

*Final Draft 9.6.2024*

**EXHIBIT J**

**AFFILIATE OPERATING AGREEMENT**

**SAN ANTONIO INTERNATIONAL AIRPORT  
AFFILIATE OPERATING AGREEMENT**

**PREAMBLE**

This AFFILIATE OPERATING AGREEMENT (“*Agreement*”) between the City of San Antonio (the “*City*”) and \_\_\_\_\_ (“*Affiliate*”) grants to Affiliate certain rights to use facilities to conduct its Air Transportation Business at the San Antonio International Airport (the “*Airport*”) as an Affiliate of \_\_\_\_\_ (“*Airline*”), a Signatory Airline operating under the San Antonio Airport Airline Operating Agreement and Terminal Building Lease with the City effective October 1, 2024 (the “*Signatory Airline Agreement*”).

The Signatory Airline Agreement gives such Signatory Airline the opportunity to designate one or more Affiliates if certain conditions are met. The intent of this Agreement is to adopt by reference various specified provisions of the Signatory Airline Agreement, and make them applicable to Affiliate. If a provision of the Signatory Airline Agreement is not specified below, it shall not apply to Affiliate. In consideration of these benefits, Affiliate agrees to abide by all of the terms and conditions of this Agreement.

**ARTICLE 1  
DEFINITIONS; INTERPRETATION**

Section 1.1 Definitions.

All capitalized terms used in this Agreement, if not defined within this Agreement, shall have the meanings specified in Article 1, “Definitions; Interpretation,” of the Signatory Airline Agreement or where the context clearly indicates otherwise.

Section 1.2 Cross-References.

All references to articles, sections, and exhibits in this Agreement pertain to material in this Agreement, unless specifically noted otherwise.

Section 1.3 Interpretation.

Words used in this Agreement in the present tense include the future as well as the present. Words used in the masculine gender include the feminine and neuter. The singular number includes the plural and the plural includes the singular. The word “person” means a business or corporation as well as a natural person. All references in the text of this Agreement to articles, sections, and exhibits pertain to articles, sections, and exhibits of this Agreement, unless otherwise specified.

## ARTICLE 2 TERM

### Section 2.1 Effective Date.

This Agreement shall take effect as of the date specified in the “Affiliate Designation Form” attached as **Attachment 1**<sup>1</sup> and made a part hereof (“*Effective Date*”).

### Section 2.2 Termination Date.

This Agreement shall terminate as of the earliest of: (i) the expiration or earlier termination of the Signatory Airline Agreement; (ii) the termination date of this Agreement due to default as provided in ARTICLE 16 herein; (iii) the effective date of Airline’s termination of Affiliate’s status as an Affiliate of Airline, provided that Airline has provided at least thirty (30) days’ prior written notice to the City of such termination; or (iv) the date upon which Affiliate itself becomes a Signatory Airline by meeting the requirements of and executing the Signatory Airline Use and Lease Agreement.

### Section 2.3 Prior Agreement.

On the Effective Date, any Prior Use and Lease Agreement between the City and Airline shall terminate without further action required by either the City or Affiliate, provided that the termination of such prior agreement shall not be construed as a waiver, relinquishment, or release of any claims, damages, liability, rights of action, or causes of action that either of the parties hereto may have against the other under such prior agreement and that have accrued before the Effective Date of this Agreement. Affiliate’s liability that survives the termination of the prior agreement shall not be terminated by the execution of this Agreement.

## ARTICLE 3 USE OF AIRLINE PREMISES

Affiliate shall have the same rights to use Airline’s Airline Premises, as designated and described in Article 3, “Airline Premises,” of the Signatory Airline Agreement, subject to the requirements for Affiliates in Section 4.5, “Designation and Use of Affiliates,” of the Signatory Airline Agreement, at times and locations within the Airline Premises specified by Airline, and shall be bound by and subject to the same accommodation, reassignment, and other provisions in Article 3, “Airline Premises,” of the Signatory Airline Agreement that may affect Airline’s rights to and use of the Airline Premises.

## ARTICLE 4 USE OF THE AIRPORT

For the operation of Affiliate’s Air Transportation Business as an Affiliate of Airline, Affiliate shall have the same rights of use as Airline under Article 4, “Use of the Airport,” of the

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<sup>1</sup> **Attachment 1** shall be a copy of the “Affiliate Designation Form” provided to the City by Airline pursuant to Section 4.5, “Designation and Use of Affiliates,” in the Signatory Airline Agreement.

Signatory Airline Agreement and shall be subject to the same exclusions and conditions applicable to Airline under such Article of the Signatory Airline Agreement.

**ARTICLE 5  
AIRLINE RENTALS, FEES, AND CHARGES**

Rentals, fees, and charges due to the City for Affiliate’s use of the Airline Premises, facilities, rights, and privileges granted hereunder as an Affiliate of Airline shall be calculated in accordance with Article 5, “Airline Rentals, Fees, and Charges,” of the Signatory Airline Agreement and Article 6, “Calculation of Airline Rentals, Fees, and Charges,” in the Signatory Airline Agreement; provided, however, that Affiliate’s activity as an Affiliate of Airline shall be treated as activity of Airline. Affiliate shall be subject to and bound by the PFC requirements in Section 5.17, “Passenger Facility Charges,” of the Signatory Airline Agreement. Payment of such rentals, fees, and charges and collection and payment of PFCs to the City shall be submitted to the City by Affiliate or Airline, whichever is designated as responsible for such submission in **Attachment 1** herein. Affiliate or Airline, whichever is designated accordingly in **Attachment 1** herein, shall be responsible for compliance with the provisions of Section 5.16, “Performance Guarantee,” of the Signatory Airline Agreement.

**ARTICLE 6  
[RESERVED]**

**ARTICLE 7  
AIRLINE ACTIVITY REPORTS**

Monthly activity reports detailing Affiliate’s use of any Airport facilities or services as an Affiliate of Airline shall be prepared by Affiliate or Airline and submitted to the City by Affiliate or Airline on behalf of Affiliate, whichever is designated as responsible for such submission in **Attachment 1** herein, in accordance with Article 7, “Airline Activity Reports,” of the Signatory Airline Agreement.

**ARTICLE 8  
CAPITAL IMPROVEMENTS**

Article 8, “Capital Improvements,” of the Signatory Airline Agreement shall not apply to Affiliate.

**ARTICLE 9  
BOND ORDINANCE SUBORDINATION**

Section 9.1 Subordination to Bond Ordinance.

(a) This Agreement and all rights of Affiliate hereunder are expressly subordinated and subject to the lien and provisions of any pledge, transfer, hypothecation, or assignment made (at any time) by the City to secure Airport Bond financing. This Agreement is subject and subordinate to the terms, covenants, and conditions of the Bond Ordinance authorizing the issuance of Airport Bonds by the City of San Antonio. The City may amend or modify the Bond Ordinance or make any change thereto that does not materially adversely affect Affiliate’s rights under this Agreement.

Conflicts between this Agreement and the Bond Ordinance shall be resolved in favor of the Bond Ordinance.

Section 9.2 All definitional terms that are not specifically defined herein are to have the meanings set forth in the Bond Ordinance.

**ARTICLE 10  
MAINTENANCE AND OPERATING RESPONSIBILITIES**

Affiliate shall conduct its Air Transportation Business as an Affiliate of Airline in a manner consistent with Airline’s obligations under Article 10, “Maintenance and Operating Responsibilities,” of the Signatory Airline Agreement.

**ARTICLE 11  
[RESERVED]**

**ARTICLE 12  
[RESERVED]**

**ARTICLE 13  
INSURANCE AND INDEMNIFICATION**

Affiliate shall be subject to and bound by Article 13, “Insurance and Indemnification,” of the Signatory Airline Agreement.

**ARTICLE 14  
COMPLIANCE WITH LAWS**

Affiliate shall be subject to and bound by Article 14, “Compliance with Laws,” of the Signatory Airline Agreement.

**ARTICLE 15  
ENVIRONMENTAL PROVISIONS**

Affiliate shall be subject to and bound by Article 15, “Environmental Provisions,” of the Signatory Airline Agreement, including without limitation the same obligation to indemnify the City as provided in Section 13.2, “Indemnification,” of the Signatory Airline Agreement.

**ARTICLE 16  
TERMINATION**

Affiliate shall be subject to and bound by Article 16, “Termination,” of the Signatory Airline Agreement.

**ARTICLE 17  
ASSIGNMENT AND SUBLETTING**

Article 17, "Assignment, Subletting, and Transfer," of the Signatory Airline Agreement shall not apply to Affiliate. Affiliate shall have no right to assign or transfer this Agreement or sublet the whole or any portion of the Airline Premises leased or assigned to Airline.

**ARTICLE 18  
MISCELLANEOUS PROVISIONS**

Affiliate shall be subject to and bound by Article 18, "Miscellaneous Provisions," of the Signatory Airline Agreement, including without limitation the audit provisions in Section 18.22, "Right to Audit Books and Records," and Section 18.5, "Notices," of the Signatory Airline Agreement, for purposes of which the following contact information shall be used for Affiliate:

Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Address: \_\_\_\_\_  
Email Address: \_\_\_\_\_

[Signature Page(s) to Follow]

**IN WITNESS WHEREOF, the parties hereto have subscribed their names the day and year first above written.**

CITY OF SAN ANTONIO, TEXAS:

\_\_\_\_\_  
Erik Walsh  
City Manager

Approved as to form:

\_\_\_\_\_  
City Attorney

AFFILIATE:

\_\_\_\_\_  
By:

Title:

Notary of Affiliate Signature:

\_\_\_\_\_  
STATE OF \_\_\_\_\_ COUNTY OF \_\_\_\_\_

SIGNED IN BEFORE ME THIS \_\_\_\_\_ DAY OF \_\_\_\_\_ 2024

**ATTACHMENT 1**

**AFFILIATE DESIGNATION FORM**