

**PERMIT TO CONDUCT AIR SHOW
AT THE SALINAS MUNICIPAL AIRPORT**

THIS PERMIT is issued by the **CITY OF SALINAS**, a California charter city and municipal corporation and political subdivision of the State of California, hereinafter referred to as “City,” to the **MONTEREY COUNTY AIRSHOW ASSOCIATION, INCORPORATED**, a California Nonprofit Corporation doing business as the **CALIFORNIA INTERNATIONAL AIRSHOW**, hereinafter referred to as “Permittee.”

WITNESSETH

WHEREAS, City is the owner of that certain public airport known as the Salinas Municipal Airport (“Airport”) located in the City of Salinas, County of Monterey, California; and

WHEREAS, it is the desire of Permittee to use said Airport for the period Saturday, September 17th, 2016 through Saturday, October 1st, 2016, for the purpose of preparing for and conducting the 2016 California International Airshow (“Airshow”), and clean up after the Airshow; and

WHEREAS, the staging of said Airshow is in the best interests of general aviation and the public with the purposes of enhancing the Salinas community image, promoting public use of the Airport, and promoting revenue for local charitable organizations.

NOW, THEREFORE, this Permit is provided upon the following terms and conditions:

TERMS

1. SCOPE OF PERMIT

City hereby grants Permittee the right to utilize portions of the Airport and adjoining public streets and facilities used in conjunction with the Airshow, for the staging and conducting of the Airshow and for purposes incidental thereto during a continuous fifteen (15) day period from

Saturday, September 17, 2016, through Saturday, October 1, 2016, as further described below and for no other purpose unless granted, in writing, by City.

2. NATURE OF INTEREST GRANTED

It is specifically understood and agreed by the parties hereto that the relationship created by this instrument is not one of landlord and tenant, principal and agent, or owner and contractor, it being the intention of the parties that this Permit is merely for the purpose of allowing Permittee to use portions of the Airport and the facilities thereon on a temporary basis for the purposes of staging and conducting the Airshow and activities related and incidental thereto.

3. TERM

This Permit shall allow Permittee to utilize portions of the Airport pursuant to the terms and conditions of this Permit for a fifteen (15) day period beginning on the 17th day of, September, 2016 and continuing, through the 1st day of October, 2016.

4. FEE

In the interest of developing revenues to support the cost of operations and maintenance of the Airport and to cover costs associated with this Permit, the Permit Fee shall be the amount of two thousand five hundred dollars (\$2,500) to be paid upon billing by the City Airport Manager. Permittee will also be billed and agrees to pay for repair or replacement of any Airport equipment, facilities, or property damaged as a result of Airshow operation and/or Permittee's use and occupation of the Airport during the term of this Permit.

5. OBLIGATIONS OF PERMITTEE

A. FAA Approval. Approval of the Federal Aviation Administration (FAA) must be obtained by Permittee for all phases of the Airshow, as evidenced by a Certificate of Waiver or Authorization, a copy of which must be provided to City at least fifteen (15) days prior to the effective date of this Permit, but no later than September 2, 2016.

B. Fencing. Construction of temporary fencing in addition to any existing permanent fencing will be permitted, subject to prior approval of City's Airport Manager as to type of fence mounting and location of fences and access gates. Temporary fencing may be anchored to permanent fence corners provided that such attachment in no way alters or damages any permanent fence structure and all attaching devices are removed with the temporary fence. Permittee shall install temporary fencing around the perimeter of the Jet West maintenance hangar and adjacent ramp area, prior to any activity conducted in the Jet West maintenance hangar. Permittee shall install temporary fencing around the western perimeter of the Serv Aero facility (area sublet by Airmotive Specialties) and adjacent ramp area, prior to commencement of airshow activities on Saturday. Also, temporary fencing will be placed around all lighting equipment left in place behind the crowd line and any other area deemed necessary by the City's Airport Manager.

C. Security. Permittee shall provide, at its own expense, sufficient security personnel to protect general aviation aircraft based at the Salinas Airport during the term of this Permit, whenever such aircraft are located in other than the regularly assigned tiedown location. Such sufficiency shall be determined by City's Police Department and any recommendations from City's Police Department regarding security activities shall be followed. Permittee shall provide security for all Airport buildings, facilities, equipment, and property during the periods when the Airport is open to Airshow spectators. Permittee will also provide security for transient aircraft, Airshow

participating aircraft, and vehicles and equipment that are participating in the Airshow during the period of this Permit.

D. Crowd Control. Permittee shall furnish such personnel as are necessary to enable the public to park, give traffic directions, and provide crowd control. Crowd control barriers shall be in place before any Airshow activity takes place on the Airport.

E. Water, Sanitary, and First Aid Facilities. Permittee shall provide at its own expense such water, sanitary, and first aid facilities as are deemed necessary by Monterey County Health Department to accommodate expected crowds.

F. Prohibition of Temporary Living Facilities. Except as hereinafter provided, camper trucks, trailers, and/or other temporary living facilities may not be utilized in any area of the Airport. Permittee shall make every effort through its security personnel to enforce this prohibition. Camper trucks and trailers may be permitted for use by exhibitors, participants, and Permittee's officials, for purposes other than as living quarters, to the extent of parking availability in an area pre-designated by the City's Airport Manager. As a single exception to this restriction, trailers will be authorized in an area designated by City's Airport Manager for use by security personnel and such other official agents of Permittee as are required to be on the site twenty-four (24) hours a day throughout the Permit period.

G. Fire Protection and Aircraft Rescue Equipment. Permittee shall furnish and be responsible for any and all such fire protection and aircraft crash rescue equipment and services as are deemed necessary by the City and the FAA.

H. Repair and Maintenance of Airport Property. Permittee shall be responsible for the repair and maintenance of any buildings, facilities, equipment or property of the Airport impacted by operations under this Permit. Immediately subsequent to the close of the Airshow and not later

than 5:00 p.m. on Monday, September 26th, 2016, Permittee shall clean the entire area used by it, shall remove any and all debris and trash, and shall restore the area insofar as possible to the condition existing immediately prior to the commencement of the Permittee's operations as allowed by this Permit. The aircraft parking ramps southeast of the Airport Terminal Building, both based and transient aircraft ramps will be cleared not later than 5:00 p.m. on Monday, September 26th, 2016, so as to permit use of the ramp for aircraft parking. If, in the opinion of City's Airport Manager, the repair, maintenance, cleaning, and trash removal requirements have not been accomplished satisfactorily, City may, after notification of Permittee, cause such repair, maintenance, cleaning, and trash removal to be made at Permittee's expense. The cost of such work shall be added to the Permit Fee.

I. Licenses and Permits. Permittee shall obtain and bear the expense of all licenses, permits, and other authorization required by any and all applicable agencies. Pyrotechnic permits will be obtained from the City and State of California when required. Permittee shall pay promptly and discharge all lawful taxes and assessments which may be levied by the federal, state, county, city or other tax levying body on any taxable interest of Permittee as well as all taxes and assessments on taxable personal property of whatever nature owned by Permittee and located on the Permit premises. Permittee shall promptly pay all excise, license, and permit fees of whatever nature applicable to the operation of Permittee's business.

J. Permit to Conduct Airshow. When this Permit is approved by the Salinas City Council, it shall be deemed a permit issued by the Community Development Director in lieu of a Temporary Land Use Permit, as required under Section 37-50.300 of the City's Zoning Code.

K. Spectator Parking. It is understood and agreed that certain portions of the Airport will be utilized for parking of spectator operated private vehicles. Permittee agrees that all such vehicles

parked on Airport premises, inside the security fence, will be removed from said area not later than 6:00 p.m. of any day when parking has been authorized by City's Airport Manager. However, the Permittee will ensure that all vehicles are removed from the Airport within two (2) hours after activity ends. Permittee will be prepared to move said vehicles to an area outside the security fence if they remain after the time specified above. Permittee will be responsible for advising all vehicle operators of this provision. If vehicles are not removed by Permittee as agreed in this section, such vehicles will be removed at the direction of Airport management and Permittee shall be held responsible for the costs and charges associated with such removals.

L. Transient Aircraft. Transient aircraft are authorized to park overnight in areas designated by City's Airport Manager, who will collect overnight tiedown fees as appropriate.

M. Street Closure. Permittee agrees to abide and comply with the Street Closing Permit attached hereto, marked Exhibit A, and incorporated herein by reference.

N. Costs Associated with Airshow Production. Permittee shall bear all costs connected with staging of the Airshow and activities incidental thereto. The sole function of City is to provide the necessary facilities and areas and to enforce the provisions of this Permit.

6. OBLIGATIONS OF CITY

A. City shall make available for use, by Permittee, City owned and controlled buildings, land, personal property, and equipment necessary to facilitate the Airshow for which the City may charge a fee in addition to the Permit Fee.

B. It is recognized that the nature of the Airshow precludes normal general aviation and public use of the Airport during the Airshow events. Therefore, City shall close the Airport to all general aviation aircraft during the period that the Airshow is actually in progress, provided however that locally based aircraft and transient aircraft shall be allowed to operate when scheduled

Airshow events are not taking place. Permittee shall not interfere with the regular operation of tenants doing business on the Airport.

7. OPERATIONAL PROVISIONS

A. Traffic Control. All barricades on City streets at critical intersections shall be staffed by Airshow personnel. Airshow will pay for all Salinas Public Works services related to the Airshow, including but not limited to: delivery/removal and utilization of barricades, cones, and other traffic control equipment; garbage/debris removal; sweeping and sanitation; and traffic control and guide signs.

B. Staffing by Salinas Police Department. There will be Salinas Police staffing for traffic direction and control at critical intersections, as determined by Salinas Police Department. The cost of Police staffing shall be consistent with the City's current salary schedule and labor agreements. The exact hours and number of law enforcement personnel needed for traffic control and other duties will be determined by the Police Department prior to and during the Airshow.

C. Security. Permittee shall provide private security on the Airport inside the Airport security fence on all days of Airshow activity attended by the general public, as required in section 5 of this Permit.

D. Airshow Communications Command Post. Permittee shall establish an Airshow Communications Command Post from which all of its efforts in regard to the Airshow and this Permit shall be coordinated. A Salinas Police Department representative shall be present at the Airshow Communications Command Post each day at Permittee's expense.

E. Airshow Bank. One uniformed Salinas Police Officer will be present at the Airshow bank each day at Permittee's expense.

F. Emergency Services Communications Plan. Permittee shall establish in coordination with the Salinas Fire Department, a communications plan to include emergency services.

G. Incident Command Center. Permittee shall provide an area for location of an Incident Command Center, as required by Salinas Fire Department.

H. Parking of Fire Department Apparatus. Permittee shall provide area for parking of fire apparatus at the Airport.

I. Emergency Notification List. Permittee shall provide a current emergency notification list to the City prior to the commencement date of this Permit.

J. Emergency Response Location Grid. Permittee shall provide an accurate Airport emergency response location grid map to the City prior to the commencement date of this Permit.

K. Access to Fire Access Roads and Gates. Permittee shall ensure that fire access roads and gates remain clear and accessible throughout the Airshow.

L. Fire Prevention Activities in Cooking Booths. All cooking booths or areas shall have at least one 2A10BC fire extinguisher available, as determined by the Fire Marshall, if an open flame device will be used for cooking purposes. No open flame device may be used for any purpose other than cooking.

8. SAFETY

A. Safety shall be of primary importance to this event. Anyone who flies in a manner and style not considered to demonstrate good airmanship and safety shall be barred from any further activities. It shall be the duty of Permittee to ensure that safety and good airmanship of all Airshow performers will be observed at all times and Permittee shall take any and all steps necessary, including prohibition of flying, in the event Permittee determines that good airmanship and safety are being threatened or compromised. In the absence of the FAA monitor or Permittee supervision,

and when City's Airport Manager is of the opinion that Permittee is unable to fulfill said requirements of good airmanship and safety, the Airport Manager shall stop all Airshow connected activity until the unsafe or unsatisfactory condition is corrected. Other applicable enforcement agencies shall have full authority to order stoppage or direct correction of any unsafe condition or practice observed on or over the Airport.

B. No person shall operate a motor vehicle of any kind on the Airport in a negligent or reckless manner. The speed limit on the Airport is a speed consistent with the variable weather conditions of the area being traversed and common sense and good judgment, but in no case greater than 15 MPH. No person shall cross any Airport runway, whether in a vehicle or otherwise, without having first obtained permission from the Air Traffic Controller, except when the runway has been officially closed by the City's Airport Manager and the person has been notified of that status before each runway crossing.

9. INSURANCE

A. Permittee shall at its sole expense, throughout the duration of this Permit, maintain commercial general liability and property damage insurance, including but not limited to premises and automobile, and Air Meet liability insurance, covering all operations of the Permittee, its agents and employees, performed in connection with this Permit, including but not limited to set up of premises, practices, performances, cleanup and dismantling, and any pyrotechnic displays or demonstrations. Such insurance coverage shall be in the amounts and according to the conditions provided as follows:

(1) A \$5,000,000 Air Meet Liability Occurrence All Risk Policy on a standard policy form which includes the following coverages:

a. Grandstand liability, if grandstands are to be used;

- b. Non-owned automobile liability for Airshow activities;
- c. Pyrotechnics liability; and
- d. The City of Salinas, along with its employees, officers, agents, representatives, board, commissions, and commissioners shall be named as additional insured by endorsement under the insurance policy.

Endorsement forms shall be provided to and subject to approval by the City prior to the fifteen (15) day period identified in 9.A.(1)e.
- e. The City of Salinas shall be provided written proof, at least fifteen (15) days prior to the effective date of this Permit, but no later than September 2, 2016, that the required insurance coverage is in effect. No material change in coverage or cancellation may be made after that time.
- f. In the event of cancellation, this Permit is immediately null and void and Permittee shall immediately cease all operations under this Permit and vacate the Airport premises.
- g. Coverage is primary and no insurance of the City of Salinas shall be called upon to contribute to a loss under the policy.

(2) A \$1,000,000 commercial general liability insurance policy on a per occurrence

basis, with endorsements covering:

- a. Personal injury;
- b. Non-owned auto liability;
- c. Parking liability;
- d. Products/completed operations;
- e. Liquor legal liability;

- f. Host liquor liability;
- g. Contractual Liability; and
- h. The City of Salinas, along with its officers, agents, representatives, employees, and commissioners shall be named as additional insured by endorsement under the insurance policy. Endorsement forms shall be provided to and subject to approval by City prior to the fifteen (15) day period identified in 9.A.(1)e.

- (3) All insurance companies affording coverage to the Permittee shall be insurance organizations admitted by the Insurance Commissioner of the State Department of Insurance to transact the business of insurance in the State of California.
- (4) All insurance companies affording coverage shall provide a thirty (30) day written notice by certified or registered mail to the City of Salinas should the policy be cancelled or reduced in coverage before the expiration date. For the purposes of this notice requirement, any cancellation or reduction in coverage shall be considered a material change and subject this Permit to cancellation.
- (5) Permittee shall provide evidence of compliance with the insurance requirements listed above by providing a certificate of insurance, in a form satisfactory to City, concurrently with the submittal of this Agreement. If the policy has an aggregate limit or for some other reason the total amount of the limits of the policy are not available to cover losses described in this Permit, the insurance certificate shall also state the unpaid limits of the policy.
- (6) Maintenance of insurance by the Permittee as specified in the Permit shall in no way be interpreted as relieving the Permittee of any responsibility whatsoever

and the Permittee may carry, at its own expense, such additional insurance as it deems necessary.

(7) Certificate of insurance must identify any deductible amounts related to the aforementioned insurance coverages. All deductibles must be in an amount(s) acceptable to City.

B. Prior to the commencement of any and all activities pertinent to the granting of the Permit and/or its rights and privileges (including set-up of premises, practices, performances, clean-up, and dismantling), Permittee shall ensure that all of its employees and/or all employees of any contractors of Permittee, are covered by Worker's Compensation Insurance at the statutory limits covering full liability for compensation under the Workers' Compensation Insurance and Safety Act, for any person injured while performing any work incidental to the work in or on the Airport. Permittee shall file a certificate of such coverage on a form satisfactory to City.

C. Permittee shall require that all concessionaires provide certificates of insurance to the Permittee evidencing aircraft liability insurance in an amount no less than \$1,000,000 per occurrence for bodily injury and property damage liability which name the City of Salinas, its officers, employees, representatives, boards, commissions and commissioners, and the Permittee, as additional insured by endorsements with occurrence form coverage, in amounts, determined appropriate by the City and Permittee, to the product or service being provided by the concessionaire.

10. HOLD HARMLESS/INDEMNIFICATION

Permittee shall indemnify, defend, and save the City, its officers, employees, agents, and representatives harmless against any and all claims for damages to all persons or property arising from Permittee's execution of the activity, or otherwise by the conduct of the Permittee, its officers,

employees, agents, concessionaires, subcontractors or others (including the active and passive negligence of the City, its officers, agents, and employees), in connection with the execution of the activities covered by this Permit and any and all costs, expenses, attorneys' fees, and liability incurred by the City, its officers, agents, employees, or representatives in defending against such claims, whether the same proceed to judgment or not, except only those claims arising from the willful misconduct of the City, its officers, agents, or employees. Further, Permittee shall at its own expense, upon written request by the City, defend any such suit or action brought against the City, its officers, agents, representatives, and employees. This section specifically includes any liability arising out of or in connection with separate agreements that City may execute with third parties for services, volunteer or otherwise, relating to or in support of Airshow events including, but not limited to, preparation, set-up, and clean-up work and activities.

Further, Permittee agrees to save, indemnify, defend, and hold harmless the City, its officers, employees, and agents against all liabilities, judgments, costs, and expenses, which may accrue against City as a consequence of granting permits and agreements to Permittee and from Permittee's compliance with the provisions of the City's rules, regulations, resolutions, and ordinances. Permittee shall reimburse the City for all costs and expenses (including but not limited to fees and charges of attorneys and other professional and court costs) incurred by the City in enforcing the provisions of this Section.

11. NO DEMANDS UPON CITY

Permittee shall be deemed to have accepted the condition of the Airport premises prior to its occupation and use thereof for the purposes of this Permit and shall make no demand upon City for any alterations, repairs or construction.

12. USE OF SALINAS MUNICIPAL AIRPORT

Permittee may use such areas and facilities at the Airport as are designated by the City's Airport Manager. Permittee shall have the right to construct and maintain such temporary facilities and/or structures as are necessary for operations as allowed by this Permit, including controlling the ingress and egress of the public and Airshow participants. Said temporary facilities and/or structures must be satisfactory to the City's Airport Manager. Upon the request of the City's Airport Manager, Permittee shall remove said temporary facilities and/or structures.

13. DAMAGE TO SALINAS MUNICIPAL AIRPORT

Permittee shall cause to be repaired at its own expense, any and all damage to the property of the City or to the property of others on the Airport, which damage has been caused by Permittee, its agents, employees or others who may be on the Airport for any purpose connected with the staging and operation of the Airshow, including patrons of the Airshow. This provision applies to all aircraft moved from its normal and regular tiedown or parking space to make room for Airshow activity, until returned to its normal and regular tiedown or parking space. The Permittee accepts full legal liability and responsibility for all aircraft while located at other than its regular tiedown location until forty-eight (48) hours after the tiedown ramp has been vacated by Airshow facilities.

14. HAZARDOUS SUBSTANCES

A. Pursuant to Health and Safety Code section 25359.7, Permittee shall notify City in writing within a reasonable time of any material release of hazardous substances and of any hazardous substances that have come to be located on or beneath the Airport.

B. Prior to the expiration of this Permit, Permittee shall at its cost and expense remove all items of personal property, including but not limited to all flammable and hazardous materials and waste as defined by state, federal, or local law at the time of expiration of the Permit.

C. Permittee shall make available for inspection to the City all records relating to the maintenance, release, mitigation, and cleanup of any hazardous substances on the leased premises.

D. Permittee shall comply with all federal, state, and local laws and regulations relating to hazardous materials and waste, and shall timely comply with the orders of any governmental agencies relating thereto. Permittee shall request that a representative from Monterey County Environmental Health Department review hazardous material storage and use to determine that compliance with local laws and regulations has been obtained.

E. City may reasonably enter upon and inspect the premises at any time.

15. CHARGES BY PERMITTEE

A. Permittee shall have the right to charge admission to members of the public desiring to witness the events allowed by this Permit.

B. Persons desiring or required to use the Airport for its normal purposes shall not be charged an admission to specific areas required for the performance of their normal activity on the Airport; except, however, that Permittee may charge admission to occupants of transient aircraft arriving during the open hours period of this Permit and desiring to attend the Airshow. Persons not charged an admission shall include but not be limited to: City's employees regularly employed at the Airport or required to work on the Airport as certified by the City's Airport Manager; on site employees of businesses at the Airport; tenants leasing property from the City and conducting business on the flight line; owners of aircraft based at the Airport; and persons demonstrating a valid requirement to conduct business on the Airport.

16. FURTHER COVENANTS AND AGREEMENTS

A. Throughout its operation and the operation of all its facilities on the Airport, neither Permittee nor any person or organization occupying space or facilities thereon will discriminate

against any person or class of persons by reason of age, sex, race, color, religion, ancestry, national origin, blindness or other physical disability, in the use of any facilities provided for the public on the Airport.

B. Throughout Permittee's rendering to the public any service (including the furnishings or sale of admission tickets, transportation, supplies or materials) essential to its operation at the Airport it will:

- (1) Furnish such service on a fair, equal, and non-discriminatory basis to all users thereof; and
- (2) Charge fair, reasonable, and non-discriminatory prices for each unit of service; provided that Permittee may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.

C. This Permit shall be subject to the terms of the City's agreements, as amended, with the FAA. If they conflict, provisions of the FAA agreements that implement federal law shall take precedence over provisions of this Permit.

D. Permittee shall abide and be bound by the Minority Business Enterprise Program, a copy of which has been provided to Permittee, adopted and as amended from time to time by the City pursuant to United States Department of Transportation regulations Title 49, Code of Federal Regulations, Subtitle A, Part 23, participation by disadvantaged business enterprises in Airport concessions, and Part 26, participation by Minority Business Enterprise in Department of Transportation programs, a copy of which has also been provided to Permittee.

E. Permittee will obey all rules, regulations, and orders of the FAA, California Aviation Office, and the City of Salinas, existing or as amended.

F. It is further understood and agreed that during the term of this Permit, Permittee shall use the Airport in an orderly and peaceable manner, and in strict compliance with all applicable laws and ordinances and shall not use the Airport, nor allow any person or persons to use the Airport, for any purpose whatsoever that is in violation of any law or ordinance.

17. NO ASSIGNMENT, DELEGATION, OR SUBLICENSING

This Permit, being in the nature of a personal revocable permit, may not be assigned or delegated. However, Permittee may allow concessionaires to enter upon the Airport for the performance of functions and services within the scope of the uses allowed to Permittee under the provisions of this Permit.

18. RIGHT TO AMEND

This Permit shall be subordinate to the provisions of any existing or future agreement between City and the United States, by which City obtains federally owned surplus property or federal aid for the improvement, operation, and/or maintenance of the Airport. In the event that the FAA, or any other federal agency, requires modifications or changes in this Permit as a condition for the granting of funds for the improvement of the air terminal or lands or improvements covered by its laws, rules, or regulations, Permittee agrees to consent to the amendments, modifications, revisions, supplements, or deletions of any of the terms, conditions, or requirements of this Permit as may be required to obtain such funds.

19. SPECIAL PROVISION

It is understood and agreed that nothing contained in this Permit shall be construed as granting or authorizing the granting of an exclusive right for the use of any landing areas or air navigation facility at the Airport.

20. PERMITTEE INDEPENDENT CONTRACTOR

For all the purposes of this Permit, Permittee is and shall be deemed to be, with respect to the City, an independent contractor. It is mutually agreed and understood that nothing contained in the Permit shall be deemed or construed to constitute a partnership or joint venture between the parties to this Permit. Moreover, it is agreed and understood that regarding the rights and obligations provided herein, this Permit establishes the extent of the relationship between the City and Permittee. It is agreed and understood that the City and Permittee are independent contractors and that neither is the employee or employer of the other and that employees of one are not the employees of the other.

21. CANCELLATION BY CITY

In addition to any rights to which it may be entitled by law, City may cancel this Permit upon or after the occurrence of any of the following events:

A. The assumption by the United States Government, or any of its authorized agencies, of the operation, use or control of the Airport, or any substantial part of the Airport, in such manner as to substantially restrict the use of the Airport for any of the purposes for which Permittee is authorized;

B. The existence or operation of any rule, regulation, sponsor assurance, or order of the FAA, directly or indirectly requiring the discontinuance or substantial reduction of the use of the Airport for any of the purposes for which Permittee is authorized;

C. The issuance of an injunction by any Court of competent jurisdiction restraining the use of the Airport for any of the purposes for which this Permit has authorized;

D. Cancellation of any policy of insurance required by Section 9 of this Permit;

E. The filing by Permittee of a voluntary petition in bankruptcy, the institution of proceedings in bankruptcy against Permittee, or the adjudication on Permittee as a bankrupt pursuant to voluntary or involuntary bankruptcy proceedings;

F. The appointment of a receiver of Permittee's assets which results in a liquidation of Permittee's business;

G. The general assignment of this Permit by Permittee for the benefit of creditors; or

H. The default by Permittee in the performance of any of the terms and conditions required by this Permit to be kept and performed.

22. CANCELLATION BY PERMITTEE

Permittee may cancel this Permit and terminate all of its obligations at any time subsequent to the commencement of the term upon the breach of City, or City's failure to perform any of the material covenants or agreements contained in this Permit. In such a case, the Permit fee identified in Section 4 will be refunded to Permittee.

23. WAIVER

It is agreed that a failure on the part of City to take appropriate action or to declare this Permit terminated for default by Permittee in any one or more of the terms, covenants or conditions will not be considered or construed as a waiver by the City of such right on any further or future default on the part of Permittee. Additionally, the subsequent acceptance of the fee by City shall not be construed as a waiver of City's rights concerning any preceding breach of any term, covenant or condition by Permittee.

24. SURRENDER

Permittee covenants that on the last day of this Permit or any extension of it, Permittee will peaceably and quietly leave and surrender the Airport premises in as good a condition as they are

now (or, may be in after making alterations, additions, or improvements as permitted by City) except for ordinary wear and tear.

25. ASSIGNMENT BY CITY

It is further agreed by and between City and Permittee that City reserves the right to assign, pledge, or hypothecate this Permit, without the consent of Permittee, should such assignment, pledging, or hypothecation become necessary in the financing or refinancing of the Salinas Municipal Airport.

26. SECTION HEADINGS

The section headings contained in this Permit are for convenience in reference and are not intended to define, govern, limit, modify, or in any manner affect the scope meaning, or intent of the provisions of this Permit.

27. TIME

Concerning this Permit and the performance of each and every provision contained herein, time is of the essence.

28. NOTICES

Except as otherwise contained herein, all notices, statements, demands, consents, approvals, authorizations, offers, agreements, appointments or designations hereunder by either party, shall be in writing and shall be sufficiently given and served upon the other party if sent by mail, postage prepaid and addressed as follows:

If to City, the same shall be addressed to:

Airport Manager
City of Salinas
Salinas Municipal Airport
30 Mortensen Avenue
Salinas, California 93905

With a copy to:

City Attorney
City of Salinas
200 Lincoln Avenue
Salinas, California 93901

or to such other place as City may by such similar notice in writing designate.

If to Permittee, the same shall be addressed to:

Monterey County Airshow Association
Attn: Bruce Adams, Executive Director
P.O. Box 1448
Salinas, California 93902

29. LITIGATION INVOLVING PERMIT; ATTORNEY FEES

In case suit shall be brought to interpret or enforce this Permit, or any term of provision contained herein, or because of the breach of any term or provision contained herein, the prevailing party in any such action shall be entitled to recover their reasonable attorneys' fees in addition to such costs as may be allowed by the court. City's attorney's fees, if awarded, shall be calculated at the market rate.

30. RIGHTS AND OBLIGATIONS UNDER PERMIT

This Permit constitutes the entire agreement between the City and Permittee and is the final expression of the City and Permittee with respect to the included terms and conditions, and as a complete and exclusive statement of the terms and conditions. Any prior agreements, premises, negotiations or representations not expressly set forth in this Permit are of no force and effect unless it is in writing and signed by the City and Permittee. By granting this Permit, the City does not intend to create any obligations express or implied other than those set out herein; further, this Permit shall not create any rights in any party not a signatory hereto.

31. SPONSORSHIP

A. Sponsorship Contribution From Airport Enterprise Fund. Pursuant to FAA Policies and Procedures Concerning the Use of Airport Revenue: Federal Register Volume 64, No. 30, February 16, 1999, the City Attorney's Office has determined that it is permissible for the City Council to authorize a sponsorship contribution from the Airport Enterprise Fund to the California International Airshow provided the following criteria are met:

- (1) The contribution must be minimal.
- (2) The contribution must be substantially related to the operation of the Airport.
- (3) The contribution must have the intangible benefit of enhancing the Airport's acceptance in local communities impacted by the Airport.

B. Minimal Contribution. The Airport Commission, Airport Staff and the Aviation Community have accepted the contribution of twenty thousand dollars (\$20,000) as minimal and Staff has budgeted that amount for 2016.

C. Operation of Airport. In order to meet the established criteria that contribution be substantially related to the operation of the Airport the contribution must be used to offset the cost of public safety, including police, fire, and security.

D. Enhancement of Airport Acceptance. To ensure and maximize the enhancement of the Airport's acceptance in the local community the following considerations will be made by the Permittee:

- (1) Space will be provided in the event program or other publication, for the Airport to publish an educational article or be recognized.
- (2) City and or Airport logos will be included on banners and promotional materials similar to that of equal sponsors.

(3) Salinas Owner and Pilots Association shall receive 150 tickets (75 for Saturday and 75 for Sunday) to create fundraising opportunities. The tickets provided for the fundraising opportunities will permit access to a chalet type facility that is fully catered. The funds received for fundraising will be used to benefit the local aviation community.

(4) The Experimental Aircraft Association - Chapter 204 is the Airport's designated charitable organization. The Airshow will provide by December 31, 2016 a transaction record demonstrating the donation has been made to the EAA – Chapter 204.

CITY OF SALINAS

Brett J. Godown, Airport Manager

Date

APPROVED AS TO FORM:

Christopher A. Callihan, City Attorney

Date

MONTEREY COUNTY AIRSHOW ASSOCIATION, INCORPORATED

President

Date

Secretary

Date