

Contribution Agreement

This Contribution Agreement (this “**Agreement**”), dated as of _____ (the “**Effective Date**”), is entered into by and between the City and County of San Francisco (“**City**”), acting by and through its Airport Commission (“**Commission**”), and United Airlines, Inc., a Delaware corporation (“**United**”) (collectively, the “**Parties**”), with reference to the following facts.

Recitals

- A. City, acting by and through Commission, owns and operates the San Francisco International Airport (the “**Airport**” or “**SFO**”), which is located in the County of San Mateo, State of California, and the chief executive officer of the Airport is the Airport Director (the “**Director**”).
- B. United leases from City portions of the SuperBay Hangar at Airport Plot 40 pursuant to Lease L04-0058 dated June 1, 2004, as amended (the “**SuperBay Lease**”). United’s leased premises under the SuperBay Lease is comprised of approximately 127,900 square feet of hangar space on the 1st floor and 18.40 acres of land (of which 17.14 acres are used for aircraft parking and 1.26 acres are used for employee parking), and 1.5 acres of land for an equipment wash rack area (which 1.5 acres is used on a non-exclusive basis) (the “**Leased Premises**”).
- C. City intends to implement a project consisting of the design, acquisition, construction, and installation of ten 400 Hz ground power converter units (“**Ground Power Units**”) and ten preconditioned air units (“**PCA Units**”), together with related infrastructure, on Airport property for the purpose of achieving emissions reductions at SFO (the “**Project**”).
- D. City has applied for and received a grant from the Federal Aviation Administration (“**FAA**”) under the Voluntary Airport Low Emission program (the “**VALE Grant**”) to fund approximately \$10.6 million of the costs of acquisition, construction, and installation of five of the Ground Power Units and five of the PCA Units.
- E. The Parties estimate that the cost of the Project will be approximately Twenty-Five Million Dollars (\$25,000,000), but acknowledge that the total cost of the Project, including City’s administrative costs, design fees, and construction costs, may exceed this initial Project estimate due to escalating construction costs at the Airport and other unanticipated factors. City has included the Project in its approved Capital Improvement Plan with a \$25,000,000 budget.
- F. At United’s request, City has agreed to install one Ground Power Unit and one PCA Unit, together with related infrastructure, at five designated aircraft parking locations (40-2, 40-3, 40-4, 40-5, and 41-22) (collectively, the “**Ground Power Systems**”). The designated aircraft parking locations on Plot 40 are within the Leased Premises. Historically, the aircraft parking location designated 41-22 has primarily been used by United. The designated aircraft parking locations are depicted in **Exhibit A**.

G. United has agreed to contribute a portion of City's Project costs related to the Ground Power Systems. The City expects to fund the Project costs in excess of the VALE Grant funds and the funds contributed by United under this Agreement.

H. On _____, by Resolution No. _____, the Commission approved this Agreement.

I. On _____ by Resolution No. _____, the Board of Supervisors approved the Agreement under Section 9.118 of the Charter of the City and County of San Francisco.

In accordance with the recitals above, the Parties agree to the following conditions:

Agreement

1. **Right of Entry.** United grants City a temporary and non-exclusive right for City and its employees, contractors, subcontractors, representatives, agents, or consultants (collectively, "**City's Agents**") to enter upon and use the Leased Premises at all times necessary for the purpose of performing work for the Project. United acknowledges use of the designated locations may be disrupted during work of the Project and agrees not to hinder or unreasonably delay the City's or City's Agents' right of entry or use granted under this Agreement; provided, however, that City and City's Agents will use their commercially reasonable efforts not to disrupt United's operations.

2. **United Contribution.** Within thirty (30) days of the later to occur of: (a) the Airport Commission's award of a construction contract for the Ground Power Systems or (b) the commencement of the term of this Agreement pursuant to Section 9, United shall pay to City a lump sum of Six Million Two Hundred Fifty Thousand Dollars (\$6,250,000), as a contribution toward City's Project costs related to the Ground Power Systems (the "**United Contribution**"). City shall provide an invoice to United for the United Contribution. United shall make payment to City at the office of the Airport Director, or in such alternate manner as City may designate in writing, and in lawful money of the United States, free from all claims, demands, setoffs, or counterclaims of any kind.

3. **Project Design and Modifications.** City and United agree that City has sole discretion regarding all decisions about the scope, schedule, and budget of the Project, and City may modify the Project in its sole discretion at any time. Reasonable requests for modifications by United will be considered by City. Should City reduce the number of the Ground Power Systems, City and United shall agree to a proportionate reduction of the United Contribution, including a total refund of the United Contribution if the Ground Power Systems are excluded from the Project, by entering into a modification to this Agreement pursuant to Section 10 detailing, if necessary, the amount, mechanism, and schedule for any refund to United.

4. **Ownership; Use.** City shall own the Ground Power Systems. United shall use the Ground Power Systems, and only the Ground Power Systems, to power aircraft parked at the locations serviced by the Ground Power Systems, and United shall not power such aircraft with jet fuel unless the Ground Power Systems are unavailable. United shall not remove, move, or transfer the Ground Power Systems or any component of the Ground Power Systems

from their initial respective locations without the City's prior written consent. The Ground Power Systems will be individually metered. United shall be responsible for and shall pay all utility costs associated with such Ground Power Systems within the Leased Premises and such Ground Power Systems at the aircraft parking location designated 41-22 in accordance with Section 8.2 of the SuperBay Lease. In the event United ceases to be the exclusive user of the Ground Power Systems at the aircraft parking location designated 41-22, then United shall pay for its share of the use of such Ground Power Systems as reasonably determined by the Director.

5. Maintenance. United shall assume maintenance obligations for the Ground Power Units and PCA Units at the aircraft parking locations within the Leased Premises. United shall perform such maintenance in conformance with all manufacturer specifications and warranty conditions pursuant to Section 9.2 and Exhibit B of the SuperBay Lease. City shall provide standard project records, including operation and maintenance manuals and warranties, to support United's maintenance obligations. City shall assume maintenance obligations for the Ground Power Unit and PCA Unit at the aircraft parking location designated 41-22.

6. Power Load Shedding. Power for all Ground Power Systems will be supplied through Substation AR, which also supplies power to the SuperBay Hangar fire suppression system. United acknowledges that each engagement of the fire suppression system, including for inspections, will require power to be diverted from the Ground Power Systems, making them unavailable. City shall coordinate scheduled inspections of the fire suppression system, which are anticipated to be monthly and annually, with United. City shall provide no less than three (3) business days' prior advance notice of scheduled inspections or other scheduled tests that are expected to divert power from the Ground Power Systems. City shall not be liable to United for any consequential, incidental, or special damages, or lost revenues or lost profits in the event of power load shedding from the Ground Power Systems.

7. Access; Information Reporting. United shall provide City with access to the Ground Power Systems at the aircraft parking locations within the Leased Premises in accordance with Section 3.5 of the SuperBay Lease at least annually and upon reasonable request by the City. In order for the City to comply with requirements of the VALE Grant, including earning emissions credits from the applicable air quality agency, United shall provide to the City from time to time, at least annually, and upon request by the City, information regarding the Ground Power Systems and United's usage of the Ground Power Systems, including without limitation United's maintenance records for the installed Ground Power Systems, a log of the aircraft type(s) using the Ground Power Systems, and the number of hours that the Ground Power Systems are used. For reference, the format of the VALE Grant report the City will submit periodically to FAA is attached hereto as Exhibit B. United shall notify City within five (5) business days of any request for warranty repair and/or in the event any aspect of the Ground Power Systems is offline, unavailable, disabled, or seriously damaged.

8. Waiver. United waives its rights to recover from and forever releases and discharges City and City's Agents from any and all losses, liabilities, judgments, suits, claims, damages, costs and expenses (including reasonable attorneys' fees, investigation costs, remediation costs, and court costs) of any kind or nature, that may arise on account of or in any way be connected with the Project, except if caused solely and directly by the active negligence or

willful misconduct of City or a City Agent, but City shall not be liable under any circumstances for any consequential, incidental, or punitive damages.

9. Term; Termination. The term of this Agreement shall commence on the date it has been fully executed by City and United and expire on the earliest to occur of: (a) the end date of the twenty-year useful life of the Ground Power Units and PCA Units, as determined by City, (b) the termination of both the SuperBay Lease and any successor lease to United of leased premises that includes any of the aircraft parking locations where the Ground Power Units and PCA Units are located, or (c) cancellation of the Project and termination by the City as further provided in this Section 9. Without limiting City's rights under Section 3, City shall have the right to cancel the Project and terminate this Agreement upon notice to United, and upon such termination, the rights and obligations of the Parties under this Agreement shall terminate. In the event such termination occurs after receipt of United's Contribution and prior to completion of the Project, City shall refund to United the entire amount of the United Contribution. If termination occurs after City has commenced work on the Leased Premises, City will restore the Leased Premises to its prior condition.

10. Entire Agreement. This Agreement contains the entire agreement between the Parties with respect to the matters referred to in this Agreement. This Agreement supersedes all prior drafts, negotiations and communications associated with it. This Agreement may not be amended, modified, changed, supplemented, or terminated, nor may any of the obligations hereunder be waived, except by written instrument signed by City and United. The Parties acknowledge and agree that this Agreement is consistent with the terms of the SuperBay Lease and that nothing in this Agreement constitutes a waiver of any of the Parties' obligations under the SuperBay Lease. This Agreement is limited to its specific purpose and shall not constitute a modification to or an amendment of the SuperBay Lease.

11. Attorneys' Fees. In the event that either City or United fails to perform any of its obligations under this Agreement or in the event a dispute arises concerning the meaning or interpretation of any provision of this Agreement, the defaulting party or the party not prevailing in such dispute, as the case may be, shall pay any and all costs and expenses incurred by the other party in enforcing or establishing its rights hereunder (whether or not such action is prosecuted to judgment), including, without limitation, court costs and reasonable attorneys' fees. For purposes of this Agreement, reasonable fees of attorneys of City's Office of the City Attorney shall be based on the fees regularly charged by private attorneys with the equivalent number of years of experience in the subject matter area of the law for which the City Attorney services were rendered who practice in the City of San Francisco in law firms with approximately the same number of attorneys as employed by the Office of the City Attorney.

12. No Third-Party Beneficiaries. This Agreement is for the sole benefit of the Parties and no other person or entity shall be entitled to rely upon or receive any benefit from this Agreement.

13. Governing Law; Venue. The formation, interpretation, and performance of this Agreement shall be governed by the laws of the State of California. Venue for all litigation relative to the formation, interpretation, and performance of this Agreement shall be in San Francisco.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the Effective Date.

UNITED AIRLINES, INC.,
a Delaware corporation

By: 
Name: Pranav Trivedi
Title: Managing Director- Airport Affairs
Corporate Real Estate

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation, acting by and through its
Airport Commission

By: _____
Ivar C. Satero
Airport Director

AUTHORIZED BY
AIRPORT COMMISSION

Resolution No.: _____

Adopted: _____, 2018

Attest: _____
Secretary
Airport Commission

APPROVED AS TO FORM:
DENNIS J. HERRERA
City Attorney

By: _____
Deputy City Attorney

Exhibit A

Project Parking Locations

Yellow Locations will receive VALE grant funding



November 2, 2017

Sample Exhibit B



**FAA Voluntary Airport Low Emission Program
PAGE 1. TRACKING FORMS - GENERAL INFORMATION**

Airport Name:	_____	3-Letter Airport ID:	_____
Contact Person:	_____	Calendar Year:	_____
Mailing Address:	_____	Phone:	_____
Email Address:	_____	Fax:	_____

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DESCRIPTION OF TRACKING WORKSHEETS
The FAA provides these VALE project tracking worksheets to help sponsors monitor the emissions performance of VALE projects. This tracking format is provided to assist the sponsor in complying with the tracking conditions of the VALE Program. Using this format is not required. Sponsors are encouraged to use whatever system works best to track VALE vehicles and equipment.

Following a calendar year of operations, the sponsor should complete these forms, or ones similar, and keep them on file for purposes of updating reports to the State air quality agency for AERCs, facilitating FAA review, and providing information to the public upon request.

PAGE 1 - General Information
This sheet should be updated as needed to reflect changes in contact information.

PAGE 2 - Vehicle Tracking
Annual operational data and maintenance costs should be kept for each VALE-funded vehicle. Copies of PAGE 2 should be made as necessary. The annual emissions should be calculated for each VALE-funded vehicle and recorded in the lower right corner. This information, as well as supporting EDMS documentation, will need to be communicated to the State air quality agency for AERC issuance and use.

PAGE 3 - Infrastructure Tracking
Annual operating data and maintenance costs should be kept for VALE-funded infrastructure.

PAGE 4- Emissions Tracking Worksheet
Total project emissions (vehicles + infrastructure use) should be calculated on an annual basis. Total emissions should be entered into the "project" columns. The baseline emissions should be identical or consistent with what was calculated in the initial project application. Emission reductions (ERs) for each project year are automatically calculated as the difference between "baseline" and "project." A running cumulative emissions reduction will automatically appear at the top of the page.

The total number of years for the project is equal to the useful life for individual VALE vehicles and equipment or to a longer period up to the typical 20-year life of AERCs.



PAGE 2. INDIVIDUAL VEHICLE INFORMATION

(Repeat the completion of this sheet for each VALE vehicle)

Calendar Year: _____

Vehicle Identification

Vehicle Airport
Deployment Date: _____

Make, Model, & Model Year:

Vehicle Owner: _____ Hp: _____

VIN or Serial Number:

Vehicle Class Information

Ground Support Equipment (GSE)
nonroad, unlicensed
<OR>

Ground Access Vehicle (GAV)
licensed for onroad use

Vehicle leased to a Tenant (Y/N)?
If yes, to whom? _____

Alternative Fuel Type (check one)

Electric

CNG (compressed natural gas)

LNG (liquefied natural gas)

LPG (liquefied petroleum gas/propane)

Hybrid Technology

Hydrogen (Fuel Cell)

Ethanol 85

Methanol 85

Coal-derived liquid fuels

Biodiesel (85-100%)

Retrofit/Rebuild

Other _____

Program ID Information

Unique Airport Vehicle ID:

License Plate (if applicable):

Does vehicle have
required VALE Program
label affixed (Y/N)?

Annual Vehicle Usage

Avg. Useful Life (years):¹ _____

Original Vehicle Purchase Price: _____

For this calendar year, complete all that apply:

Miles traveled: _____

Hours operated: _____

Annual Fuel Use: _____

Fuel use units: _____

Airport Vehicle Type (choose only one vehicle type per worksheet)

<input type="checkbox"/> Air Conditioning Unit <input type="checkbox"/> Baggage Tug <input type="checkbox"/> Belt Loader <input type="checkbox"/> Cargo Loader <input type="checkbox"/> Cargo Tractor <input type="checkbox"/> Catering Truck <input type="checkbox"/> Deicer Truck <input type="checkbox"/> Fork Lift	<input type="checkbox"/> Fuel Truck <input type="checkbox"/> Generator <input type="checkbox"/> Ground Power Unit <input type="checkbox"/> Fire Truck <input type="checkbox"/> Lavatory Truck <input type="checkbox"/> Pushback Tractor <input type="checkbox"/> Sweeper <input type="checkbox"/> Sport Utility Vehicle (SUV)	<input type="checkbox"/> Passenger Car <input type="checkbox"/> Passenger Van <input type="checkbox"/> Service Van <input type="checkbox"/> Pickup Truck <input type="checkbox"/> 22' Shuttle <input type="checkbox"/> 30-35' Bus <input type="checkbox"/> 40' Bus <input type="checkbox"/> Other _____
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Maintenance Records

	Description of Maintenance	Service Date	Maintenance Cost (\$)
1			
2			
3			
4			
5			
6			
7			
8			
		\$	-

Annual Emissions Summary

Calculate annual emission based on the operating parameters of the vehicle(s) listed on this worksheet.

Pollutant	Annual Emissions (tons per year)
NOx	
VOC	
CO	
PM10	
PM2.5	
SOx	

Repeat this page as needed for each VALE vehicle type.
1/ Refer to Tables 7-1 and 8-1 in the VALE program Technical Report.



PAGE 3. VALE INFRASTRUCTURE TRACKING SHEET

Calendar Year: _____

Low Emissions Infrastructure Technology or Equipment Units									
	Description of Low Emission Infrastructure	Start-up Date	Estimated Operating Life (years)	No. of Units	Original Purchase Price	Does equipment have required VALE label affixed ? (Y/N)	Fuel Throughput (if applicable)	Maintenance Description	Maintenance Cost (\$)
1									
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									
Totals:					\$0.00		0.00		\$0.00

Repeat this page as needed.

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PAGE 4. VALE EMISSION REDUCTIONS (ER) TRACKING WORKSHEET

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Project Cumulative Emission Reductions Summary					
NOx	VOC	CO	PM10	PM2.5	SOx
0.0	0.0	0.0	0.0	0.0	0.0

All values are in tons per year

	Project Year #1			Project Year #2			Project Year #3			Project Year #4			Project Year #5		
	Baseline	Project	ER	Baseline	Project	ER	Baseline	Project	ER	Baseline	Project	ER	Baseline	Project	ER
NOx			0.0			0.0			0.0			0.0			0.0
VOC			0.0			0.0			0.0			0.0			0.0
CO			0.0			0.0			0.0			0.0			0.0
PM10			0.0			0.0			0.0			0.0			0.0
PM2.5			0.0			0.0			0.0			0.0			0.0
SOx			0.0			0.0			0.0			0.0			0.0

	Project Year #6			Project Year #7			Project Year #8			Project Year #9			Project Year #10		
	Baseline	Project	ER	Baseline	Project	ER	Baseline	Project	ER	Baseline	Project	ER	Baseline	Project	ER
NOx			0.0			0.0			0.0			0.0			0.0
VOC			0.0			0.0			0.0			0.0			0.0
CO			0.0			0.0			0.0			0.0			0.0
PM10			0.0			0.0			0.0			0.0			0.0
PM2.5			0.0			0.0			0.0			0.0			0.0
SOx			0.0			0.0			0.0			0.0			0.0

	Project Year #11			Project Year #12			Project Year #13			Project Year #14			Project Year #15		
	Baseline	Project	ER	Baseline	Project	ER	Baseline	Project	ER	Baseline	Project	ER	Baseline	Project	ER
NOx			0.0			0.0			0.0			0.0			0.0
VOC			0.0			0.0			0.0			0.0			0.0
CO			0.0			0.0			0.0			0.0			0.0
PM10			0.0			0.0			0.0			0.0			0.0
PM2.5			0.0			0.0			0.0			0.0			0.0
SOx			0.0			0.0			0.0			0.0			0.0

	Project Year #16			Project Year #17			Project Year #18			Project Year #19			Project Year #20		
	Baseline	Project	ER	Baseline	Project	ER	Baseline	Project	ER	Baseline	Project	ER	Baseline	Project	ER
NOx			0.0			0.0			0.0			0.0			0.0
VOC			0.0			0.0			0.0			0.0			0.0
CO			0.0			0.0			0.0			0.0			0.0
PM10			0.0			0.0			0.0			0.0			0.0
PM2.5			0.0			0.0			0.0			0.0			0.0
SOx			0.0			0.0			0.0			0.0			0.0