and activities in connection with its Air Transportation operation at the Airport may be exercised by Airline for and on behalf of Airline, an Affiliate, or another Air Transportation company providing Scheduled Service at the Airport and with which Airline has an applicable ground handling agreement approved by Town, pursuant to this Agreement. If Airline desires to have such services performed by a contractor, Airline shall employ a Fixed Based Operator, or another Air Transportation company possessing a contract with the Town to operate at the Airport.

M. The installation, maintenance, and operation without cost to Town, by Airline alone, or in conjunction with any other Airline at the Airport, or through a nominee, of a reasonable amount of suitable airplane air conditioning equipment, auxiliary power, startup and other miscellaneous support equipment. Such aircraft support equipment shall be stored on the Apron only in the area(s) assigned to Airline by the Commissioner.

N. The right to install passenger loading bridges and other equipment incidental to conducting Airline's air transportation business at areas designated by the Commissioner.

O. The provision of porter services and such other assistance as Airline may deem necessary, at Airline's sole expense, for the convenience of passengers in checking and transporting baggage at the Terminal Building. Airline shall designate a separate area within Airline's Exclusive Use Space for the storage of equipment including but not limited to wheelchairs and portable counters, when not in use by porters.

Section 3.04. Employee Parking Facilities and Management Parking

A. Airline's employees working at the Terminal Building shall have the right to the use of vehicular parking facilities for its employees in common with other employees. Such facilities shall be located in areas designated by Town. Town reserves the right to assess a reasonable charge to Airline or Airline's employees for such employee parking facilities.

Section 3.05. Limitations on Use by Airline

- A. In connection with the exercise of its rights under this Agreement, Airline shall not:
- (1) Do or permit to be done anything at or about the Airport that may interfere with the effectiveness or accessibility of the drainage and sewage system, electrical system, air conditioning system, fire protection system, sprinkler system, alarm system, fire hydrants and hoses, if any, installed or relocated on or within the premises of the Airport.
 - (2) Do or permit to be done any act or thing upon the Airport that will invalidate or conflict with any fire or other casualty insurance policies covering the Airport or any part thereof.
 - (3) Dispose of or permit any other person acting on Airline's behalf to dispose of any waste material taken from or products used (whether liquid or solid) with respect to its aircraft into the sanitary or storm sewers at the Airport unless such waste material or products first be properly treated by equipment installed with the approval of the Commissioner for that purpose.
 - (4) Keep or store, during any twenty four (24) hour period, flammable liquids within the enclosed portion of the premises in excess of Airline's working requirements during said 24-hour period, except in storage facilities especially constructed for such purposes in accordance with standards established by the National Board of Fire Underwriters, and approved by the Commissioner from the standpoint of safety. Any such liquids having a flash point of less than one hundred degrees Fahrenheit (100⁰F) shall be kept and stored in safety containers of a type approved by the Underwriters Laboratories.
 - (5) Do or permit to be done any act or thing upon the Airport that will be in conflict with FAR Part 139 or jeopardize the Airport's operating certificate.
 - (6) Do or permit to be done any act or thing in conflict with the Airport's approved security plan.
 - (7) Except as provided herein or as may subsequently be provided in a separate agreement, Airline shall not maintain or operate in the Terminal Building or elsewhere at the Airport a cafeteria, restaurant, bar or cocktail lounge for the purpose of selling or dispensing food or beverages to the public or to its employees or passengers; nor shall Airline in any manner otherwise provide for the sale of food and beverages at the Airport, except that Airline may provide vending machines

solely for the sale of hot and cold beverages, food, and confections to Airline employees in areas not accessible to the general public.

- B. In connection with the exercise of its rights under this agreement, Airline shall:
- (1) Meet National Fire Protection Association and other Applicable Law for the movement, handling and storage of hazardous materials whether explosive, biological, radioactive, or other.
 - (2) Upon notification by the Commissioner, and as soon as it may lawfully do so, promptly remove any of its disabled aircraft from any part of the Airport (including, without limitation, runways, taxiways, aprons, and terminal area aircraft parking positions) and place any such disabled aircraft in such parking areas as may be designated by the Commissioner, consistent with directives of the FAA and the National Transportation Safety Board (NTSB). Airline may store such disabled aircraft only for such length of time and upon such terms and conditions as may be established by the Commissioner consistent with the directives of the FAA and NTSB. Should Airline fail to remove any of its disabled aircraft, affecting Airport operations in a reasonable and timely manner in accordance with this paragraph, Town may, but shall not be obligated to, cause the removal of such disabled aircraft, and Airline agrees to reimburse Town for all costs of such removal, and Airline further hereby releases Town from any and all claims for damages to the disabled aircraft or otherwise arising from or in any way connected with such removal by Town, except to the extent caused by the willful misconduct of Town, its agents or its employees.

Section 3.06. Airport Use Summary

A. Airline shall file an Airport Use Summary, herein referred to as the "Summary," with the Commissioner within 30 days of the date hereof. Town shall provide Airline with a Summary report form requesting information specified below in regard to Airline's operation at the Airport. Airline shall maintain a current summary on file with the Commissioner.

B. Accordingly, the Summary shall provide the following, for Airline and its Affiliates operating without a written agreement with the Town:

- (1) Names, addresses, and telephone numbers of Airline officials responsible for station operations, flight operations, properties, marketing, public information, security and facilities;
- (2) The current and proposed schedules of Airline's flight activity at the Airport. Airline shall notify the Commissioner of schedule changes or the addition or deletion of flights at the Airport as soon as practical.
- (3) The description of Airline's fleet and identification of the class of Airline's aircraft that will serve the Airport. Airline shall provide reasonable notice of the

introduction of an aircraft that is not being operated by Airline at the Airport on the date of this Agreement; and

(4) The identification of Airline's anticipated facilities requirements at the Airport.

Section 3.07. Reservation of Rights

Any and all rights and privileges not granted to Airline by this Agreement are hereby reserved for and to Town.

ARTICLE 4

PREMISES

Section 4.01

A. Airline shall lease space at the Airport subject to the provisions of this Article. The areas and space on the Apron and in the Terminal Building shall be leased to Airline on an Exclusive, Preferential, or Common Use basis, as shown in Exhibit "A" (the "Leased Premises").

B. Exhibit "A" may be amended from time to time based on mutual agreement of the parties as evidenced by the dated signature of an airline representative and the Commissioner upon the replacement Exhibit "A".

Section 4.02. Aircraft Gate Areas

A. A passenger holdroom or boarding area, its contiguous assigned aircraft parking position (or positions, where the Airport has authorized the parking of more than one (1) aircraft in the area in question) on the Apron and its loading bridge (if any) shall be collectively referred to as an "Aircraft Gate Area." Aircraft Gate Areas shall be assigned to Airline by the Commissioner, as it may be amended from time to time.

B. In order to promote the efficient use of the Airport and its resources and facilities, if at any time there are no vacant or unleased Aircraft Gate Areas available, the Town reserves the right to permit the use of any Aircraft Gate Area by any airline at any time so long as the Aircraft Gate Area is not scheduled for use for a scheduled flight by Airline or its Affiliate or any Air Transportation company being ground handled by Airline under a ground handling agreement or approved sublease. Town will give notice to Airline as soon as practicable of such intended use. Airline, its Affiliate and any air transportation company being ground-handled by Airline under a ground handling agreement or approved sublease) shall have first priority at the Aircraft Gate Area in question for forty-five (45) minutes prior to a scheduled flight and forty-five (45) minutes subsequent to a scheduled flight. In the event of a delay in the departure or arrival of a scheduled flight, Airline shall immediately notify the Commissioner of such delay, and upon such notice, the Commissioner or his/her designated representative will adjust the first priority on the Aircraft Gate Area in question to accommodate the delay.

C. The Town shall require that any Air Transportation company assigned an Aircraft Gate Area under the provisions of Section 4.02 herein shall as a condition precedent to using said Aircraft Gate Area or facilities relating thereto, execute an agreement containing indemnity and liability insurance provisions substantially similar to those required by Airline in this agreement.

Section 4.03. Surrender of Premises

A. Town shall give no notice to quit possession at the expiration date of the term of this Agreement. Airline covenants and agrees that on expiration of the term of this Agreement, or on earlier termination as hereinafter provided, or on reassignment of the premises to others as hereinafter provided, it will peaceably surrender possession of the premises leased hereunder in good condition, in at least the same condition as received, reasonable wear and tear, acts of God, fire, and other casualties excepted, and Town shall have the right to take possession of said premises.

B. Airline shall have the right, on termination or expiration and within thirty (30) days thereafter, to remove all trade fixtures, equipment, and other personal property installed or placed by it, at its expense, in, on, or about the Airport, except that Airline's right shall be subject to any valid lien that Town may have thereon for unpaid rentals, fees, rates or charges. Airline shall not abandon any of its movable personal property on the premises without the prior written consent of the Commissioner.

C. Any and all property not removed by Airline within thirty (30) days after termination or expiration of this Agreement shall thereupon, at the option of Town, become a part of the realty on which it is located, and title thereto shall vest in Town. All Town property damaged by, or as the result of, the removal of Airline's property shall be restored by Town at Airline's expense, to the condition existing prior to such damage.

Section 4.04. Reassignment of Leased Premises

A. It is recognized by Airline and Town that from time to time during the term of this Agreement, it may become necessary to reassign, reallocate, or relocate Airline from part or from all the Leased Premises referred to in Section 4.01 in order to facilitate the entry of new air carriers or to accommodate the expansion of service of an air carrier already operating at the Airport (hereinafter collectively referred to as "Requesting Airline(s)").

B. In accommodating a Requesting Airline, the Town shall direct Requesting Airline to attempt to comply with one or more of the following alternatives:

- (1) To lease existing vacant space, if any; or
- (2) To use existing Lease and Gates A1-A4 located in the East Concourse; and
- (3) To enter into a ground handling agreement with a Signatory Airline.

C. Airline agrees to use its best efforts to accommodate a Requesting Airline's requirements through the joint use of its facilities or through a handling agreement(s).

D. The Town may cause reassignments (in addition to those permitted pursuant to Section 4.02 of this Agreement), reallocation, or relocation of part or all of the Leased Premises, for any of the following reasons:

- (1) To comply with a rule, regulation, or order of any Federal, State or other governmental agency that has jurisdiction over the Town; (2) To implement a Capital Improvement at the Airport; or (3) To facilitate the entry of a Requesting Airline when no airline serving the Airport is willing or able to accommodate Requesting Airline's operational needs or requirements at a reasonable cost.

E. If the Town reassigns, reallocates or relocates Airline's Leased Premises, Town will give Airline notice of its intent to modify all or portions of Airline's Leased Premises and Airline shall peacefully surrender same in accordance with Section 4.03 of this Agreement. Thereafter, Town shall:

- (1) Reimburse Airline for the unamortized capital cost of improvements (calculated in accordance with GAAP principles) in the space vacated so long as Airline is not in default pursuant to this Agreement; (2) Make improvements and alterations necessitated by the reassignment, reallocation or relocation, the cost of which shall not be the responsibility of Airline; and (3) Reassign or reallocate the space in question to the Requesting Airline (or other airline) or relocate Airline's Leased Premises or retain space for joint use by other airlines.

Section 4.05. Access

A. Subject to the provisions hereof and the Rules and Regulations, Town hereby grants to Airline, its agents, suppliers, employees, contractors, passengers, guests, and invitees, the right and privilege of access, ingress, and egress to the Leased Premises, to areas accessible to the public, and to public facilities of the Airport.

B. The ingress and egress provided for in Section 4.05(A) shall not be used, enjoyed, or extended to any person engaging in any activity or performing any act or furnishing any service for or on behalf of Airline that Airline is not authorized to engage in or perform under the provisions hereof unless expressly authorized by the Commissioner.

C. Town shall have the right at any time or times to close, relocate, reconstruct, change, alter, or modify any such means of access provided for Airline's use pursuant to this Agreement or otherwise, either temporarily or permanently, provided that reasonable notice to Airline and a reasonably convenient and adequate alternative means of access, ingress, and egress shall exist or be provided in lieu thereof. Town shall suffer no liability by reason thereof, and such action shall in no way alter or affect any of Airline's obligations under this Agreement.

ARTICLE 5
RENTALS, FEES, RATES AND CHARGES

Section 5.01. Rate-making Methodology

A. The rate-making methodology employed by the Town in setting Airline's rates and charges shall be based on the methodology set forth in that use and lease agreement between the Town and certain scheduled airlines authorized by the Town Board of the Town of Islip dated December 17, 1991, a copy of which is incorporated herein by reference thereto as if the same were fully set forth herein (the "Rates and Charges Resolution"). The current rates and charges, Airport Fee Schedule, are set forth in Exhibit "B".

B. The rentals, fees, rates and charges established pursuant to this Agreement will be set forth at least once annually in an Airport Fee Schedule or ordinance of the Town. The current Airport Fee Schedule

C. Throughout this Agreement, whenever the calculation of rentals, fees, rates and charges involves the use of an estimate, the estimate of the Commissioner shall be used.

D. In return for use of the premises, facilities, rights, licenses, and privileges granted hereunder and for the undertakings of Town, Airline agrees to pay Town during the term of this Agreement, without notice or demand and without deduction or set-off, all applicable rentals, fees, rates and charges as set forth herein during the term of this Agreement.

E. The rentals, fees, rates and charges due by Airline are subject to any Air Service Development Incentive Program ("Incentive Program") during the term of this agreement, which is attached as Exhibit "C", and as addressed in Article 5.1.

Section 5.02. Monthly Activity Report

A. Airline shall furnish to Town on or before the tenth (10th) day of each month, an accurate report, in a format to be provided by Town, of Airline's operations at the Airport during the preceding month. Said report shall include but shall not be limited to: (1) Airline's total number of Aircraft Landings for the month by type of aircraft, the Maximum Certificated Gross Landing Weight of each aircraft, and the Total Landed Weight for the month; (2) the total number of Airline's Enplaned Passengers and Deplaned Passengers, including passengers handled by Airline on chartered flights; and (3) the amount of enplaned and deplaned cargo, freight, mail, and express for the month.

B. If Airline fails to furnish Town with the report required by Section 5.02(A), Airline's Landing Fee, as provided for hereinafter, shall be determined by assuming that Airline's Total Landed Weight for such month was one hundred percent (100%) of its Total Landed Weight during the month with highest activity for which such data are available for Airline. Any necessary adjustment in such Landing Fee shall be calculated after an accurate report is delivered to Town by Airline for the month in question. Resulting surpluses or deficits shall be applied as credits or charges to the appropriate payment in the next succeeding month.

Section 5.03. Terminal Building Space Rentals

A. Airline shall pay to Town for its Exclusive Use Space, Preferential Use Space, and Common Use Space in the Terminal Building, as set forth in Section 4.01, monthly rentals based on annual rental rates, such rates to be calculated each Fiscal Year as set forth herein. Such rates shall be subject to periodic acceleration or modification at the direction of the Commissioner of Aviation and Transportation.

B. Rental payments for Exclusive, Preferential, and Common Use Space shall be due and payable on the first day of each month.

Section 5.04. Landing Fees

Airline shall pay Town monthly Landing Fees to be determined by multiplying the number of 1,000-pound units of Maximum Certificated Gross Landing Weight for Airline during the month by the then current Landing Fee rate.

Section 5.05. Aircraft Parking Surcharge

Town reserves the right to charge for Aircraft parking on the Airport, pursuant to Town's Rules and Regulations, such charge to be set forth in the Airport Fee Schedule or ordinance of the Town.

Section 5.06. Security Costs -- Passengers, Baggage, Cargo and Mail

A. The Federal government established the Transportation Security Administration (TSA) as a Department of Transportation agency pursuant to the Aviation and Transportation Security Act, which was signed into law on November 19, 2001 (the "Act"). By passage of the Homeland Security Act on January 23, 2003, the TSA was transferred to the Department of Homeland Security. The Act, as it may be amended from time to time, imposes rules and regulations implementing security provisions applicable to air transportation, including passengers, baggage, cargo and mail. Airline and Town acknowledge their intent that the costs of security (including the cost of space occupied or used by the Federal government in connection with security), whether of passengers, baggage or cargo and mail, is an Airport Expense that will be allocated to the appropriate Airport Cost Center.

B. To the extent the Federal government (or any agency thereof) reimburses the Town for the costs of security (including the cost of space occupied or used by the Federal government in connection with security) pursuant to the Act, the Town will credit the appropriate Cost Center with such reimbursements. Current rates and charges are set forth in Exhibit B.

Section 5.07 Baggage claim area

Airline shall pay a baggage claim area fee based. Current rates are set forth in Exhibit B. Such fee shall be subject to periodic acceleration or modification at the direction of the Commissioner of Aviation and Transportation.

Section 5.08 Payment Provisions: Interest on Overdue Amounts

A. Terminal Building Exclusive Use, Preferential, and Common Use space rentals and Airport Parking Fees shall be due and payable in equal monthly installments in arrears on or before the first business day of each month without invoice and shall be subject to adjustment as provided herein.

B. Town shall invoice Airline monthly for Terminal Building rentals. Such rentals and charges shall be due and payable within thirty (30) days from the date of invoice.

C. Airlines shall pay Town monthly without invoice for Landing Fees due and payable for the preceding month's activity. Each month's Landing Fees shall be due within thirty (30) days from the end of said month.

D. The acceptance by Town of any payment made by Airline shall not preclude Town from verifying the accuracy of Airline's Monthly Activity Report and computations or from recovering any additional payment actually due from Airline.

E. Any payment not received by the due date shall accrue interest at the maximum rate allowed by law, not to exceed one and one-half percent (1.5%) per month from the due date until paid in full. Upon submission of adequate proof demonstrating timely mailing of payment, such interest shall not apply.

Section 5.09. Passenger Facility Charge

So long as Town has an FAA-approved Passenger Facility Charge (PFC) in effect, Airline agrees to faithfully collect and promptly remit to Town (without notice or demand by Town and in accordance with Federal law) the proceeds of the Town's PFC. To the extent permitted pursuant to Federal PFC legislation, Airline shall pay the Town interest for late payment of PFC proceeds in accordance with Section 5.11 of this Agreement. If legislation and regulations in effect on the date of this Agreement governing PFCs, use fees, or similar charges on Airline's passengers or cargo using the Airport, are amended or implemented during the Term of this Agreement, Town reserves the right to appropriately adjust such charges, levy new charges, revise charges, or implement additional charges as Town determines to be necessary.

Section 5.10. Records of Airline

Airline shall keep and maintain a complete and adequate set of records of all the landing weights as defined herein, for the use of the Airport and payment of rentals, fees, rates and charges required under this Agreement for the preceding calendar year, and shall make such records available for inspection by Town or its authorized representative at any and all reasonable hours and times.

Section 5.11. Taxes

A. Airline shall pay all taxes of whatever character that may be lawfully levied, assessed, or charged by any governmental entity other than Town upon the property, real and personal, occupied, used, or owned by Airline, or upon the rights of Airline to occupy and use the premises and emoluments received hereby, or upon Airline's improvements, fixtures, equipment, or other property thereon, or upon Airline's rights or operations hereunder. Airline shall have the right at its sole cost and expense to contest the amount or validity of any tax or license as may have been or may be levied, assessed, or charged.

B. Airlines shall pay, but such payment shall not be considered part of Airport Operating Revenue, all taxes (including any possessory interest tax), assessments, and charges of a like nature, if any, which at any time during the term of this Agreement may be levied against Airline or become a lien by virtue of any levy, assessment, or charge against Airline by the Federal government, the State of New York, the County of Suffolk, any municipal corporation (having jurisdiction over the Airport), any local government entity, any government successor in authority to the foregoing, or any other tax or assessment levying bodies, in whole or in part, upon or in respect to any of the space leased under this Agreement or such facilities of the Airport as are made available for use by Airline hereunder, or upon or in respect to any personal property belonging to Airline situated on the space leased under this Agreement. Payment of such taxes, assessments, and charges, when and if levied or assessed, shall be made by Airline directly to the taxing or assessing authority charged with collection thereof.

C. Airline may, at its own expense, contest the amount or validity of any tax or assessment, or the inclusion of the space leased under this Agreement as taxable or assessable property, directly against the taxing or assessing authority.

Section 5.12. No Other Fees and Charges

Except as expressly provided for with this Agreement, no further rentals, fees, rates or charges shall be charged against or collected from Airline, its passengers, shippers, and receivers of freight and express and its suppliers of material, contractors, or furnishers of services, by Town for the premises, facilities, rights, licenses, and privileges granted to Airline in this Agreement. However, Town expressly reserves the right to assess and collect reasonable fees for any and all concessions, including in-flight catering, vending, ground transportation, communications (including wireless applications, services or products), and other non-Airline Transportation services provided for Airline by other concessionaires and operators only if such services are provided in competition with concessionaires operating under an agreement with Town.

ARTICLE 5.1

AIR SERVICE DEVELOPMENT INCENTIVE PROGRAM

Section 5.1.01. Air Service Development Incentive Program

The Air Service Development Incentive Program (“Incentive Program”) shall be considered a part of this Agreement and is attached hereto as Exhibit “C”. The execution of this document satisfies the Incentive Program’s requirement that the Town and Airline enter into a Memorandum of Agreement

Section 5.1.02. Conflicting Provisions

In the event of conflicting provisions between this Agreement and the Incentive Program, the provisions in the Incentive Program shall be deemed to control.

Section 5.1.03 Air Service Development

Separate and apart from the Air Service Development Incentive Program, the Town will, over the course of calendar year expend marketing funds, subject to the approval by the Town Board, for purposes of promoting Long Island MacArthur Airport as well as the Air Carriers that service the Airport, including Airline. The means and methods of such promotion shall be at the sole discretion of the Town. This expenditure is not conditioned on any performance or consideration to be provided by Airline and is not subject to matching funds.

ARTICLE 6

COMPLIANCE WITH BOND DOCUMENTS

Section 6.01. Subordination to Bond Documents

A. This Agreement and all rights of Airline hereunder are expressly subordinated and subject to the lien and provisions of any pledge, transfer, hypothecation, or assignment made at any time by Town pursuant to the terms, covenants, and conditions of present and future Bond Documents.

B. In conflicts between this Agreement and the Bond Documents, the Bond Documents shall govern.

C. All definitional terms that are not specifically defined herein are to have the meanings set forth in the Bond Documents.

D. Airline acknowledges that Town has the right to issue Bonds (or otherwise engage in financings of all types) in accordance with the provisions of Applicable Law in such amounts and for such purposes as are authorized by Bond Documents and Applicable Law, and that the Town may issue such Bonds (or engage in such financings) in such manner and amount and under such terms as it may determine to be in the best interests of the Town; provided however, that the Town

shall not issue Bonds (or otherwise engage in financings) except in accordance with the provisions of this Agreement and Applicable Law. The Town may issue Bonds to finance any capital improvement or to refund, reissue or renew any Bonds issued pursuant to the provisions of the Bond Documents and Applicable Law or the other provisions of this Agreement. Airline further acknowledges that the Town has the power to adopt or enter into such Bond Documents as it may deem to be necessary or convenient. Such Bond Documents may pledge or assign all or part of the revenues of the Airport to secure payment of the Bonds and may contain such provisions for protecting and enforcing the rights and remedies of the holders of the Bonds as may be reasonable and proper and not in violation of Applicable Law or this Agreement, including covenants setting forth the duties of the Town in relation to the acquisition, construction, operation and maintenance of any improvement, the establishment of Required Reserves, and the application of all revenues. The Bond Documents may contain such other provisions as the Town may deem reasonable and proper for the security of the holders of the Bonds.

Section 6.02. Compliance with Bond Documents

A. Subject to the terms and provisions of the Bond Documents and other related instruments, it is mutually understood and agreed that, as long as any Bonds are outstanding, Bond proceeds and all Airport Operating Revenues (along with PFCs and the proceeds of grant agreements) shall be deposited, maintained, and paid as set forth in the Bond Documents.

B. Except for any Special Facility Bonds, Airline understands and agrees that, pursuant to any Bond Documents, Town shall impose, charge and collect and Airline hereby agrees to pay such rentals, fees, rates and charges as may be required by covenants contained therein.

ARTICLE 7

MAINTENANCE, REPAIR, ALTERATIONS, AND IMPROVEMENTS

Section 7.01. Airline's Responsibilities

It is understood and agreed that Airline and Town shall have the following maintenance and repair obligations:

A. Airline agrees that, upon Airline's occupancy of its Common, Preferential or Exclusive Use Space, such space is in good condition as determined herein.

B. Airline, except as hereinafter provided, shall not call on Town for any of the following janitorial services or nonstructural repairs to its Exclusive Use or Preferential Space, and Airline shall, at its sole expense and in a manner acceptable to Town:

- (1) Maintain its Exclusive, Preferential, and Common Use Space in good condition prevailing at the time of beneficial occupancy subject to reasonable wear and tear and damage by fire or other casualty. Space shall be adequately and attractively equipped, furnished and decorated, and kept clean and in good condition, operational and presentable;

- (2) Maintain its Apron in a neat, clean, and orderly condition, free from litter, debris, refuse, petroleum products, or grease that may result from activities of its passengers, employees, agents, or suppliers; and remove all oil and grease spillage that is attributable to Airline's aircraft or equipment located or used within Airline's Apron area;
- (3) Perform, at its sole expense, ordinary preventive maintenance and ordinary upkeep and nonstructural repair of ticket counters, fixtures, and floor coverings located within its Exclusive Use Space, excluding repairs necessitated by fire or other casualty caused by the negligence of Town or by the negligence of another air transportation company. Airline is required to maintain and replace office flooring every five years and clean office flooring each contract year. Airline must paint every second year all Exclusive Use Space and clean all windows within Exclusive Use Space each year. Airline must perform annual garage and makeup belt maintenance and retain records for Town upon request. Town, at its own expense, shall maintain in good repair and condition the exterior portions of the walls and roof of the Exclusive Use Space, and all central mechanical, electrical and plumbing distribution systems; and
- (4) Immediately repair any damage in any other space at the Airport occasioned by the fault or negligence of Airline, its servants, agents, employees, licensees, passengers, and invitees, excluding damage or repairs which fall under the Town's insurance policy.
- (5) Airline must report all spills of five gallons or more to Airport Personnel immediately. Cleanup and supplies must be kept on Airport grounds to clean up all spills. If Airport cleans up any spill over five gallons from Airline then reasonable fees will be assessed and charged to Airline for the cleanup.

C. Airline expressly agrees that Town shall not be liable to Airline, its employees, subcontractors, passengers, or business visitors, for bodily injury or physical injury caused by contact or without contact, and the emotional and psychological effects of incidents related to such injury or for any loss or damage to Airline's personal property occasioned by flood, fire, earthquake, lightning, windstorm, hail, explosion, riot, strike, smoke, vandalism, malicious mischief, or acts of civil authority.

D. Airline expressly agrees that the Airline will be responsible for damage that occurs to any and all jet bridges while be operated by Airline or a third party hired by Airline for the enplaning and deplaning of passengers. Airline will agree to pay for all repairs associated with any misuse, mechanical failure, or repair needed as a direct result of the operation of Airline.

E. If Airline fails to perform its obligations under this Article then Town may do so after reasonable notice and recover its entire cost plus a fifteen (15%) percent administrative charge from Airline as additional rent due on the next rent date.

- (2) Maintain its Apron in a neat, clean, and orderly condition, free from litter, debris, refuse, petroleum products, or grease that may result from activities of its passengers, employees, agents, or suppliers; and remove all oil and grease spillage that is attributable to Airline's aircraft or equipment located or used within Airline's Apron area;
- (3) Perform, at its sole expense, ordinary preventive maintenance and ordinary upkeep and nonstructural repair of ticket counters, fixtures, and floor coverings located within its Exclusive Use Space, excluding repairs necessitated by fire or other casualty caused by the negligence of Town or by the negligence of another air transportation company. Airline is required to maintain and replace office flooring every five years and clean office flooring each contract year. Airline must paint every second year all Exclusive Use Space and clean all windows within Exclusive Use Space each year. Airline must perform annual garage and makeup belt maintenance and retain records for Town upon request. Town, at its own expense, shall maintain in good repair and condition the exterior portions of the walls and roof of the Exclusive Use Space, and all central mechanical, electrical and plumbing distribution systems; and
- (4) Immediately repair any damage in any other space at the Airport occasioned by the fault or negligence of Airline, its servants, agents, employees, licensees, passengers, and invitees, excluding damage or repairs which fall under the Town's insurance policy.
- (5) Airline must report all spills of five gallons or more to Airport Personnel immediately. Cleanup and supplies must be kept on Airport grounds to clean up all spills. If Airport cleans up any spill over five gallons from Airline then reasonable fees will be assessed and charged to Airline for the cleanup.

C. Airline expressly agrees that Town shall not be liable to Airline, its employees, subcontractors, passengers, or business visitors, for bodily injury or physical injury caused by contact or without contact, and the emotional and psychological effects of incidents related to such injury or for any loss or damage to Airline's personal property occasioned by flood, fire, earthquake, lightning, windstorm, hail, explosion, riot, strike, smoke, vandalism, malicious mischief, or acts of civil authority.

D. Airline expressly agrees that the Airline will be responsible for damage that occurs to any and all jet bridges while be operated by Airline or a third party hired by Airline for the enplaning and deplaning of passengers. Airline will agree to pay for all repairs associated with any misuse, mechanical failure, or repair needed as a direct result of the operation of Airline.

E. If Airline fails to perform its obligations under this Article then Town may do so after reasonable notice and recover its entire cost plus a fifteen (15%) percent administrative charge from Airline as additional rent due on the next rent date.

Section 7.02 Town's Responsibilities

A. Town, during the term of this Agreement, shall retain its FAA Airport Certification and keep in good repair, or arrange for the operation, maintenance, and good and efficient repair of, the Airport, including, but not limited to, the public space and common use space of the Terminal Building, vehicular parking areas, runways, field lighting, taxiways, aprons, roadways, and all appurtenances, facilities, and services now or hereafter connected with the foregoing, in conformity with standards customarily followed in the aviation industry for airports of like size and character. Town also shall keep the Airport reasonably free from obstruction, including, without limitation, snow, ice, vegetation, stones, and other foreign matter, as reasonably necessary, from the landing area, taxi area, roadways, vehicular parking areas, and aircraft parking areas for the safe, convenient, and proper use of the Airport by Airline.

B. Town shall keep, or make appropriate arrangements to keep, areas accessible by the public in the Terminal Building adequately and attractively equipped, furnished, decorated, clean, and presentable. Town shall provide and supply in such areas of the Terminal Building signs, heat, electric, light, power, air conditioning, wastewater disposal, water, and janitorial services, including rubbish removal. Interruptions of services shall not constitute a breach of this Agreement by Town.

C. The undertakings by Town under this Section do not relieve Airline of its duties to maintain its Leased Premises and to use Exclusive Use, Preferential Use, and Common Use facilities with due care.

Section 7.03. Town's Right to Inspect and Make Repairs

Town, by its authorized officers, employees, agents, contractors, subcontractors, and other representatives, shall have the right (upon reasonable notice, during normal business hours and accompanied by Airline's representative except in emergency circumstances) to enter Airline's Exclusive Use Space, Preferential Use Space, and Common Use Space for the following purposes:

A. To inspect such space to determine whether Airline has complied and is complying with the terms and conditions of this Agreement;

B. To accomplish repairs or replacements by Town in any case where Airline is obligated to make repairs or replacements and has failed to do so, after notice, make such repairs or replacements on Airline's behalf;

C. In the exercise of Town's police powers;

D. To perform electrical maintenance and other maintenance where Town determines that it is necessary or desirable to do so in order to preserve the structural safety of such space or areas or to correct any condition likely to cause injuries or damages to persons or property;

E. To install and maintain for the sole use of Town, without cost to Airline, and without unreasonable interference with Airline's use and occupancy, facilities and appurtenances necessary for the safe or efficient operation of the Airport, including, but not limited to, installation, operation, and maintenance of gas, water, electric service, sewers, communications, telephones,

signal lines, lights, air tubes, fire protective systems, pipes, ducts, cables, conduits, wires, and similar installations; and

F. No such entry by or on behalf of Town upon any Exclusive Use Space leased to Airline shall cause or constitute a termination of the letting thereof or be deemed to constitute an interference with the possession thereof by Airline.

Section 7.04. Alterations and Improvements

A. Airline shall make no alterations, additions, improvements to, or installations on the Leased Premises without the prior written approval of the Commissioner.

B. In the event the Commissioner approves Airline's request to make alterations, additions, improvements to, or installations on the Leased Premises, Airline shall, not later than sixty (60) days after completion of same, provide Town with as-built or comparable drawings of such alterations, additions, improvements or installations, and an engineer's certification as to the cost of the same.

ARTICLE 8

DAMAGE OR DESTRUCTION OF PREMISES

Section 8.01. Partial Damage

If any part of Airline's Leased Premises, or adjacent facilities directly and substantially affecting the use of Airline's Leased Premises, shall be partially damaged by fire or other casualty, but said circumstances do not render Airline's Leased Premises untenable as determined by Town, the same shall be repaired to usable condition with due diligence by Town as hereinafter provided and limited. No abatement of rentals shall accrue to Airline so long as Airline's Leased Premises remain tenantable.

Section 8.02. Substantial Damage

If any part of Airline's Leased Premises, or adjacent facilities directly and substantially affecting the use of Airline's Leased Premises, shall be so extensively damaged by fire or other casualty as to render any portion of said Airline's Leased Premises untenable but capable of being repaired, as determined by Town, the same shall be repaired to usable condition with due diligence by Town as hereinafter provided and limited. In such case, the rentals payable hereunder with respect to the affected Airline's Leased Premises shall be paid up to the time of such damage and shall thereafter be abated equitably in proportion as the part of the area rendered untenable bears to total Airline's Leased Premises until such time as such affected Airline's Leased Premises shall be restored adequately for Airline's use. Town shall use reasonable efforts to provide Airline, with alternate facilities to continue its operation while repairs are being completed, at a rental rate not to exceed that provided for in this Agreement for comparable space.

Section 8.03. Destruction

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

B. In the event Town elects to reconstruct or replace affected Airline's Leased Premises, Town shall use reasonable efforts to provide Airline with alternate facilities to continue its operation while reconstruction or replacement is being completed.

C. In the event the Town elects not to reconstruct or replace affected Airline's Leased Premises, Town shall meet and consult with Airline on ways and means to permanently provide Airline with adequate replacement space for affected Airline's Leased Premises. Exhibit "A" of this Agreement will be amended to reflect any additions and deletions to Airline's Leased Premises resulting from such consultations.

Section 8.04. Damage Caused by Airline

Notwithstanding the provisions of this Article, in the event that due to the negligence or willful act or omission of Airline, its employees, its agents, or licensees, Airline's Leased Premises shall be damaged or destroyed by fire, other casualty or otherwise, there shall be no abatement of rent during the repair or replacement of said Leased Premises. To the extent that the costs of repairs shall exceed the amount of any insurance proceeds payable to Town by reason of such damage or destruction, Airline shall pay the amount of such additional costs to Town.

Section 8.05. Town's Responsibilities

Town shall maintain levels of insurance (or shall maintain such levels of self-insurance) as required by Applicable Law; provided, however, that Town's obligations to repair, reconstruct, or replace affected premises as set forth in this Article, shall in any event be limited to restoring affected Airline premises to substantially the same condition that existed at the date of damage or destruction, including any subsequent improvements made by Town, and shall further be limited to the extent of insurance proceeds and other funds available to Town for such repair, reconstruction, or replacement; provided further that Town shall in no way be responsible for the restoration or replacement of any equipment, furnishings, property, real improvements, signs, or other items installed and/or owned by Airline in accordance with this Agreement, unless Airline proves that damage is caused by negligence or willful act or omission of Town, its officials, agents or employees acting within the course or scope of their employment.

ARTICLE 9

ASSIGNMENT OF-SPACE, MERGER, AND BANKRUPTCY

Section 9.01. Assignment and Subletting

Airline shall not assign this Agreement, or any part hereof in any manner whatsoever or sublet the premises or any part thereof or any of the privileges recited herein without the prior written consent of the Commissioner. However, Airline shall have the right to assign all or any part of its rights and interests under this Agreement to any affiliated Air Transportation company, or any successor to its business through merger, consolidation, voluntary sale, or transfer of substantially all of its total assets, and the consent of Town thereto shall not be required, but due notice of any such assignment shall be given to the Commissioner within thirty (30) days after such assignment hereunder.

Section 9.02. Nonwaiver of Responsibility

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

Section 9.03. Ground Handling Agreements

- A. In the event Airline desires to ground handle any portion of the operations of another Air Transportation company, such as GAT, but not limited to, Airline shall provide the Commissioner advance written notice of such proposed activities, including a description of the type and extent of services to be provided. Notwithstanding the provisions of the foregoing, Airline may not ground handle another Air Transportation company without the prior written permission of the Commissioner unless such Air Transportation company has a current agreement with Town.
- B. All contracted Ground Handling Agreements shall indemnify the Town of Islip, its officials and employees from and against all claims, liability, damages or expenses, including reasonable attorneys' fees and costs of suit for damage to or destruction of property or injury or death of any person, arising out of the use, occupancy, operations, works, acts or negligent omissions of the Ground Handling Agreement or any subsequent ground handling company, or their respective agents, employees, contractors, sublessees, tenants, guest or invitees, or arising from any failure by the ground handling company or any subsequent ground handling company to comply with any covenants, terms or conditions contained in this Agreement.

C. Airline shall obtain insurance coverage from the ground handling company or any subsequent ground handling company, Airline shall require certificates of insurance showing the Town of Islip as an additional insured. The amount of the insurance coverage to be provided by the ground handling company, or any subsequent ground handling company shall be approved by the Town's insurance risk manager.

Section 9.04. Security Deposit

A. If Airline has not maintained a satisfactory history of payments for rentals and Landing Fees, then in order to guarantee the timely payment of all future Airline rentals, fees, rates and charges, Town may require Airline to provide a Security Deposit in an amount equal to one-fourth (1/4) of the rentals, fees, rates and charges payable by Airline for the ensuing Fiscal Year. The amount of the Security Deposit may be adjusted in the discretion of the Commissioner as Airline's flight activity increases.

B. Airline's Security Deposit shall be in the form of an irrevocable letter of credit, surety bond or other security satisfactory to Town, in a form approved by the Commissioner. Documents evidencing this deposit must provide that the same shall remain in full force and effect for a period extending two (2) months following termination or cancellation of this Agreement.

C. If Airline shall commit an event of default, Town shall have the right: (1) to use such Security Deposit to pay such Airline's rentals, fees, rates and charges then due and payable; or (2) by written notice to Airline given at any time within ninety (90) days of such event of default, to impose or reimpose the requirements of Section 9.04(A) on Airline. In such event, Airline shall, within ten (10) days from its receipt of such written notice, provide Town with the required Security Deposit and shall thereafter maintain such Security Deposit in effect until the expiration of a period of two (2) consecutive years during which Airline commit no event of default.

D. Town shall have the right to reimpose the requirements of Section 9.04(A) on Airline each time Airline commits such an event of default during the term of this Agreement. Town's rights under this Section shall be in addition to all other rights and remedies provided to Town under this Agreement.

E. If subsequent to any request for a Security Deposit from the Town, Airline has maintained a satisfactory record of payments for eighteen (18) months, then Airline will no longer be required to maintain a Security Deposit.

Section 9.05. Bankruptcy

Section 9.01 shall not apply to any valid assumption or assignment of this Agreement, the leased space, or any part thereof, by a trustee, or Airline as a debtor in possession under Section 365 of the Bankruptcy Code of 1978, as amended, provided that adequate assurance of future performance as provided by Section 365 of the Bankruptcy Code of 1978, as amended, for the purposes of the assumption or assignment of this Agreement shall include, but shall not be limited to:

A. Adequate assurance of the reliability of the proposed source for the rentals due under this Agreement on the assumption or assignment of this Agreement.

B. Adequate assurance that all other consideration due under this Agreement shall be forthcoming after the assumption or assignment of this Agreement.

C. The procurement of a bond from a financially reputable surety covering any costs or damages incurred by Town in the event that Town, within one (1) year following the assumption or assignment of this Agreement, becomes entitled to and exercises any right to reassign the leased space covered by this Agreement under Section entitled "Reassignment of Leased Premises".

Section 9.06. Consent

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

ARTICLE 10
INSURANCE AND INDEMNIFICATION

Section 10.01. Insurance

A. Airline shall, without expense to Town, and upon commencement of the term thereof, obtain and cause to be kept in force liability insurance coverage, with limits as hereinafter stated.

B. Such insurance shall include, by way of example but not by way of limitation, comprehensive general liability coverage and automobile liability insurance coverage and shall not be in amounts less than hereinafter stated. Such insurance coverage shall be provided by policies issued by a company or companies of sound and adequate financial responsibility and such policies must be enforceable in the State of New York. Such insurance policies shall contain an endorsement providing that Town will be given not less than thirty (30) days' notice prior to the cancellation or material change of the provisions or coverage affecting the interest of Town provided by said policies. The comprehensive general liability policies shall include contractual liability coverage.

C. Airline shall cause a certificate or certificates of insurance to be furnished to Town evidencing such insurance coverage. If Town is notified that any of the coverage required herein is to be cancelled or changed in such a manner as not to comply with the requirements of this Agreement, Airline shall, within thirty (30) days of notice of cancellation or change, obtain and provide Town with certificates evidencing the reestablishment of the insurance coverage required hereby.

D. The minimum limits of coverage shall be as follows:

(1) Insurance limits of liability shall be in an amount not less than one hundred fifty million dollars (\$150,000,000.00) per occurrence for airlines operating aircraft over one hundred (100) seats; not less than one hundred million dollars (\$100,000,000.00) for airlines operating aircraft with between ninety-nine (99) and sixty (60) seats; not less than fifty million dollars (\$50,000,000.00) for airlines operating aircraft with between fifty-nine (59) and twenty (20) seats; and twenty million dollars (\$20,000,000.00) for airlines operating aircraft with nineteen (19) or fewer seats. For purposes of this Paragraph, the number of seats is determined based upon the largest aircraft in Airline's fleet.

(2) Comprehensive automobile liability policy in a minimum amount of one million dollars (\$1,000,000.00) for both bodily injury and property damage.

(3) Comprehensive general liability policy in the minimum amount of one million dollars (\$1,000,000.00) for bodily injury and five hundred thousand dollars (\$500,000.00) for property damage, or combined single minimum amount of one million five hundred thousand dollars (\$1,500,000.00) for both bodily injury and property damage.

(4) Worker's compensation insurance in a minimum amount as required by state law and employer's liability in a minimum amount of one hundred thousand dollars (\$100,000.00).

E. Should the Commissioner determine at any time that such minimum coverage is inadequate, he shall notify Airline to increase the coverage so that the same shall be adequate.

F. Insofar as said insurance provides protection against liability for damages to third parties for personal injury, death, and property damage, Town shall be included as an additional insured, except to the extent such damage is caused by the willful misconduct of Town, its officers, employees, or contractors, provided such liability insurance coverage shall also extend to damage, destruction, and injury to Town-owned or Town-leased property and Town personnel, and caused by, or resulting from the negligent work, acts, operations, or omissions of Airline, its officers, agents, employees, invitees, and independent contractors on the Airport.

G. Town shall have no liability for any premiums charged for such coverage, and the inclusion of Town as an additional insured is not intended to, and shall not, make Town a partner or joint venture with Airline in its operations at the Airport.

H. Upon request Airline shall provide copies of insurance certifications for any and all third parties or subcontractors performing work for Airline with operations based out of Airport.

Section 10.02. Indemnification

A. Airline agrees fully to indemnify, defend and hold harmless the Town, its agents or employees, from and against all claims and actions and all expenses incidental to the investigation and defense thereof, including attorneys' fees, based upon and arising out of damages and injuries or death to any person or property caused by, or arising out of the negligence, use, occupancy, or operations of the Airline at the Airport; provided, however, that Airline shall not be liable for any

injuries, deaths, damage or loss to the extent that such injury, death, damage or loss is caused by the fault, or negligence or willful misconduct of Town, its agents, or employees; and provided further that Town shall give the Airline prompt and reasonable notice of any such claims or actions.

B. This article shall apply to all ramp operations conducted by Airline to include, but not limited to, any operation conducted in conjunction with enplaning and deplaning passengers.

Section 10.03. Nonliability of Town

A. Town, its agents or employees, shall not in any event be liable for any acts or omissions of Airline, or its agents, servants, invitees, customers, employees, or independent contractors, or for any condition resulting from the operations or activities of any lessee, tenant, or concessionaire, Airline agents, servants, employees, or independent contractors, or for any conditions resulting from the operations or activities of Airline's agents, servants, employees or independent contractors either to Airline or to any other person.

B. Town shall not be liable for Airline's failure to perform any of the obligations under this Agreement or for any delay in the performance thereof, nor shall any such delay or failure be deemed a default by Town.

**ARTICLE 11.
DEFAULTS**

SECTION 11.01. DEFAULT

A. If the Airline (1) fails to pay rent or any other payment past due hereunder within thirty (30) days after receipt of written notice of a past due Account, or (2) fails to keep and perform any of its covenants and agreements within thirty (30) days after receipt of written notice of such failure, or (3) fails to maintain the required insurance and performance bond within thirty (30) days after receipt of written notice of such failure, or (4) fails to continue with diligence to complete any of its covenants and agreements after the performance is commenced, or after the filing of any petition, proceedings, or action by, for, or against the Airline under any insolvency, bankruptcy, or reorganization act of Applicable Law, or (5) Airline voluntarily discontinues service at the Airport (except by reason of strike or causes beyond control of Airline) for a period of thirty (30) days, then at the election of Town:

(1) Without terminating this Agreement, Town may reenter and take possession of the space and improvement and relet all or any part of it to others, for the account of Airline, and Airline shall promptly reimburse Town for any deficiency in rentals or other payments received under such subletting, as compared to Airline's obligations hereunder.

(2) At any time before or after a re-entry and reletting as provided in this Section, Town may terminate Airline's rights under this agreement as provided in herein, without any restriction upon recovery by Town for past due rentals and other obligations of Airline.

(3) Town, after due notice to Airline, may, but is not obligated to, cure any default on Airline's part in fulfilling Airline's covenants and obligations under this Agreement. Any amounts paid or lawful costs incurred by Town to cure any such default(s) are hereby agreed to be and shall be paid as additional rent. Unless otherwise provided herein, all additional rent shall be due and payable with the next succeeding installment of monthly rent due under this Agreement.

(4) In addition, Town shall have all additional rights and remedies as may be provided to landlords by Applicable Law.

ARTICLE 12 **TERMINATION**

SECTION 12.01. EVENTS PERMITTING TERMINATION BY AIRLINE

Airline may terminate this Agreement and all of its future obligations hereunder at any time that Airline is not in default in its payments or other obligations to Town hereunder, by giving Town thirty (30) days advance written notice if (1) Airline is prohibited by lawful authority from using the Airport for a period exceeding ninety (90) days because of any deficiency of the Airport or any unsafe operating condition existing at the Airport; or (2) Town is in breach of any of the covenants or agreements contained in this Agreement for a period exceeding ninety (90) days after receipt of written notice of such breach from Airline.

SECTION 12.02. EVENTS PERMITTING TERMINATION BY TOWN

Town may terminate this Agreement and all of its obligations hereunder upon written notice to Airline and may exercise all rights of entry and reentry upon the Leased Premises, with or without process of Applicable Law, if any of the events constituting a default under this Agreement, as set forth in Section 11.01 herein shall have occurred (including the lapse of any specified grace period).

SECTION 12.03. EARLY TERMINATION

Either party may terminate this Agreement upon ninety (90) days written notice to the other party, except however if Airline exercises its right to terminate upon ninety (90) days' notice, or if airline ceases to operate in accordance with this Agreement for any reason, except as set forth in Article 12, then, in that event, Airline shall pay to Town, an amount equal to the total benefits required in the event of cancellation described in Exhibit "C", whether such benefits were provided as funds, discounts, reductions, waiver of fees. Such amount shall include, but not be limited to, landing fees; rents; fees for services; fuel reductions; marketing funds expended.

ARTICLE 13
FAA PROVISIONS

Section 13.01. AMERICANS WITH DISABILITIES ACT

Tenant agrees to comply with all requirements of the Americans with Disabilities Act (Public Law (July 26, 1990) ("ADA") applicable to the Premises and such other current acts or other subsequent acts, (whether federal or state) addressing like issues as are enacted or amended. Tenant agrees to indemnify and hold Landlord harmless from any and all expenses, liabilities, costs or damages suffered by Landlord as a result of additional obligations which may be imposed on the Building or the Property under of such acts by virtue of Tenant's operations and/or occupancy, including the alleged negligence of the Landlord. Any provision of the Lease which could arguably be construed as authorizing a violation of the ADA shall be interpreted in a manner which permits compliance with the ADA and is hereby amended to permit such compliance. Landlord represents and warrants to Tenant that to the best of Landlord's knowledge, the Premises and Common Areas are ADA compliant at the commencement of the Lease. Tenant Agrees to make available, upon reasonable notice, handicap accessible vehicles as required by the ADA.

Section 13.02. TITLE VI AND CIVIL RIGHTS

1. The Airline assures that it will comply with pertinent statutes, Executive Orders and such rules as are promulgated 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 the Airline or its transferee for the period during which Federal assistance is extended to the airport program, except where Federal assistance is to provide, or is in the form of personal property or real property or interest therein or structures or improvements thereon. In these cases, the provision obligates the party or any transferee for the longer of the following periods: (a) the period during which the property 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 the airport sponsor or any transferee retains ownership or possession of the property.
2. The Airline for himself, his heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree (in the case of deeds and leases add "as a covenant running with the land") that in the event facilities are constructed, maintained, or otherwise operated on the said property described in this Agreement for a purpose for which a DOT program or activity is extended or for another purpose involving the provision of similar services or benefits, the Airline shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.

3. The Airline for himself, his personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree (in the case of deeds and leases add "as a covenant running with the land") that: (1) no person on the grounds of race, color or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land 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, (3) that the Airline shall use the premises in compliance with all other requirements imposed by or pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.

Section 13.03. Exclusive Rights

It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right within the meaning of Section 308 of the Federal Aviation Act of 1958 as said Act has been or may be amended from time to time.

Section 13.04. Subordination to Agreements

This Agreement is subject and subordinate to the provisions of any agreements heretofore or hereafter made between Town and the United States and/or the State of New York relative to the operation, maintenance, development, or administration of the Airport, the execution of which has been required as a condition precedent to the transfer of Federal rights or property to Town for Airport purposes, or to the expenditure of Federal or State of New York funds for the improvement or development of the Airport, including the expenditure of Federal funds for the development of the airport in accordance with the provisions of the Federal Aviation Act of 1958, as said Act has been or may be amended from time to time.

Section 13.05. Non-Discrimination

(A) It shall be an unlawful employment practice for Airline to fail to hire, to refuse to hire, to discharge, or to discriminate against any individual with respect to his compensation, or the terms, conditions, or privileges of his employment, because of such individual's race, color, religion, sex, age, handicap, or national origin; or to limit, segregate, or classify his employees or applicants for employment in any way which would deprive or tend to deprive any individual of employment opportunities or otherwise adversely affect his status as an employee because of such individual's race, color, religion, sex, age, handicap, or national origin.

(B) Airline shall comply with The Civil Rights Act of 1964, 42, U.S.C. Sec. 2000 et seq. (1981), as amended. Concessionaire shall further comply with Executive Order No. 11,246, 30 Fed. Reg. 12,319 (1965), reprinted in 42 U.S.C. 2000(e)I note, as amended by Executive Order No. 11,375 32 Fed. Reg. 14,303 (1967) and by Executive Order No. 12,086, 43 Fed. Reg. 46,501 (1978); the Age Discrimination Act, 43 U.S.C. Sec. 6101-6106 (1981); Age Discrimination in

Employment Act, 29 U.S.C. Sec. 621.34; the Rehabilitation Act of 1973, 29 U.S.C. Sec. 793-794 (1981); the Americans with Disabilities Act, 42 U.S.C. Sec. 12101 et seq.; 41 C.F.R. Part 60 et seq. (1990); Air Carriers Access Act, 49 U.S.C.A. 1374; and FAA Circular No. 150/5100XXV.

Section 13.06. ACDBE Compliance.

The Town is committed to enhancing the opportunities of disadvantaged businesses. Accordingly, Concessionaire shall comply with, and shall cause its contractors to comply with, and shall execute the applicable forms required by the Town from time to time during the Term hereof. In addition to the foregoing, this Agreement is subject to the requirements of the U.S. Department of Transportation's regulations, 49 CFR Part 23. The Concessionaire agrees that it will not discriminate against any business owner because of the owner's race, color, national origin, or sex in connection with the award or performance of any concession agreement, management contract, or subcontract, purchase or lease agreement or other agreement covered by 49 CR Part 23. The Concessionaire agrees to include the above statements in any subsequent concession agreement or contract covered by 49 CFR Part 23, that it enters and cause those businesses to similarly include the statements in further agreements.

ARTICLE 14

GENERAL PROVISIONS

Section 14.01. Rules and Regulations

A. Airline shall observe and obey all reasonable Rules and Regulations promulgated, from time to time during the term hereof, by the Town or the Commissioner governing conduct on and operations at the Airport and use of its facilities.

B. Copies of the Rules and Regulations, as adopted, shall be forwarded to Airline's local manager. Town agrees that all Rules and Regulations so promulgated shall not be inconsistent with the provisions and purposes of this Agreement or any legally authorized rule or regulation of the FAA or any other Federal or State agency which is binding in law on Airline, as the same now are or may from time to time be amended or supplemented.

C. Airline shall not violate, nor knowingly permit its agents, contractors, or employees acting on Airline's behalf to violate any such Rules and Regulations.

D. Airline shall have the right to contest in good faith any rule or regulation of the Airport.

Section 14.02. Compliance with Law

A. Airline shall not use the Leased Premises or any part thereof, or permit the same to be used by any of its employees, officers, agents, subtenants, invitees, or licensees for any illegal purpose and shall, at all times during the term of this Agreement, comply with all Applicable Law regarding the uses hereunder or the Leased Premises.

B. At all times during the term of this Agreement, Airline shall, in connection with its activities and operations at the Airport.

(1) Comply with and conform to all present and future Applicable Law, and regulations promulgated thereunder that apply to or affect, either directly or indirectly, Airline or Airline's operations and activities under this Agreement;

(2) Make, at its own expense, all nonstructural improvements, repairs, and alterations to its Exclusive Use Space (subject to prior written approval by Town), equipment, and personal property that are required to comply with or conform to any of such Applicable Law;

(3) Reimburse Town for Airline's proportional share of all nonstructural improvements, repairs, and alterations to its Preferential Use Space, Common Use Space, and Exclusive Use Space that are required to comply with or conform to any of such Applicable Law; and

(4) Be and remain an independent contractor with respect to all installations, construction and services performed by or on behalf of Airline hereunder.

Section 14.03. Successors and Assigns Bound

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

Section 14.04. Consent Not to be Unreasonably Withheld

Whenever consent is required herein by either Town or Airline, such consent shall not be unreasonably withheld or delayed.

Section 14.06. Governing Law; Venue

This Agreement and all disputes arising hereunder shall be governed by the laws of the State of New York and that any dispute shall commenced in and heard by courts located in Suffolk County, New York.

Section 14.07. Quiet Enjoyment

Airline shall, upon payment of the rentals, fees, rates and charges required hereunder and upon compliance with the terms, covenants, conditions and obligations on the part of Airline to be performed and complied with hereunder, peaceably have and enjoy the rights, uses, and privileges of the Airport, its appurtenances, and facilities as granted herein and by the Rules and Regulations.

Section 14.08. Nonliability of Agents and Employees

No member, officer, agent, director, or employee of Town or Airline shall be charged personally, or held contractually liable by or to the other party under any term or provision of this Agreement or because of any breach hereof or because of its or their execution of this Agreement.

Section 14.09. Nonwaiver of Rights

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

Section 14.10. Severability: Invalid Provisions

If any covenant, condition, or provision herein contained is held to be invalid, unlawful or unenforceable by any court of competent jurisdiction, the invalidity of any such covenant, condition or provisions shall in no respect affect any other covenant, condition, or provision herein contained.

Section 14.11. Force Majeure

Neither Town nor Airline shall be deemed in violation of this Agreement if it is prevented from performing any of the obligations hereunder by reason of strikes, boycotts, labor disputes, embargoes, shortage of energy or materials, acts of God, acts of a public enemy, acts of superior governmental authority, weather conditions, riots, rebellion, sabotage, or any other circumstances for which it is not responsible or which are not within its control. However, these provisions shall not excuse Airline from paying the rentals, fees, rates and charges specified in herein.

Section 14.12. Granting of More Favorable Terms

Town covenants and agrees not to enter into any lease, contract, or any other agreement with any other Air Transportation company providing regular scheduled service at the Airport containing substantially more favorable terms than this Agreement, or to grant to any tenant engaged in scheduled Air Transportation, rights or privileges with respect to the Airport that are not accorded Airline hereunder, unless the same rights, term, and privileges, are concurrently made available to Airline; provided, however, that Town reserves the right to permit nonscheduled itinerant aircraft operators to use Terminal Building Facilities on a charge per use basis, which charges may equate to less than Airline's effective cost per use. It is further provided that Town reserves the right to construct any Special Purpose Facility and to collect such charges as required to recover capital and operating costs from the tenant or tenants of such Special Purpose Facility. In addition, Airline acknowledges that Town has adopted an Air Service Marketing Program that expressly provides financial incentives to encourage air service improvements at the Airport and that such incentives are intended to benefit both incumbent and new entrant carriers that offer air service improvements that meet the Program's criteria. In recognition of changing needs and availability of resource, the incentives offered in this Program are expressly excepted from this Section.

Section 14.13. Headings

The headings of the several articles and sections of this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit, or describe the scope or intent of any provisions of this Agreement and shall not be construed to affect in any manner the terms and provisions hereof or the interpretation or construction thereof.

Section 14.14. Entire Agreement

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

Section 14.15. Reservation of Rights

Any and all rights and privileges not granted to Airline by this Agreement are hereby reserved for and to the Town.

Section 14.16. Compliance with Federal Aviation Regulations and Applicable Law

Airline agrees to comply at all times with all applicable Federal Aviation Regulations, Town's policies, regulations and ordinances, Town's approved Airport Security Program, and all other Applicable Law. Airline further agrees that any fines levied upon Town, its officers, employees, agents, and members of Town's boards of directors, and employees, officers, or agents pursuant to enforcement of Applicable Law resulting from acts or omissions by Airline, Airline's agents, servants, employees, independent contractors, shall be borne by Airline, provided that Town shall notify Airline of the violation and afford Airline the opportunity to participate in any hearing before any agency charged with enforcement of Applicable Law, including Town. Airline further agrees to indemnify and hold harmless Town, its officers, employees, agents, and members of Town's boards and commissions from any and all fines so levied and from any and all claims, demands, liabilities, or expenses of every kind or nature related to such levy or defense to such levy (including, but not limited to, salary of attorneys employed by Town) which Town or any of its officers, employees, or other persons set out above shall or may at any time sustain or incur by reason of or in consequence of such acts of omissions.

Section 14.17. Notices

A. Notices required herein may be given by registered or certified mail by depositing the same in the U.S. mail in the continental United States, postage prepaid. Any such notice so mailed shall be presumed to have been received by the addressees three (3) business days after deposit of same in the mail. Either party shall have the right, by giving written notice to the other, to change the address at which its notices are to be received. E-mail notice is sufficient if receipt is acknowledged by the other party. Until such change is made, notices shall be delivered as follows:

Town: Supervisor
Town of Islip
655 Main St.
Islip, NY 11751

with a copy to: Commissioner
Department of Aviation and Transportation
Town of Islip
100 Arrival Ave., Airline Terminal Building
Ronkonkoma, NY 11779
Phone: (631) 467-3300
Email: SLaRose@islipny.gov

Airline: Breeze Aviation Group, Inc.
23 Old Kings Highway, Suite 202
South Darien, CT 06820
Attn: James A. Smith, Vice President of Corporate Real Estate
Phone: (646) 734-2133
Email: jim.smith@flybreeze.com

If notice is given in any other manner or at any other place, it will also be given at the place and in the manner specified above.

Section 14.18. Licenses, Fees, and Permits

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

Section 14.19 Liens

Airline agrees that if any lien of any nature, including any mechanics' lien, is filed against Airline or Town arising out of or because of any construction performed by Airline or any of its contractors or subcontractors upon Exclusive or Preferential Use Space or arising out of or because of the performance of any work or labor by or for it or them at said premises and such lien is not promptly discharged by Airline by payment, Airline will forthwith obtain a discharge of any and all such liens, reserving the right to contest in court the validity of any such liens, all in accordance with the Consolidated Laws of New York State Lien Law '21. Airline shall have the right to post an appropriate bond to cover its obligations pursuant to this paragraph. In the event any person or corporation shall attempt to assert a mechanic's lien against the Leased Premises for improvements made by Airline, Airline shall hold Town harmless from such claim, including the cost of defense. Nothing in this section shall prevent Airline from contesting the validity of liens placed upon its Exclusive or Preferential Use Space. If Airline contests a lien, it will do so in a prompt and expeditious manner.

Section 14.20. Noninterference with Operation of the Airport

Airline, by executing this Agreement, expressly agrees for itself, its successors, and assigns that it will not make use of the Leased Premises in any manner that might interfere with the landing and taking off of aircraft at the Airport or otherwise constitute a hazard. In the event the aforesaid covenant is breached, upon reasonable notice to Airline and opportunity to cure, Town reserves the right to enter upon the premises hereby leased and cause the abatement of such interference at the expense of the Airline.

Town shall have the right to direct and control (consistent with Applicable Law) all activities of Airline in this regard.

Section 14.21. Incorporation of Exhibits

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

Section 14.22. Incorporation of Required Provisions

Town and Airline incorporate herein by this reference all provisions lawfully required to be contained herein by any governmental body or agency.

Section 14.23. Airport Access License/Permit

Town reserves the right to establish and maintain a licensing or permit procedure for vehicles requiring access to the Airport operational areas and to levy directly against Airline or its suppliers a reasonable regulatory or administrative charge (to recover the cost of any such program) for issuance of such Airport access license or permit.

All employees of the Airline who working at the Airport shall complete the Town-provided security training covering: (1) Access to Security Identification Display area (SIDA) and (2) Overview of Long Island MacArthur Airport procedures. The training time is approximately one hour; and the Town will not pay for attendance at training.

All employees of the Airline shall obtain security badges at the sole cost and expense of the Airline.

Section 14.24. Employees of Airline

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

Section 14.25. Compliance with Part 77, Title 14, CFR

Airline agrees to comply with the notification and review requirements covered in Part 77, Title 14, Code of Federal requirements, FAA Regulations, as it has been or may be amended from time to time, in the event future construction of a 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.

Section 14.26. National Emergency

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

Section 14.27. Prohibited Communications

Airline and/or any of its officers, employees, agents, subcontractors and/or assigns are prohibited from communicating in any fashion with any entity, other than law enforcement, regarding the entirety of the subject matter of this Agreement, including but not limited to, any work performed at the Airport. Entity or person shall include, but not be limited to, the press/media, community organizations, etc. Further, all inquiries shall be directed or forwarded to the Town.

Section 14.28. Time is of the Essence

Time is of the essence in this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

TOWN OF ISLIP

By: _____
Name: ANGIE M. CARPENTER
Title: Supervisor
Date:

BREEZE AVIATION GROUP, INC.

By: _____
Name: JAMES A. SMITH
Title: Vice President of Commercial Real Estate
Date:

STATE OF _____ COUNTY OF _____

)
) ss:
)

On the _____ day of _____ of the year 2022, before me _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose names(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

NOTARY PUBLIC

By: _____

Name: _____

Title: _____

STATE OF _____ COUNTY OF _____

)
) ss:
)

On the _____ day of _____ of the year 2022, before me _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose names(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

NOTARY PUBLIC

By: _____

Name: _____

Title: _____

CONTRACT ID: _____

DATED: _____

CERTIFICATION

THE UNDERSIGNED HEREBY CERTIFIES THAT:

1. HE/SHE IS THE CONTRACTOR IN THE ANNEXED CONTRACT OR IS A/AN PARTNER/OFFICER/DIRECTOR OF THE PARTNERSHIP/CORPORATION NAMED THEREIN DULY AUTHORIZED TO EXECUTE THIS CERTIFICATION.

2. BY EXECUTING THIS DOCUMENT, THE CONTRACTOR CERTIFIES TO THE TOWN OF ISLIP THAT:

(A) CONTRACTOR IS AWARE OF THE PROVISIONS OF THE FEDERAL IMMIGRATION AND NATIONALITY ACT, INCLUDING 8 U.S.C.A. 1324-4, WHICH PROHIBITS THE EMPLOYMENT OF UNAUTHORIZED ALIENS; AND

(B) CONTRACTOR IS IN COMPLIANCE WITH SAME;

3. CONTRACTOR IS AWARE THAT THE TOWN OF ISLIP WILL RELY ON THIS CERTIFICATION IN ENTERING INTO THE AFORESAID AGREEMENT.

4. CONTRACTOR IS AWARE THAT A VIOLATION OF THE PROVISIONS OF THE AFORESAID

IMMIGRATION AND NATIONALITY ACT SHALL RESULT IN A MATERIAL BREACH OF THIS AGREEMENT AND SHALL FURTHER RESULT IN CONTRACTOR BEING INELIGIBLE TO PARTICIPATE IN ANY TOWN OF ISLIP BIDS FOR A PERIOD OF ONE (1) YEAR AND FROM HOLDING ANY CONTRACTS WITH THE TOWN OF ISLIP FOR SAID PERIOD.

DATED: _____

BY: _____

NAME: _____

TITLE: _____

DISCLOSURE AFFIDAVIT

STATE OF)
:SS:
COUNTY OF)

That in connection with the within agreement, I, _____, (am officer or agent of the corporate vendor namely the) _____, (swears or affirms under the penalties of perjury) that no person will have any direct or indirect interest in this agreement except:

(In case of corporations, all officer of the corporate and stockholders owning more than 5% of the corporation stock must be listed. Use attached sheet, if necessary).

That *(I am not) (none of the above officers or stockholders are) related to any officer or employee of the Town of Islip except:

That there is not any state or local officer or employee or a member of a board of commissioners of a local public authority or other public corporation with the county (exclusive of a volunteer fireman or civil defense volunteer) interested in such application.

Signature of:

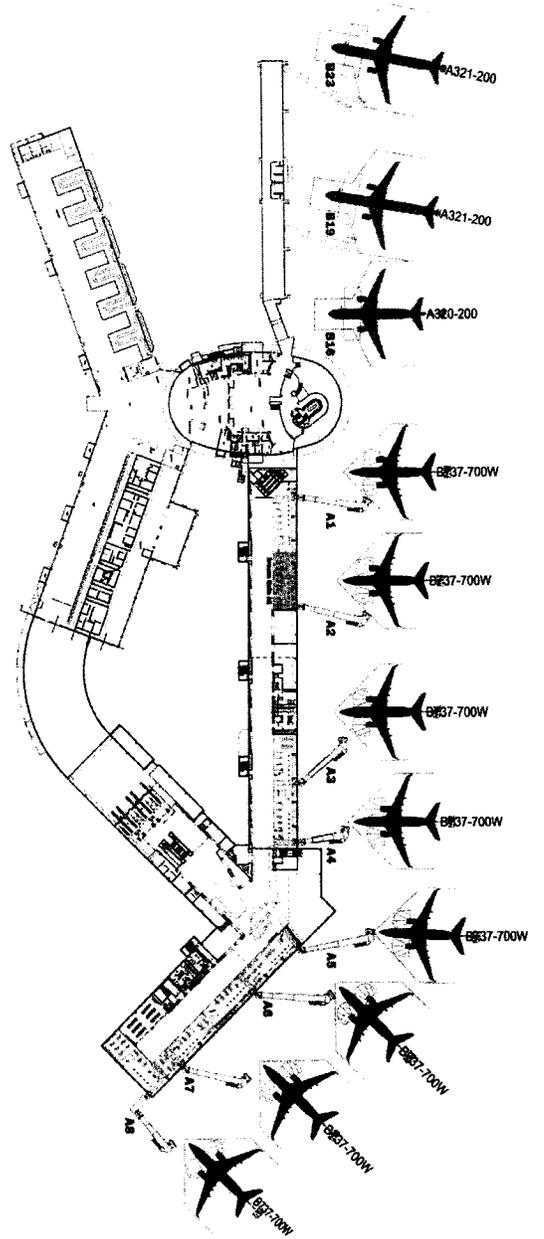
Sworn to before me this _____ day of _____ 20____

Notary Public

NOTE: Individuals employed by the Town of Islip or any other municipality are not prohibited from entering into contracts with the Town. They must, however, reveal that employment when they do.

*Cross out phrase not appropriate

EXHIBIT A
Schematic Drawing Gate Area and Ticket Counter/Offices:



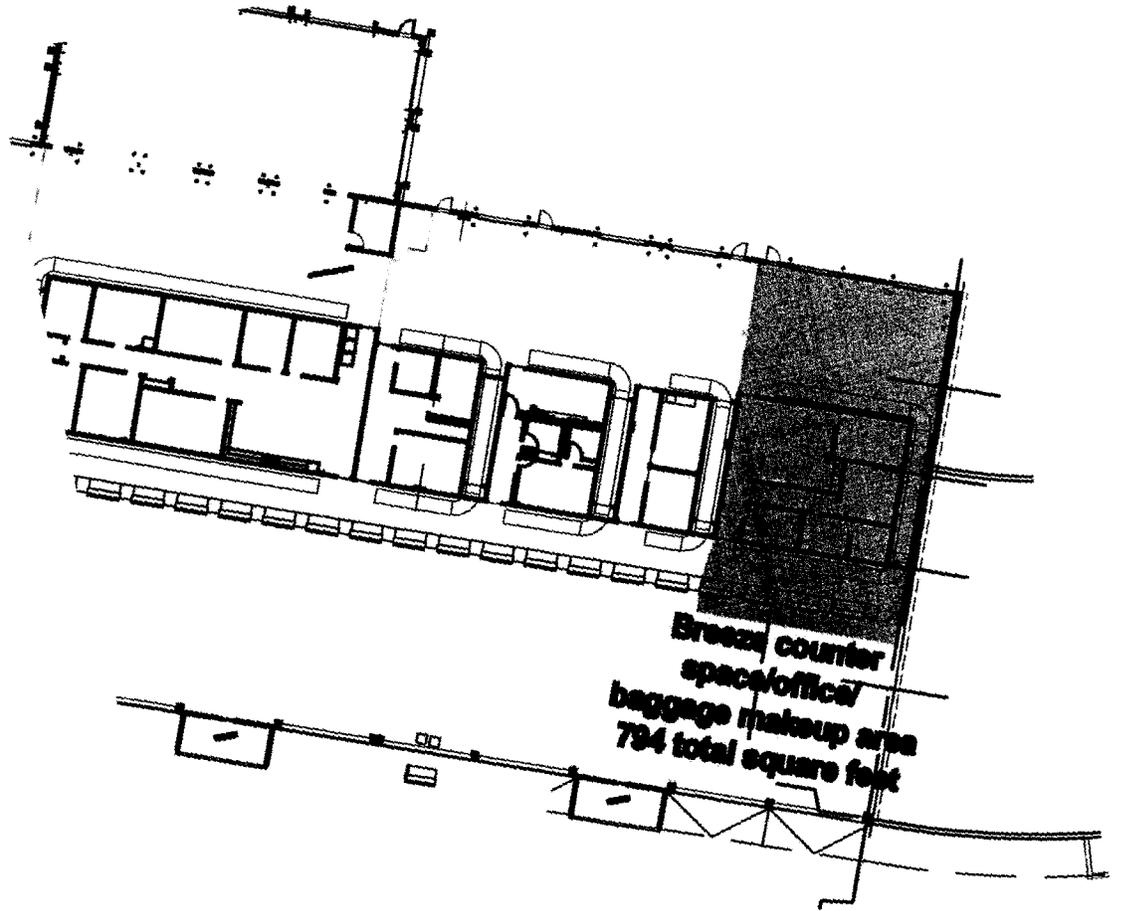


EXHIBIT B
Rates and Charges:



2022 Rates and Charges

<u>Airlines</u>		<u>Resident Parking</u>	
Landing (Day rate)	\$3.98 per 1000lbs MGLW	2-year permit	\$60.00
Landing (Evening rate)	\$5.97 per 1000lbs MGLW	1-year permit	\$40.00
Fuel Flowage	\$.09 per gallon	2-year senior permit	\$50.00
Rent	\$31.22 per square foot	1-year senior permit	\$30.00
Non-Signatory Rate	\$20.50 per passenger	2-year business permit	\$150.00
Baggage Claim	\$2.05 per passenger	1-year business permit	\$100.00
Concourse Fee (Includes Maintenance/ Jet Bridge Maintenance/ Snow Removal/Custodial)	\$1.88 per passenger	1-year Town employee	\$100.00
East Concourse Turn Fee	\$5 per turn	<u>Airfield Parking Permits</u>	
RON (Design Group II)	\$100/night	AOA (Privately Owned Vehicles) \$35.00	
RON (Design Group III)	\$200/night		
Blimp Parking	\$250/night		
<u>Charter Operation Fees</u>			
Baggage Claim	\$2.05 per passenger	<u>USCBP Fees</u>	
Concourse Fee	\$1.88 per passenger	Aircraft > 12,501 lbs MGLW	\$250
Ramp Parking Fee* (*based on design group see rates above)		Aircraft = to < 12,500 lbs MGLW	\$150
<u>Badging</u>		<u>Parking Rates</u>	
SIDA/NON SIDA (1-year*)	\$45.00	Short Term/Hourly	\$1.75/half \$3.75/hour \$26 max
Renew SIDA/NON SIDA	\$65.00	Long-Term/Daily	\$4/hour \$17 max
AOA Badge (1-year*)	\$20.00		
Lost Badge (AOA or SIDA)	\$100.00		
Airline renewal (if they provide fingerprinting)	\$65.00		
Additional fees may apply for badging payments made by credit card.			

Revised 11/12/2021



2023 Rates and Charges

<u>Airlines</u>		<u>Resident Parking</u>	
Landing (Day rate)	\$3.98 per 1000lbs MGLW	2-year permit	\$60.00
Landing (Evening rate)	\$5.97 per 1000lbs MGLW	1-year permit	\$40.00
Fuel Flowage	\$.09 per gallon	2-year senior permit	\$50.00
Rent	\$31.22 per square foot	1-year senior permit	\$30.00
Non-Signatory Rate	\$20.50 per passenger	2-year business permit	\$150.00
Baggage Claim	\$2.05 per passenger	1-year business permit	\$100.00
Concourse Fee	\$1.88 per passenger	1-year Town employee	\$100.00
(Includes Maintenance/ Jet Bridge Maintenance/ Snow Removal/Custodial)			
East Concourse Turn Fee \$5 per turn		<u>Airfield Parking Permits</u>	
RON (Design Group II)	\$100/night	AOA (Privately Owned Vehicles) \$35.00	
RON (Design Group III)	\$200/night		
Blimp Parking	\$250/night		
<u>Charter Operation Fees</u>			
Baggage Claim	\$2.05 per passenger	<u>USCBP Fees</u>	
Concourse Fee	\$1.88 per passenger	Aircraft > 12,501 lbs MGLW	\$250
Ramp Parking Fee*		Aircraft = to < 12,500 lbs MGLW	\$150
(*based on design group see rates above)			
<u>Badging</u>		<u>Parking Rates</u>	
SIDA/NON SIDA (1-year*)	\$45.00	Short Term/Hourly	\$1.75/half \$3.75/hour \$26 max
Renew SIDA/NON SIDA	\$65.00	Long-Term/Daily	\$4/hour \$17 max
AOA Badge (1-year*)	\$20.00		
Lost Badge (AOA or SIDA)	\$100.00		
Airline renewal			
(if they provide fingerprinting)	\$65.00		
Additional fees may apply for badging payments made by credit card.			



2024 Rates and Charges

<u>Airlines</u>		<u>Resident Parking</u>	
Landing (Day rate)	\$3.98 per 1000lbs MGLW	2-year permit	\$60.00
Landing (Evening rate)	\$5.97 per 1000lbs MGLW	1-year permit	\$40.00
Fuel Flowage	\$.09 per gallon	2-year senior permit	\$50.00
Rent	\$31.22 per square foot	1-year senior permit	\$30.00
Non-Signatory Rate	\$20.50 per passenger	2-year business permit	\$150.00
Baggage Claim	\$0.00 per passenger	1-year business permit	\$100.00
Concourse Fee (Includes Maintenance/ Jet Bridge Maintenance/ Snow Removal/Custodial)	\$0.00 per passenger	1-year Town employee	\$100.00
East Concourse Turn Fee	\$5 per turn	<u>Airfield Parking Permits</u>	
RON (Design Group II)	\$100/night	AOA (Privately Owned Vehicles) \$35.00	
RON (Design Group III)	\$200/night		
Blimp Parking	\$250/night		
<u>Charter Operation Fees</u>			
Baggage Claim	\$2.05 per passenger	<u>USCBP Fees</u>	
Concourse Fee	\$1.88 per passenger	Aircraft > 12,501 lbs MGLW	\$250
Ramp Parking Fee* (*based on design group see rates above)		Aircraft = to < 12,500 lbs MGLW	\$150
<u>Badging</u>		<u>Parking Rates</u>	
SIDA/NON SIDA (1-year*)	\$45.00	Short Term/Hourly	\$1.75/half \$3.75/hour \$26 max
Renew SIDA/NON SIDA	\$65.00	Long-Term/Daily	\$4/hour \$17 max
AOA Badge (1-year*)	\$20.00		
Lost Badge (AOA or SIDA)	\$100.00		
Airline renewal (if they provide fingerprinting)	\$65.00		
Additional fees may apply for badging payments made by credit card.			

Revised 11/12/2021

EXHIBIT C
Long Island MacArthur Airport
Air Service Development Incentive Program
Effective January 1, 2022

Airport Air Service Development Initiative:

Separate and apart from the Air Service Development Incentive Program, the Town of Islip will, over the course of the calendar year 2022, expend at least \$303,000. In promoting Long Island MacArthur Airport as well as the Air Carriers that serve the Airport, including Airline. The means and methods of such promotion shall be at the sole discretion of the Town. This expenditure is not conditioned on any performance or consideration to be provided by Airline and is not subject to matching funds.

Introduction

This Air Service Development Incentive Program is offered by the Town of Islip ("Town"), the owner and operator of Long Island MacArthur Airport ("Airport"). The purpose of this Incentive Program is to encourage new non-stop air service and competition at the Airport by providing incentives during a promotional period to an airline (Part 121 Certificated) not presently operating at the Airport (a "New Airline") or to an airline presently operating at the Airport ("Incumbent Airline") which, during the promotional period, will provide additional non-stop flights. A flight that satisfies the criteria shall be a "Qualifying Flight." The Incentive Program will be administered without causing an increase in Airport-imposed rates and charges of any airline operating at the Airport. An airline will not be entitled to incentives if its existing schedule of flights at the Airport is reduced below qualifying requirements described below in the first year during the period it is receiving incentives under the Incentive Program.

Minimum Periods of Service

In order to qualify for Air Service Incentive Program benefits, a New Airline must operate continuous flight service for not less than 12-months; an Incumbent Airline must operate continuous flight service for not less than 12-months.

Qualifying Airlines

The Incentive Program will be available to all New and Incumbent Airlines. To qualify for the Incentive Program, an Incumbent Airline must not have operated the prospective qualifying flights for at least twelve (12) months prior to the Promotional Period. No airline shall be entitled to any incentive unless it enters into a Memorandum of Agreement with the Town of Islip in the form specified by the Town.

Long Island MacArthur Airport
Air Service Development Incentive Program
Effective January 01, 2022

Qualifying Period

The incentives are offered only for Qualifying Flights that are inaugurated on any date between January 01, 2022 and December 31, 2024 (the “Promotional Period”). The Town reserves the rights to cancel the Incentive Programs at any time at its discretion.

Qualifying Flight

A new non-stop flight that operates roundtrip at least 72 times during its initial 12 month period is a qualifying flight.

Seasonal Service

Incumbent air carriers providing air service to a new non-stop seasonal destination, not previously served, are eligible for incentives. Cancellation for such service is exempt from the reimbursement clause for the first three (3) months of service,

Incentives

- A. The Airport will facilitate communications between the airline and the Long Island Tourism Board for possible marketing cooperation.
- B. The Airport shall make available a maximum of \$25,000 in matching marketing funds for each new non-stop flight consistently operated for twelve (12) months. The maximum matching marketing funds made available to any one airline shall not exceed \$100,000. The actual amount of funds made available to any airline is dependent upon the marketing plan provided by such airline and approved by the Airport prior to such implementation. Payments will be made at the end of the twelve (12) month period and invoices are subject to audit.

New Airline:

- A. 100% discount on rent due for counter, office, and queuing in the Main Terminal, and operational space for a twenty-four (24) month period beginning on the date that the New Airline occupies the rented space.
- B. reduction of the fuel flowage fee by fifty percent (50%) for twenty four (24) months for the Qualifying flights;
- C. waiver of the employee security background-check fee, Baggage Claim Area Fee and Secured Area Fee for the initial twenty-four (24) month period; and
- D. 100% discount of the landing fee for each Qualifying Flight for a period of twenty-four (24) months from the date such Qualifying Flights are inaugurated.

Incumbent Airline:

- A. 100% discount on the landing fee for each Qualifying flight for a period of twenty-four (24) months from the date such Qualifying Flight is inaugurated; and
- B. Reduction of the fuel flowage fee by fifty percent (50%) for twenty four (24) months for the Qualifying Flights; and
- C. Waiver of the Baggage Claim Area Fee and Secured Area Fee on Qualifying Flights for twenty four (24) months.

Long Island MacArthur Airport
Air Service Development Incentive Program
Effective January 01, 2022

Cancellation of Qualifying Flights:

If a New Airline does not provide the service for which it is receiving an incentive under this Incentive Program for twelve (12) months or reduces its scheduled flights under the amount determined above to make it a "Qualifying Flight" at the Airport during the period it is receiving incentives under the Incentive Program then the Airline shall reimburse the Airport for the full value of all incentives received.

If an Incumbent Airline does not provide the service for which it is receiving an incentive under this Incentive Program for the full twelve (12) months then it shall reimburse the Airport for the full value of all incentives received, with the exception of the first three months. Such reimbursements shall be made within thirty (30) days following the transmission by the Airport of an invoice for the reimbursement due to the Airport.