

**Chico Airline Revenue Guarantee Fund (RGF)
Partner Agreement Pledge**

DATE:

PARTIES:

("RGF Partner"):

("City"): City of Chico, 411 Main Street, Chico, CA 95928

("RGF Manager"): North Valley Community Foundation. 1811 Concord Ave. Suite 220, Chico, CA 95928

RECITALS:

- A. City is interested in ensuring that the Chico Municipal Airport provides quality air service which is comparable to other markets of the same size.
- B. The City is seeking individuals to participate in an air service support program for an airline (the "Airline") to provide air service (the "Scheduled Service").
- C. North Valley Community Foundation ("RGF Manager") has established the Chico Airline Revenue Guarantee Fund Account ("RGF Account"). In this agreement RGF Partners may pledge to participate in the Chico Airline Revenue Guarantee Fund ("RGF").
- D. The RGF Partner has determined that it would be beneficial to participate in the RGF for the purpose of supporting and using the Airline and will sign this RGF Partner Agreement Pledge and will commit the sum described below ("the Airline Pledge Amount") to make a commitment to the Airline at the time the Airline begins service at the Chico Municipal Airport.
- E. The RGF Partner acknowledges being provided with a copy of this Agreement known as the Chico Airline Revenue Guarantee Fund Partner Agreement Pledge (the "Agreement").

AGREEMENTS:

In consideration of the above Recitals incorporated by this reference herein and the conditions and terms hereof, the parties agree as follows:

- 1.0 Conditions. The contingent obligations of the City under this Agreement are conditioned upon the City obtaining RGF Partner Agreement Pledges from third parties and the City entering into a Minimum Revenue Guarantee Airline Agreement (“MRG Agreement”) on or before January 1, 2026 (the “Service Deadline”). The City represents, warrants, covenants, and agrees that it shall use commercially reasonable efforts to obtain RGF Partner Agreement Pledges prior to the Service Deadline. If the City has not entered an MRG Agreement on or before January 1, 2026 (the “Funding Condition”), then the Agreement shall be terminated. Upon the termination of this Agreement, all obligations of the City and the RGF Partner shall cease, and no party shall have any liability of any nature, known or unknown, suspected, or unsuspected to satisfy any of the obligations arising out of this Agreement.

- 2.0 Funds.

The RGF Partner commits to pay an amount of \$_____ (the “Airline Pledge Amount”) to the RGF Manager in the case an airline (the “Airline”) begins service at the Chico Municipal Airport on or before the Service Deadline. The Payment shall be payable to the RGF Manager by check as a donation for deposit into the RGF Account upon the Funding Condition being met. Payment shall be made prior to the scheduled execution of the MRG Agreement.

The RGF Manager shall send such notice and invoice for payment and the draft MRG Agreement to the RGF Partners when notified by City that City and Airline have fully negotiated and are scheduled to execute the MRG Agreement. The intent of the Parties is to create a ten-day “delay period” between negotiation of the MRG Agreement and execution of the MRG Agreement. The purpose for the delay is for the RGF Manager and RGF Partners to have an opportunity to review the draft MRG Agreement for assurance that the Airline has sufficiently committed to a regularly scheduled service (the “Scheduled Service”) and for the Airline to be assured, prior to execution of the MRG Agreement, that the RGF has been fully funded with Airline Pledge Amounts committed by RGF Partners.

- 3.0 Account. RGF Manager has agreed to hold checks undeposited until the Funding Condition has been timely met. If the Funding Condition has not been timely met, the RGF Manager shall promptly return said checks to the RGF Partners, as described in section 2.0. If the Funding Condition has been met, and all other conditions precedent to initiation of Airline Services have been met, then the RGF Manager shall send notice to the RGF Partner of the executed MRG Agreement and irrevocable deposit of RGF Partner checks.

- 4.0 Term and Termination. The term of this Agreement shall begin on the effective date which is shown on the first page and shall extend to the earlier of the following: (a) two years from the date of initiation of the Scheduled Services, (b) use of the RGF Funds by the Airline in the full amount set forth in Section 2.0 above, or (c) termination of the MRG Agreement. The termination of this Agreement, regardless of how it occurs, will not relieve a party of obligations that have accrued up to the date of termination.

In the event termination of this Agreement occurs due to the completion of two years from the date of initiation of Scheduled Services and RGF monies remain, the RGF Partner shall have the option to maintain their portion of remaining RGF monies in the RGF Account for the purposes of continued and/or additional participation in an air service support program.

- 5.0 Events of Default and Remedy. In the event of any default under this Agreement, the Parties shall have all the rights and remedies provided by law or in equity, including, without limitation, obtaining injunctive relief or other equitable relief to restrain a breach or threatened breach of the Agreement or to enforce this Agreement specifically, without proving that any monetary damages have been sustained. Failure by any party to exercise any right, remedy, or option as provided by law or at equity, or any delay by any party in exercising the same, shall not operate as a waiver of any such right, remedy, or option. No waiver shall be effective unless it is in writing, signed by the party against whom such waiver is sought to be enforced and then only to the extent specifically stated. The rights and remedies of the Parties shall be cumulative and not exclusive of any other right or remedy. Enforcement of any pledged amount is the responsibility of City.

- 6.0 Deposits and Interest. RGF monies shall be deposited in the RGF Account and the holder of that account shall be the RGF Manager. The RGF Account shall not be interest bearing and the RGF Partner shall not be entitled to interest from RGF monies deposited into the RGF Account.

- 7.0 Indemnification of RGF Manager and City. If this Agreement, any matter relating to it or to any Related Agreement becomes the subject of any litigation or controversy, the RGF Partner agrees to hold RGF Manager and City free and harmless from any loss or expense, including attorney fees, that may be suffered by it by reason thereof, except if by reason of RGF Manager's or City's own gross negligence and/or willful misconduct.

The RGF Manager nor City shall not be liable for the sufficiency or correctness as to form, manner, execution, or validity of this Agreement nor as to the identity, authority, or rights of any person executing such instrument, nor for failure to comply with any of the provisions of this Agreement, except for RGF Manager's and/or City's own performance pursuant to this Agreement, or by reason of its own gross negligence and/or willful misconduct. The RGF Manager's duties under this Agreement shall be limited to safe keeping of the RGF, agreements and for delivering them in accordance with this Agreement.

- 8.0 Confidentiality Agreement. The Parties acknowledge and agree that all information related to the Airline, the RGF Manager, the City, this Agreement, and the RGF Partners, including, but not limited to, marketing plans, financial and technical information, trade secrets, know how, ideas, programs, systems, and process is Confidential Information. Each of the Parties agrees that each will hold the Confidential Information in strict confidence and will only use the Confidential Information in connection with the services under this Agreement. Each party agrees that each will not make any disclosure of the Confidential Information, (including methods or concepts utilized in the Confidential Information) to anyone without the express written consent of the party whose information it is, except for employees, contractors, and agents of contractors that have a need to know and are bonded by confidentiality agreements sufficient to protect the Confidential Information as it is necessary to carry out this Agreement. The Parties will take all reasonable steps to ensure the confidentiality of all Confidential Information. The Parties further agree not to use the Confidential Information except for the purposes of this Agreement.
- 8.01 Exceptions. Notwithstanding the other provisions of this Agreement, nothing will be considered to be Confidential Information if: (i) it has been published or it is otherwise readily available to the public other than by a breach of this Agreement; (ii) it has been rightfully received by a party from a third party without confidentiality limitations; (iii) it has been independently developed for a party by personnel or agents having no access to the Confidential Information; or (iv) it is required to be disclosed by order of court or other governmental authority. City may determine in its sole discretion whether disclosure of Confidential Information is required by law.
- 8.02 Remedies. The Parties hereby agree that in the event any party breaches the foregoing confidentiality provisions in any manner, monetary damages would be inadequate as full compensation, and therefore any court of competent jurisdiction may also enjoin either party from disclosing or using the Confidential Information. In such case, the party shall be entitled to reasonable attorney fees in addition to any other amounts awarded as damages.
- 8.03 Survival of Obligations. The obligations concerning confidentiality will survive termination of this Agreement.
- 9.0 No Assignment. No party may assign or delegate any of the party's rights or obligations under this Agreement to any person unless the assignment or delegation is expressly permitted by this Agreement.
- 10.0 Binding Effect. This Agreement will be binding on the Parties and their respective heirs, personal representatives, successors, and permitted assigns, and will inure to their benefit.
- 11.0 Notices. All notice or other communications required or permitted by this Agreement must: 1) be in writing; and 2) be delivered to the parties at the addresses provided in this Agreement, or any other address that a party may designate by notice to the other party;

and are considered delivered: 1) upon actual receipt if delivered personally or by fax, email, or an overnight delivery service; and 2) at the end of the third business day after the date of deposit in the United States Mail, postage pre-paid, certified, return receipt requested.

- 12.0 Waiver. No waiver will be binding on a party unless it is in writing and signed by the party making the waiver. A party's waiver of a breach of a provision of this Agreement will not be a waiver of any other provision or a waiver of a subsequent breach of the same provision.
- 13.0 Severability. If a provision of this Agreement is determined to be unenforceable in any respect, the enforceability of the provision in any other respect and of the remaining provisions of this Agreement will not be impaired.
- 14.0 Further Assurances. The parties will sign other documents and take other actions reasonably necessary to further effect and evidence this Agreement, as long as the terms and provisions of the other documents are fully consistent with the terms of this Agreement.
- 15.0 No Third-Party Beneficiaries. The parties do not intend to confer any right or remedy on any third party.
- 16.0 Survival. All provisions of this Agreement that would reasonably be expected to survive the termination of this Agreement will do so.
- 17.0 Attachments. Any exhibits, schedules, and other attachments referenced in this Agreement are part of this Agreement. In the event of any material discrepancy between the express provisions of this Agreement and the provisions of any exhibit, the provisions of this Agreement shall prevail.
- 18.0 Governing Law and Choice of Forum. This Agreement is construed in accordance with and governed by the laws of the state of California, without giving effect to any conflict-of-law principle of any jurisdiction. Any dispute that arises under or relates to this Agreement shall be resolved in a municipal, superior or federal court with geographic jurisdiction over the City of Chico.
- 19.0 Attorney Fees. If any arbitration or litigation is instituted to interpret, enforce, or rescind this Agreement, including, but not limited to, any proceeding brought under the United States Bankruptcy Code, the prevailing party on a claim will be entitled to recover with respect to the claim, in addition to any other relief awarded, the prevailing party's reasonable attorney's fees, costs, and expenses incurred at arbitration, at trial, on appeal, and on petition for review, as determined by the arbitrator or court.
- 20.0 Entire Agreement. This Agreement contains the entire understanding of the parties regarding the subject matter of this Agreement and supersedes all prior and

contemporaneous negotiations and agreements, whether written or oral, between the Parties with respect to the subject matter of this Agreement.

- 21.0 Signatures. This Agreement may be signed in counterparts. A fax transmission of a signature page will be considered an original signature page. At the request of a party, the other party will confirm a fax-transmitted signature page by delivering an original signature page to the requesting party.
- 22.0 Representation. Each of the Parties hereto acknowledges that each has been represented by counsel or sought such legal advice as each party deemed necessary during the negotiations or the drafting and execution of this Agreement or has waived the same in that each party has totally reviewed this Agreement. The rule of construction of written agreements is construed against the party preparing or drafting such agreements shall specifically not be applicable to the interpretation of this Agreement, or any documents executed and delivered under this Agreement.

IN WITNESS WHEREOF, the parties have set their hands the day and year first above written.

CITY:

Mark Sorensen, City Manager
City of Chico

DATE: _____

RGF PARTNER

[NAME], [TITLE]

DATE: _____

RGF MANAGER

[NAME], [TITLE]

DATE: _____