

AIRPORT ACCESS PERMIT

This airport access permit (“Permit”) is granted this ____ day of _____ 2026 (“Effective Date”), by the City of Salinas, a California charter city and municipal corporation (referred to as “City”) to Archer Aviation Inc., a Delaware corporation (referred to as “Permittee” or “Permittee”). The City and Permittee may sometimes collectively be referred to herein as the “Parties” and individually as a “Party.”

RECITALS

This Permit incorporates and is based upon the following representations and understandings:

WHEREAS, the City is the City and operator of the Salinas Municipal Airport (referred to as “SNS” or “Airport”), located in the County of Monterey, State of California, with the power to grant an airport access permit with respect to the Airport and pursuant to the provisions of Salinas Municipal Code Chapter 4, Article VII – Airport, among other federal, state, and local laws, rules, and regulations; and

WHEREAS, the Airport is a federally obligated nonprimary public-use General Aviation airport included in the National Plan of Integrated Airport Systems (referred to as “NPIAS”); and

WHEREAS, the federal obligation to make an airport available for the use and benefit of the public does not impose any requirement on the City to permit access to the Airport from adjacent properties; and

WHEREAS, the City retains the right to take action should a safety and/or security concern require fencing around the Airport and closing access from the real property for which this Permit is issued; and

WHEREAS, the Permittee is the lessee of certain real property contiguous and immediately adjacent to the Airport; and

WHEREAS, this Permit only provides for the right of access to taxi aircraft to and from the real property for which this Permit is issued to Airport property.

NOW, THEREFORE, City this Permit is issued by City and is accepted by Permittee upon the following terms, covenants, and conditions, and the breach of any of said terms, covenants or conditions, shall be deemed to be sufficient cause for the termination of the Permit without the necessity of any notice of termination to Permittee.

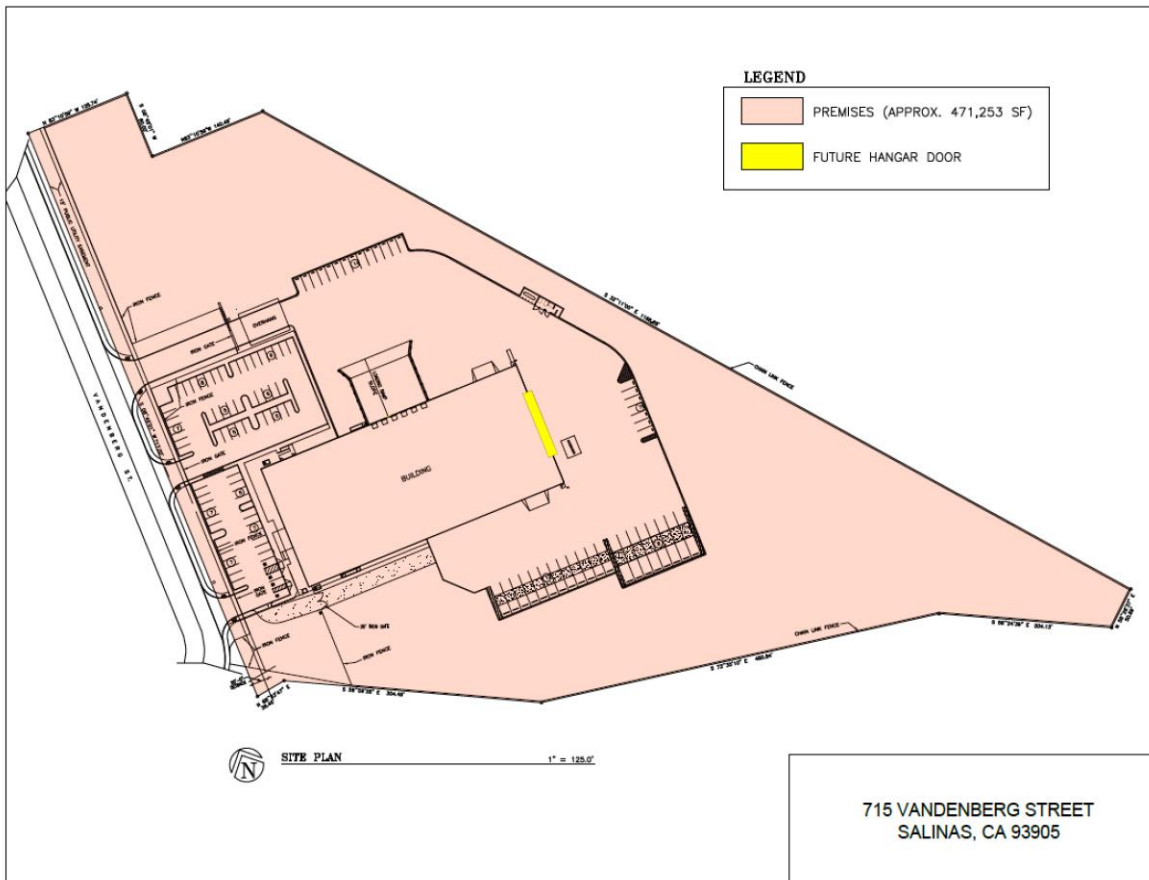
ARTICLE I – AIRPORT ACCESS PERMIT

1.01. Permittee. This Airport Access Permit is issued to:

Archer Aviation, Inc.
190 W Tasman Dr, San Jose, CA 95134
(415) 312-5620

blearn@archer.com

1.02. Description of Airport Use. Permittee is hereby granted permission to taxi aircraft to and from the property located at 715 Vandenberg Street, Salinas, CA 93905, containing a total of approximately 459,556 square feet of land area, and shown as follows (the “Property”):



ARTICLE II – TERM OF PERMIT

2.01 This Permit shall become effective on _____, 2026, and shall continue for a ten (10) year period, ending on _____, 2036, unless terminated sooner as provided herein. Upon the consent of the City, this Permit may be renewed, subject to any changes deemed necessary by the City and updated by the City’s permit fee schedule, for one (1) additional ten (10) year term (or such other term as may be mutually agreed between the parties).

ARTICLE III – PROHIBITIONS

3.01 No Third-Party Beneficiaries. This Permit is exclusive to Permittee and Permittee shall not have a right to grant or sell access from the Property to the Airport to any third-party.

3.02 Assignment. This Permit is personal to Permittee and Permittee shall not assign or transfer, in whole or in part, this Permit or any right granted hereunder without the express prior written approval of the City.

ARTICLE IV – AIRPORT ACCESS PERMIT FEE

4.01 Permittee agrees to pay a permit fee (“Permit Fee”) to the City as follows:

1) Monthly Base Fee

The monthly base Permit fee is \$10,000/month. The monthly base Permit fee is subject to annual adjustments.

2) Usage Fee

A usage fee is not required under this Permit based on the Permittee’s intent to not conduct any commercial aeronautical operations. In the event the Permittee initiates any commercial aeronautical activity, the Parties shall renegotiate and establish an appropriate usage fee, subject to approval by the City Council and based on the nature and extent of the Permittee’s commercial use of the Airport.

Permittee shall pay all applicable Permit fees no later than the first day of each month. Permit fees shall be made payable to the City of Salinas Municipal Airport, and shall be hand-delivered or mailed to the address below:

*City of Salinas
Office of the Finance Director, Attn: Airport Access Permit Fee
200 Lincoln Avenue
Salinas, California 93901*

In the event Permittee shall become delinquent for more than thirty-one calendar (31) days, City may terminate this Permit as further defined in 0ARTICLE X--Termination of Permit. All unpaid Permit fees shall be a debt due and owing to the City that is recoverable in any court of competent jurisdiction.

ARTICLE V--CONDITIONS AND RESTRICTIONS

5.01 Permittee's right hereunder to access the Airport shall be subject to the following conditions:

5.01.1 Permittee acknowledges and agrees that the City, as Airport sponsor, retains the full and continuing right to plan, develop, expand, improve, and modify the Airport and its facilities, and to implement such policies, standards, rules, and regulations as may be necessary to ensure the safe, secure, and efficient operation of the Airport. Nothing in this Permit shall be construed to limit or restrict the City's authority to adopt, amend, or enforce ordinances, rules, regulations, policies, or standards governing the Airport. Permittee expressly agrees that the rights granted herein are subordinate to the City's right to govern the Airport and that Permittee shall comply with all such policies, standards, rules, and regulations, whether currently in effect or hereafter adopted, modified, or amended.

5.01.2 Permittee shall require all pedestrian, vehicular and aviation access points between the Property and the Airport be controlled using automated control-access devices (requiring badged entry and exit), automated gate operators, closers with automatic locks or other such reliable securing devices, or other means of affirmative security control acceptable to the Airport, that serves to continually safeguard the airport from unauthorized access. The City Manager, the Airport manager or designee, or any other authority having jurisdiction for operation and safety of the airport including the Federal Aviation Administration (referred to as "FAA"), the U.S. Department of Homeland Security (referred to as "DHS"), and Caltrans, shall have the right at any time to inspect the real property for which an airport access permit is issued for conformance with this Permit; and

5.01.3 The City Manager and/or the Airport manager or designee, is authorized by this Permit to take appropriate action to ensure the Airport is safeguarded, including the temporary overriding of gates, doors, closers and locks of damaged or otherwise found inoperable gates and doors, or the placement of blockades or other types of barriers or security fencing as needed to secure the Airport. Such safeguards, when taken, shall be clearly posted as Airport security perimeter and shall not be removed except as authorized by the City Manager or Airport manager; and

5.01.4 Permittee acknowledges and agrees that the City, as Airport sponsor, together with its agents, employees, and representatives, and representatives of the Federal Aviation Administration (FAA) or any other regulatory authority having jurisdiction, shall have the right to enter upon and inspect the Property, upon reasonable advance written notice to Permittee. Such inspections may be conducted between the hours of 8:00 a.m. and 5:00 p.m., Monday through Friday, or at other reasonable times as may be required in the event of an emergency or urgent safety matter. Inspections may be undertaken for the purposes of verifying compliance with this Permit, ensuring safety and security of the Airport, and confirming adherence to applicable laws, rules, and regulations. Inspections shall be performed in a manner that does not unreasonably interfere with Permittee's operations or

use of the Property, and may be subject to Permittee's reasonable site access, security, and safety procedures, as applicable. The exercise of inspection rights shall not constitute grounds for termination of this Permit, nor shall Permittee have any claim against the City, the Airport, or the FAA arising from the conduct of such inspections, provided they are carried out in good faith and consistent with applicable law; and

5.01.5 Permittee acknowledges and agrees that uninterrupted access to the Airport or airfield is not guaranteed under this Permit. Temporary limitations on access resulting from Airport operations shall not constitute a default by the City, nor shall Permittee be entitled to any rent abatement, fee reduction, or proration of any monthly access fee as a result of such limitations, provided such actions are undertaken in good faith and consistent with applicable law; and

5.01.6 All safety, security, and operational rules and regulations established by the FAA and/or Caltrans, by any City ordinance, rule, regulation, policy, standard, or permit, or by any other regulatory authority with jurisdiction at the Airport whether currently in effect, hereafter adopted, or as may be amended, modified, changed, or superseded, shall be applicable to the real property for which an airport access permit is issued; and

5.01.7 Access gate(s) and door(s) placed by Permittee which restrict access from the real property for which an airport access permit is issued to the Airport shall include a sign stating "No-Trespassing", emergency contact information and building address for Airport personnel, and such other information as the City Manager and Airport manager or designee may require. The form and content of such signage shall be subject to the approval of the Airport manager or designee; and

5.01.8 All designs and specifications for the security measures and means of access from the Property shall be subject to prior review and approval by the City manager and Airport manager or designee. The Permittee shall obtain and submit to the City all approvals required by the FAA and DHS.

5.01.9 Development and improvements on the Property must be in compliance with the Airport's Airport Layout Plan (ALP) and all requirements of 14 CFR Part 77. Permittee shall submit form 7460-1 to the FAA and receive a Determination of No Hazard from the FAA prior to beginning construction of any building or structure or for any temporary construction equipment on the Property. No structure, building, equipment, or natural object shall be constructed, placed, or allowed to grow in such a manner as to constitute an obstruction to air navigation or to penetrate any surface defined under Part 77 or U.S. Standard for Terminal Instrument Procedures (TERPS). Permittee conducting construction activities shall be responsible for assuring that construction traffic and activities does not interfere with the normal day to day operations of the Airport, does not create a safety hazard, does not compromise the airfield security integrity, and does not result in wear and tear on improved areas of the Airport.

- 5.01.10 Permittee shall be authorized under this Permit to conduct non-commercial aeronautical activities, including but not limited to flight inspection, testing, and related operations, provided such activities comply with all applicable federal, state, and local laws, rules, and regulations, and do not interfere with the normal operations of the Airport. Permittee is also authorized to conduct non-aeronautical activities, such as aircraft manufacturing, ground testing, research and development, and other related technical or industrial functions; subject to the same compliance and operational-compatibility requirements. Fixed Base Operator (FBO) services, Specialized Aviation Service Operator (SASO) activities, and other commercial aeronautical services are expressly excluded from the scope of this Permit. Any request by Permittee to provide commercial aeronautical services shall require separate negotiation and execution of a new Permit with the City, subject to all applicable regulatory approvals and requirements.
- 5.01.11 Permittee acknowledges and agrees that nothing in this Permit shall be construed to grant or confer upon Permittee any exclusive rights to conduct aeronautical activities at the Airport or on the Property. The rights granted herein are non-exclusive and are subject to the rights of the City, the Airport, and other authorized Permittees to engage in aeronautical activities in accordance with applicable federal, state, and local laws, rules, and regulations. Permittee expressly waives any claim to exclusive use or privilege, and further agrees that the City shall retain full authority to regulate, authorize, and permit aeronautical activities by other parties consistent with federal grant assurances and applicable law.
- 5.01.12 Permittee acknowledges and agrees that aircraft operating at the Airport shall have the continuing right to overfly the Property and that such overflight may result in noise, vibration, fumes, dust, emissions, and other impacts associated with normal aircraft operations. Permittee expressly grants permission for such overflight and associated impacts, and waives any claim or cause of action against the City, the Airport, or any aircraft operator arising therefrom. Nothing in this Permit shall be construed to limit or restrict the rights of aircraft to operate in the navigable airspace of the United States as defined by federal law, nor shall Permittee seek to enjoin, curtail, or otherwise interfere with such operations.
- 5.01.13 Permittee shall be solely responsible for any fueling, electric charging, and fuel storage arrangements required in connection with aeronautical activities conducted on the Property. All fueling and fuel storage shall comply with applicable federal, state, and local laws, rules, and regulations, including but not limited to those of the FAA the Environmental Protection Agency (EPA), and the City. Permittee expressly agrees that it shall not sell, dispense, or otherwise provide aviation fuel to tenants, subtenants, or other third parties under this Permit. Any request to engage in the sale or distribution of aviation fuel shall require separate negotiation and execution of a new Permit with the City, subject to all applicable regulatory approvals and requirements.

5.01.14 Permittee shall refrain from engaging in any act, practice, or activity that may damage, impair, or otherwise adversely affect Airport property, facilities, or improvements. Permittee shall not cause or permit any condition that necessitates repair or restoration of Airport property, except for normal wear and tear resulting from ordinary and authorized use. In the event that Airport property is damaged as a result of Permittee's actions or omissions, Permittee shall, at Permittee's sole cost and expense, promptly repair or restore such property to the satisfaction of the City and Airport manager or designee.

5.01.15 Permittee acknowledges and agrees that, in order to ensure consistency with federal sponsor assurances and obligations, the City, as Airport sponsor, shall retain the full right and authority to lease, transfer, or otherwise make available all or any portion of the Airport property to the United States Government during times of war, national emergency, or other circumstances requiring federal use of the Airport. Such rights may be exercised without liability to the Permittee, and Permittee expressly waives any claim for damages, compensation, or interference with use of the real property for which an airport access permit is issued arising from the exercise of such rights. Nothing in this Permit shall be construed to limit or restrict the authority of the United States Government to assume control or use of the Airport property in accordance with applicable law.

5.01.16 Permittee acknowledges and agrees that nothing in this Permit shall be construed to create or imply any agency or employment relationship between the Permittee and the City as Airport sponsor. Permittee shall have no authority, express or implied, to act as an agent of the City, the Airport, or the Airport sponsor, nor to bind or obligate the City or Airport in any manner whatsoever. All actions undertaken by Permittee pursuant to this Permit shall be solely in Permittee's own capacity and at Permittee's sole cost and expense. Permittee expressly waives any claim of agency or representation and agrees that any such assertion shall be null and void.

**ARTICLE VI--CONSTRUCTION AND MAINTENANCE OF PRIVATE-USE
INFRASTRUCTURE**

6.01 It is understood and agreed that the Permittee at the Permittee's sole cost and expense, shall design and construct all infrastructure required for taxiing aircraft to and from the Property to the existing Airport taxiways and further understands and agrees that City shall have no obligation and shall not be called upon to make any improvements to the Airport in order to provide for the connection of the Property to the Airport and any of its runways or taxiways. All required infrastructure such as taxiway(s), taxilane(s), apron(s), airfield directional sign(s), taxiway/taxilane lighting system(s), airport security fencing, airport access gate(s), airport security controls, shall be in accordance with applicable FAA standards and acceptable to the City, and shall be listed and depicted in Exhibit "1" to this Permit. It is understood and agreed that the Permittee shall comply with and abide by all environmental laws, rules, regulations, standards, and policies of any governmental authority whether federal, state or local, and including, without limitation, the Environmental Protection Agency (or its successor entity), the State Water Board (or its successor

entity) and the City, and shall file any and all reports and provide any such information as may be required by any such governmental authority in connection therewith. Accordingly, Permittee covenants and agrees as follows:

6.01.1 Design, Environmental Permitting, and Airport Layout Plan Pen and Ink Change

To design all required infrastructure and to prepare and submit any necessary Airport Layout Plan pen and ink changes, including coordination with the FAA and other applicable regulatory agencies. Permittee shall, at Permittee's sole cost and expense, obtain and comply with all environmental permits, approvals, and authorizations required under federal, state, and local law, and shall pay all fees and costs incurred in connection therewith. All such design, permitting, and coordination activities shall be subject to review and acceptance by the City.

6.01.2 Construction and Maintenance

To construct the infrastructure on the City's property as may be required to permit access to taxi aircraft to and from the Property to the existing Airport taxiways. All construction on City's property must be approved by City prior to the commencement of construction. During the term of this Permit, Permittee shall be solely responsible for all maintenance of said private-use infrastructure and shall at all times maintain it in good repair.

6.01.3 Construction Costs

Notwithstanding anything herein contained to the contrary, Permittee expressly agrees to pay any and all costs associated with private-use infrastructure required by the City. These costs are in addition to the access fee(s) described in Article IV –Airport Access Permit Fee above.

ARTICLE VII--PERMIT SUBORDINATE TO GRANT ASSURANCES, PERMITS WITH UNITED STATES AND FEDERAL OBLIGATIONS

7.01 This Permit shall be nonexclusive and shall at all times be subordinate to the provisions of any existing or future Permits between the City and the United States Government, or to any order issued by the United States Government, or to any grant assurances of the Airport, or to any of the Airport's or the City's federal obligations.

7.02 This Permit, in the City's sole discretion, is subject to the initial and ongoing approval and consent by the FAA and by Caltrans, and is subject to the terms, conditions and requirements of any existing or future grant Permit(s) or grant assurance(s) at or in connection with the Airport and may be revoked, terminated or canceled immediately if the airport access permit is in violation of any such grant Permit(s) or grant assurance(s) or any FAA or Caltrans policy, rule, permit, standard, or regulation, or any local, state or federal law, policy, rule, permit, standard, or regulation, whether currently in effect, hereafter adopted, or as may be amended, modified, changed, or superseded.

7.03 The Permittee agrees to abide by the Airport Rules and Regulations in effect as of the

date of this Permit and as may be amended from time to time.

ARTICLE VIII--ADJUSTMENT TO PROPERTY, STATED USE OR IMPROVEMENTS

8.01 Modifications to the Property, by platting or re-platting, is prohibited without the express prior written approval of the City. The Permittee shall report in writing to the City any such modification intent. Upon such intent notice, the City at its sole discretion will terminate the airport access permit or will amend the Permit to reflect the modified property area and applicable access fee, and a pro-rata adjustment to the airport access fee shall be made as appropriate.

8.02 Modification to the stated use of the Property is prohibited without the express prior written approval of the City. The Permittee shall report in writing to the City any such modification intent. The City shall investigate the intended modification of the stated use, and if the City concludes at its sole discretion, that the intended modification to the stated use will be in violation of this Permit the Permittee will not proceed with the modifications to the use. The City will provide written notification of its conclusions to the Permittee. If the City concludes the intended modification of the stated use is not in violation of this Permit the City will amend the Permit to reflect the modified stated use and applicable access fee, and a pro-rata adjustment to the airport access fee shall be made as appropriate.

8.03 Modifications to security improvements on the Property or modification to improvements that would materially change the Airport security integrity, is prohibited without the express prior written approval of the City. The Permittee shall report in writing to the City any such modification intent. Upon such intent notice, the City shall investigate the intended modifications, and if the City concludes at its sole discretion, that the intended modifications will be in violation of this Permit the Permittee will not proceed with the modifications. The City will provide written notification of its conclusions to the Permittee. If the City concludes the intended modifications are not in violation of this Permit and if required, the City will amend the Permit to reflect the modifications and applicable access fee, and a pro-rata adjustment to the airport access fee shall be made as appropriate.

ARTICLE IX—INDEMNIFICATION AND INSURANCE

9.01 The Permittee shall indemnify, defend, and hold harmless the City, its officers, agents, and employees for any claim, liability, loss, injury, or damage arising out of, or in connection with this permit, the premises and/or an use of by Permittee and/or its agents, employees, contractors, or subcontractors, excepting only loss, injury or damage caused by the sole negligence or willful misconduct of personnel employed by the City. It is the intent of the parties to for Permittee to provide the broadest possible coverage for the City. The Permittee shall reimburse the City for all costs, attorney's fees, expenses, and liabilities incurred with respect to any litigation in which the Permittee is obligated to indemnify, defend, and hold harmless the City under the Permit.

9.02 Permittee will provide insurance coverage in types and amounts and subject to such conditions as specified in Exhibit A—Insurance Requirements, attached hereto and incorporated herein by reference,

ARTICLE X--TERMINATION OF PERMIT

10.01 Events of Default by Permittee:

City, at its option, may declare this Permit terminated (subject to Article X(2)) in its entirety upon the happening of any one or more of the following events and may exercise all rights related to the termination of this Permit:

10.01.1 Permittee fails to pay the Permit Fee for thirty (30) days; or

10.01.2 If Permittee shall file a voluntary petition in bankruptcy, or make a general assignment for the benefit of creditors, or if the Permittee is adjudicated as bankrupt, or Permittee otherwise assigns or attempts to assign its interest herein without the required prior written consent of City; or

10.03.3 If Permittee shall use or permit the use of the Permittee's premises at any time for any purpose which is not authorized by this Permit, or if Permittee shall use or permit the use thereof in violation of any law, rule, or regulation (including the Airport rules and regulations), to which the Permittee has agreed to conform; or

10.01.4 Permittee fails to meet any term or condition of this Permit.

10.02 Notice of Default:

If the Permittee shall default in the performance of any other term of this Permit (except the payment of fees), then the City shall send to the Permittee a written notice of default, specifying the nature of the default, and Permittee shall, within thirty (30) days after the date of the notice, cure and remedy the default, and this Permit shall then continue as before.

10.02.1 If the Permittee shall fail to timely cure and remedy such default, the City shall have the right to declare, by written notice to the Permittee, that the Permittee is in default, and to use all remedies available to the City under this Permit. However, if by its nature, such default cannot be cured within such thirty (30) day period, such termination shall not be effective if the defaulting party commences to correct such default within said thirty (30) days and corrects the same as promptly as reasonably practicable.

10.02.2 Termination of this Permit for non-payment of fees to City by Permittee shall not become effective until after the expiration of fifteen (15) days written notice thereof by City to Permittee and Permittee fails to pay all monies owed fully within said period.

ARTICLE XI--NOTICES

11.0 **Notice/Addresses:** All notices, requests, or other communications, required or permitted to be given hereunder shall be in writing and hand-delivered or sent by certified mail, addressed to the appropriate party at its address as follows:

City or City

City of Salinas
Attn: City Manager
200 Lincoln Ave
Salinas, California 93901
Phone: (831) 758-7201

Permittee

Archer Aviation Inc.
Attn: Brian Learn
190 W. Tasman Dr.
San Jose, CA 95134

Copy to: Salinas Municipal Airport
Attn: Airport Manager
324 Airport Boulevard, Salinas, California
Salinas, California 93905
Phone: (831) 758-7214

Copy to: Legal Department
legal@archer.com

City Attorney
City of Salinas
200 Lincoln Avenue
Salinas, California 93901
Phone: (831)758-7256

ARTICLE XII--CERTIFICATIONS

12.01 The undersigned Permittee and Organization named below hereby certifies that the Permittee shall agree to abide by and comply with all laws, ordinances, rules, regulations and requirements of all governmental agencies and authorities now in force, or which may hereafter be in force, pertaining to the Airport. The judgment of a court of competent jurisdiction, or the admission in any action or proceeding, whether the City is a party thereto or not, of the violation of any such law, ordinance, rule, regulation or requirement shall be conclusive evidence of that fact; and

Furthermore, the undersigned Permittee and Organization named below hereby certifies that the Permittee shall agree to abide by and comply with all conditions, requirements and terms of any existing and future federal or state grant Permit pertaining to the Airport.

Failure to comply with any or all terms and conditions of the permit shall cause immediate revocation and cancellation thereof.

ARTICLE XIII—GENERAL PROVISIONS

13.01 Modification. This Permit may only be modified upon the mutual written consent of the City and Permittee.

13.02 Compliance with Laws, Rules, and Regulations. Activities conducted by and services performed by Permittee on Airport premises or facilities pursuant to this Permit shall be performed in accordance and full compliance with all applicable federal, state, and local laws and any rules or regulations promulgated thereunder including, but not limited to, the Airport’s Rules and Regulations.

13.03 Authority of Airport Manager. Permittee shall at all times comply with all directions and

requirements of the Airport Manager with respect to access to and use of Airport facilities.

13.04 Jurisdiction. This Permit shall be administered and interpreted under the laws of the State of California. In the event of any dispute arising out of the Permittee’s access to or use of Airport premises or facilities pursuant to this Permit, or in the event of any dispute concerning interpretation of this Permit, jurisdiction of any litigation arising therefrom shall be in the State of California, County of Monterey, or in the appropriate federal court with jurisdiction over the matter. In case suit shall be brought to interpret or to enforce this Permit, or because of the breach of any covenant or provision herein contained, the prevailing party in such action shall be entitled to recover their reasonable attorneys’ fees in addition to such costs as may be allowed by the court.

IN WITNESS WHEREOF, this Permit has been executed by the duly authorized officers or representatives of each of the parties.

City:

CITY OF SALINAS,
a California charter city and municipal corporation

By: _____
René Mendez, City Manager

Approved as to Form:

By: _____
Christopher A. Callihan, City Attorney

Permittee:

Archer Aviation Inc.
(Company)

By: _____
(Signature)

(Print Name)

Note: Signatures must be notarized

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

State of California

County of _____

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

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

WITNESS my hand and official seal.

Signature of Notary Public

(Notary Seal)

Exhibit A

Insurance Requirements

Permittee shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work or in connection with products, materials or services supplied to the City and shall include their agents, representatives, employees, or subcontractors. With respect to General Liability, Errors & Omissions, Pollution Legal Liability and Remediation, coverage should be maintained for a minimum of five (5) years after contract completion.

MINIMUM SCOPE AND LIMIT OF INSURANCE

Coverage shall be at least as broad as:

A. Airport Liability Insurance on an “occurrence” basis, including products and completed operations, property damage, bodily injury with limits no less than \$10,000,000 per occurrence, including owned and non-owned aircraft coverage.

B. Commercial General Liability (CGL) coverage on Insurance Services Office Form CG 00 01 covering CGL on an “occurrence” basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than \$5,000,000 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.

C. Automobile Liability on Insurance Services Office Form Number CA 0001 covering any auto (Code 1), or if Permittee has no owned autos, hired (Code 8) and non-owned (Code 9) autos, with limit no less than **\$2,000,000** per accident for bodily injury and property damage.

D. Workers’ Compensation Insurance as required by the State of California, with Statutory Limits, and Employer’s Liability Insurance with limit of no less than **\$1,000,000** per accident for bodily injury or disease.

E. Pollution Legal Liability and Remediation Insurance and/or Errors & Omissions coverage applicable to underground or above ground fuel storage tanks, fueling or refueling operations with a limit no less than **\$5,000,000** per claim or occurrence and **\$5,000,000** aggregate per policy period of one year. This policy shall include coverage for bodily injury, property damage personal injury and environmental site restoration, including fines and penalties in accordance with applicable EPA or state regulations.

F. Hangarkeepers Liability Insurance, if applicable, with a limit not less than **\$2,000,000** combined single limit per occurrence and **\$2,000,000** aggregate.

G. Property Insurance. Permittee shall maintain not less than **\$1,000,000** Legal Liability Coverage (ISO Form CP 00 40 or equivalent) on all real property being leased, including improvements and betterments owned by the City, and shall name the City as a loss payee. Permittee shall also provide property insurance on all personal property and betterments and improvements contained within or on the leased premises. The policy must be written on an “all risks” replacement cost basis, excluding earthquake and flood, with no more than a ninety (90) percent co-insurance requirement, and Permittee shall name City as a loss payee for its interest in the property.

H. Interruption of Business Insurance: Permittee shall, at its sole cost and expense, maintain business interruption insurance by which the minimum monthly rent will be paid to City for a period of up to one (1) year if the premises are destroyed or rendered inaccessible by a risk insured against by a policy of standard fire and extended coverage insurance, with vandalism and malicious mischief endorsements.

If the Permittee maintains broader coverage and/or higher limits than the minimums shown above, the

City requires and shall be entitled to the broader coverage and/or the higher limits maintained by the Permittee. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

Self-Insured Retentions

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

Other Insurance Provisions

The Airport Liability, CGL, Automobile Liability, and Pollution Legal Liability and Remediation policies are to contain, or be endorsed to contain, the following provisions:

1. **The City, its officers, officials, employees, and volunteers are to be covered as additional insureds** with respect to liability arising out of work or operations performed by or on behalf of the Permittee including materials, parts or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Permittee's insurance (at least as broad as ISO Form CG 20 10, CG 11 85 or both CG 20 10, CG 20 26, CG 20 33, or CG 20 38; **and** CG 20 37 forms if later revisions used).
2. For any claims related to this project or use of facilities, the Permittee's insurance coverage shall be primary and non-contributory insurance coverage at least as broad as ISO CG 20 01 04 13 as respects the City, its officers, officials, employees, agents, and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees, agents, or volunteers shall be excess of the Permittee insurance and shall not contribute with it. This requirement shall also apply to any Excess or Umbrella liability policies.
3. Each insurance policy required shall provide that coverage shall not be canceled, except with notice to the City.

The Automobile Liability policy shall be endorsed to include Transportation Pollution Liability insurance, covering materials to be transported by Permittee pursuant to the contract. This coverage may also be provided as part of the Pollution Legal Liability and Remediation policy.

If the Airport Liability, CGL, Pollution Legal Liability and Remediation policy and/or Errors & Omissions coverages are written on a claims-made form:

1. The retroactive date must be shown and must be before the date of the contract or the beginning of contract work.
2. Insurance must be maintained, and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.
3. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the contract effective date, the Permittee must purchase an extended period coverage for a minimum of five (5) years after completion of contract work.
4. A copy of the claims reporting requirements must be submitted to the City for review.

Umbrella or Excess Policy

The Permittee may use Umbrella or Excess Policies to provide the liability limits as required in this agreement. The Umbrella or Excess policies shall be provided on a true "following form" or broader coverage basis, with coverage at least as broad as provided on the underlying CGL insurance.

Acceptability of Insurers

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

Verification of Coverage

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

Waiver of Subrogation

Permittee hereby grants to City a waiver of any right to subrogation which any insurer of said Permittee may acquire against the City by virtue of the payment of any loss under such insurance. Permittee agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation and provide a copy to the City, but this provision applies regardless of whether or not an endorsement has been issued.

Contractors and Subcontractors

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

Special Risks or Circumstances

City reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

