



CITY OF LONG BEACH

LONG BEACH AIRPORT

4100 East Donald Douglas Drive • Long Beach, CA 90808 • (562) 570-2619 • Fax (562) 570-2801

July 13, 2016

VIA E-MAIL AND U.S. MAIL

Barry S. Brown
Associate General Counsel
Operations & Environment
Southwest Airlines Co.
P.O. Box 36611
HDQ/AGC
Dallas, Texas 75235-1611

Dear Mr. Brown:

I am writing in response to your letter dated July 1 2016, on behalf of Southwest Airlines Co. (Southwest), requesting the temporary use of airline slots as allowed under the provisions of the City of Long Beach Flight Allocation Procedures Resolution C-28465 (Flight Resolution). As you know, the Flight Resolution provides for a process by which airline slots allocated to a particular carrier and not fully utilized by that carrier (Unused Flights), may be temporarily used by another carrier under the following conditions:

- 1) Under no circumstances can said slot utilization cause the maximum daily air carrier slot use to exceed the activity level provided in Chapter 16.43 of the Long Beach Municipal Code (LBMC);
- 2) The temporary allocation of Unused Flights must be returned to the City within thirty (30) days of notification by the City, which shall be based on information received from the air carrier designated as the original slot holder;
- 3) The City shall base allocation determinations on the information provided by air carriers in the one-hundred and eighty (180) day look-ahead schedules provided to the City;
- 4) Temporary use of Unused Flights shall fully conform to the provisions of Chapter 16.43 LBMC;
- 5) Non-conformance with any of the above-noted conditions may be cause for the City to immediately withdraw permission to use the temporarily allocated Unused Flights;

- 6) This allocation of Unused Flights is for use only during the allocation period set forth in this letter and all rights to operate at Long Beach Airport under the authority of these allocations will expire completely, and without further action of the Airport on the specific allocation termination date. None of the allocation of Unused Flights will or may be carried forward beyond the specific allocation termination date. This allocation is not transferable and no property rights are created by virtue of this allocation;
- 7) This allocation of Unused Flights may be withdrawn at any time pursuant to the provisions of Section 9(A) and 9(D) of the Flight Resolution by thirty (30) days written notice from the Airport Director to Southwest (termination notice);
- 8) A termination notice may require that: (i) Southwest cease all operations conducted by it pursuant to this Unused Flight allocation on the date specified by the written notice, which shall be not less than thirty (30) days after the date of the notice; (ii) that all remaining Unused Flights, then allocated to Southwest shall terminate as of the date specified in the termination notice, and shall not be available for use by Southwest; and (iii) that upon receipt of any termination notice given under this paragraph, Southwest will promptly take reasonable steps to advise passengers with reservations on flights cancelled by Southwest as a result of the termination notice of the fact that the flight has been cancelled, and that Southwest take reasonable steps to assist any such persons with alternative flight arrangements;
- 9) Southwest agrees that the Airport shall have no liability of any nature, or in any form, to Southwest for any costs, expenses, harm, damages, or other claims which Southwest might otherwise have against the Airport, or which Southwest might incur, in respect of, or arising from, this allocation of Unused Flights, and any capacity withdrawal given under this paragraph and pursuant to Section 9 of the Flight Resolution ; and
- 10) Southwest agrees to abide by all provisions of Flight Resolution No. C-28465, Chapter 16.43 LBMC, its Certificated Passenger Airline Commercial Use Permit and its Non-exclusive Aircraft Bar and Turboway Ramps Use Agreement (Leases) with the Airport, and all policies of the Airport and the City of Long Beach, as pertinent to its operations at Long Beach Airport.

Per your letter dated July 1, 2016, and our subsequent conversations, Southwest has requested the use of three (3) Unused Flights for the period commencing on or about September 18, 2016 through December 31, 2016 to be operated daily, subject to minor schedule modifications, as follows:

September 18, 2016 – November 4, 2016

LGB – LAS	Inbound aircraft: 0920; Departure: 0950	Sunday – Friday
LGB – LAS	Inbound aircraft: 1310; Departure: 1340	Sunday – Friday
LGB – LAS	Inbound aircraft: 1735; Departure: 1805	Sunday – Friday

November 5, 2016 – December 31, 2016

LGB – LAS	Inbound aircraft: 0940; Departure: 1010	Sunday – Friday
LGB – LAS	Inbound aircraft: 1315; Departure: 1345	Sunday – Friday
LGB – LAS	Inbound aircraft: 1735; Departure: 1805	Sunday – Friday

September 18, 2016 – November 5, 2016

LGB – LAS	Inbound aircraft: 0925; Departure: 1000	Saturday
LGB – LAS	Inbound aircraft: 1245; Departure: 1315	Saturday
LGB – LAS	Inbound aircraft: 1610; Departure: 1640	Saturday

November 6, 2016 – December 31, 2016

LGB – LAS	Inbound aircraft: 0945; Departure: 1015	Saturday
LGB – LAS	Inbound aircraft: 1310; Departure: 1340	Saturday
LGB – LAS	Inbound aircraft: 1630; Departure: 1700	Saturday

Based on the information provided and our recent discussions, it is our understanding that these flights will be operated with your existing aircraft types. Please let us know immediately if this understanding is not correct or accurate.

Based on the information provided by the air carriers currently operating at the Airport, including Southwest, the Airport can accommodate Southwest's request for the temporary allocation of Unused Flights for the one-hundred and five (105) day period beginning on September 18 through December 31, 2016, as follows:

- Three (3) Unused Flights shall be allocated for use Sunday through Friday
- Two (2) Unused Flights shall be allocated for use Saturday

Continued use of the Unused Flights beyond the temporary allocation period is subject to their continued availability based on information received on a monthly basis from the air carriers on their respective one-hundred and eighty (180) day look-ahead schedules, which are due on or before the first of each month.

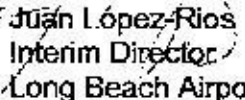
This allocation of Unused Flights is being made by the Airport in consideration of Southwest's agreement that the numbered paragraphs of this letter shall be deemed to constitute an addendum to Southwest's Leases with the Airport, and that violation by

Barry S. Brown
July 13, 2016
Page 4

Southwest of any of the conditions in the numbered paragraphs in this letter may be deemed by the Airport to be a material breach of those Leases.

Please acknowledge agreement with these conditions by signing below and returning a copy of this letter of agreement to me via email at Juan.Lopez-Rios@longbeach.gov. Upon confirmation or receipt, use of temporarily allocated Unused Flights shall become effective upon completion of the performance bonding and other requirements of the Flight Resolution.

Sincerely,


Juan Lopez-Rios
Interim Director
Long Beach Airport

Enclosures: Flight Allocation Resolution No. C-28465
Noise Compatibility Ordinance No. C-7320

cc: Patrick H. West, City Manager
Tom Modica, Assistant City Manager
Michael J. Mais, Assistant City Attorney
Claudia Lewis, Manager, Long Beach Airport
Steve Hubbell, Southwest Airlines
Larry Pitts, Southwest Airlines

ACKNOWLEDGED:

Barry S. Brown
Associate General Counsel
Southwest Airlines Co.

Date