

Request for Proposals

AERONAUTICAL LAND FOR LEASE
(HANGAR SITE)



Felts Field Airport
Spokane, Washington

Issued By:

Spokane Airport Board
9000 W. Airport Drive, Suite 204
Spokane, WA 99224

June 18, 2017



INTRODUCTION AND GENERAL INFORMATION

The Spokane Airport Board (hereinafter “Board”) is issuing this Request for Proposals (“RFP”) for qualified parties (“Proposers”) interested in leasing a parcel of land for the construction of an aircraft storage hangar at Felts Field Airport.

This document outlines the prerequisites, selection process and documentation necessary to submit a proposal for the lease of the designated parcel of land. Negligence or omission on the part of the Proposer in preparing any portion of the proposal confers no right to withdraw or make changes, additions, or deletions to the proposal after the proposal submission deadline.

0.0 GENERAL REQUIREMENTS

01. **Sealed Proposals:** Sealed proposals, one (1) original (un-bound), four (4) copies and one (1) copy in acrobat/pdf format, shall be submitted **by 10:00 a.m. DST on July 6, 2017 and delivered to:**

Spokane International Airport
“Request for Proposals – Aeronautical Land for Lease”
9000 West Airport Drive, Suite 204
Spokane, Washington 99224

Any proposal received after 10:00 a.m. DST, July 6, 2017 shall be deemed late and non-responsive and shall be returned unopened to the Proposer.

All proposals will be date and time stamped upon receipt by Airport staff and shall be opened after 10:00 a.m. DST, July 6, 2017. All documents must be submitted in a sealed envelope that is clearly marked: “Request for Proposals – Aeronautical Land for Lease”. It will be the sole responsibility of Proposers to ensure proposals are delivered to Spokane International Airport by the appointed date and time. The Airport will not be liable for delays in delivery of proposals due to handling by the U.S. Postal Service, courier services, overnight carriers, or any other type of delivery service. Late proposals will be returned to the Proposer unopened. All responsive proposals become the property of the Airport and must be provided without cost to the Airport.

There will be no “formal” proposal opening for this RFP. Proposals will be opened and evaluated, after the published proposal deadline stated above, at the Spokane International Airport Administration office, Suite 204, Spokane, Washington 99224.

Further, each Proposer agrees that all information, data, documentation and material submitted or provided by the Proposer shall become the property of the Airport and it shall not be returned to the Proposer. All information, data, documentation and material submitted shall be considered public information and will be made available for inspection in accordance with Chapter 42.56 RCW. Any proprietary information, data, documentation and material that the Proposer wishes to remain confidential (to the extent allowed under the laws of the State of Washington) should be clearly identified as such in the proposal and the Proposer must provide justification for such a request.



Request for Proposals – Aeronautical Land for Lease

The Airport reserves the right to reject any and all proposals, to waive minor informalities and irregularities in the proposal submission process, to request additional information and data from any or all proposers, to supplement, amend or otherwise modify the RFP prior to the closing date and time, to cancel this request with or without the substitution of another RFP, to reissue the RFP, or to accept a proposal which is considered to be in the best interest of the Airport.

Upon selection of a successful Proposer (hereafter referred to as “Lessee”), the Agreement to be executed shall be in the form of the attached Sample Land Lease Agreement (Exhibit D). This RFP, any addenda thereto and the successful Proposer’s proposal shall be incorporated in and become a part of the final Land Lease Agreement (“Agreement”).

By submittal of a proposal pursuant to this RFP, the Proposer certifies that no fee or commission, or any other thing of value, has been paid or agreed to be paid to any employee, agent, representative or official in order to procure the Agreement described in this RFP.

By submitting a proposal, each Proposer agrees that the proposal represents a firm offer to the Airport and that such offer shall remain open for acceptance until the Agreement is executed by the Airport or for a period of no less than ninety (90) days from the date submitted, whichever occurs first.

Written proposals must include sufficient information to evaluate the following criteria:

- Proposer’s commitment to complete construction within the specified timeline
- Evidence of financial stability
- Proposer’s use of property – Personal Aircraft Storage or Commercial Aeronautical Activity
- Ability to satisfactorily comply with the Felts Field Covenants, Conditions & Restrictions (CC & R’s) (Exhibit F) and the Minimum Standards for Commercial Aeronautical Activities and Aircraft Fueling on Felts Field Airport (Minimum Standards) (Exhibit E) (if applicable)
- Proposed fee(s) as provided by Proposer
- Ability of Proposer to meet Airport’s minimum insurance requirements

0.2 Withdrawal of Proposal: No proposal may be withdrawn after it has been submitted to the Airport unless the Proposer makes a request for withdrawal in writing and the request is received by the Airport prior to the proposal submission deadline (10:00 a.m. (DST) July 6, 2017). No proposal may be withdrawn after the proposal submission deadline (10:00 a.m. (DST) July 6, 2017) for a period of ninety (90) days.

0.3 Equal Employment Opportunity: Spokane Airport is an Equal Employment Opportunity (EEO) organization, which does not discriminate on the basis of race, religion, color, sex, age, marital status, national origin, sexual orientation, or the presence of any sensory, mental or physical disability in consideration of a contract award. The successful Proposer will be required to comply with all federal, state, and local laws and regulations.

0.4 Prohibition Against Lobbying: The Proposer shall not lobby, either on an individual or collective basis, the Airport (its associated City and County employees, or outside advisors) or any federal, state, or local elected or public officials or staff regarding this RFP or its written proposal. Proposers, the Proposer’s acquaintances, friends, family, outside advisors, agents, or other representatives shall not contact the Airport (its associated City and County employees, or outside



Request for Proposals – Aeronautical Land for Lease

advisors) or any federal, state, or local elected or public officials or Airport staff to arrange meetings, visits, or presentations to influence the outcome of the selection process. Violation of this provision, by or on behalf of a Proposer, intentionally or unintentionally, will result in disqualification of the Proposer and/or rejection of a written proposal.

0.5 Solicitation Schedule: The following schedule has been established for this selection process:

<u>Scheduled Item</u>	<u>Scheduled Date</u>
Advertised	June 18, 2017
RFP posted on Airport website (www.spokaneairports.net)	June 18, 2017
Optional Tour of Land Parcel: Airport Staff and participants shall meet at Building 11. Please confirm your attendance by calling Judy Gifford at 509-455-6415	June 23, 2017 (2:00 p.m.)
Question/clarification deadline	June 27, 2017 (12:00 noon)
Final addenda (if any) posted on Airport website	June 29, 2017 (2:00 p.m.)
Response deadline	July 6, 2017, (10:00 a.m.) Main Terminal, Suite 204, Administration
Recommendation to the Board Finance Committee	July 12, 2017
Successful Proposer's Execution of Agreement	July 14, 2017 (12:00 noon)
Agreement Approved by Board	July 20, 2017

0.6 Questions, Inquiries and Airport Contact: The Airport is committed to providing all interested parties with accurate and consistent information in order to ensure that no Proposer obtains an undue competitive advantage. To this end, from the date of this RFP through award of the Agreement, the Airport contact is:

Judy Gifford, Properties & Contracts Director
9000 West Airport Drive, Suite 204
Spokane, Washington 99224
(509) 455-6415
E-mail: judyg@spokaneairports.net

All questions from Proposers must be submitted in writing, electronically, to judyg@spokaneairports.net no later than 12:00 p.m. DST, Monday, June 27, 2017, (question/clarification deadline). It will be the sole responsibility of Proposers to ensure questions are submitted in a timely manner. Addendums to this RFP (if any), to provide clarification of written questions submitted by Proposer's, shall be posted on the Airport's website no later than 2:00 p.m.



DST, June 29, 2017 (Final Addenda). Receipt of addenda (if any) must be acknowledged on the Proposal Form that must be submitted with the proposal (see Exhibit B – Proposal Form).

Oral communications and emails from the Board, its staff, agents, employees or outside advisor, or any other person associated with this RFP shall not be binding on the Board and shall in no way modify any provision of the RFP. Only formally issued addenda shall modify the terms of this RFP. Any addenda issued for this RFP will be published at the following website address: <http://business.spokaneairports.net/rfp>. Proposers are responsible for checking the website prior to submission of proposals for any addenda. If you are unable to download the addenda, you may contact the Airport Contact noted in this Section.

The Board is seeking qualified applicants to lease a specific parcel of land at Felts Field Airport, Spokane, WA for the purpose of aircraft storage (aircraft hangar). The Lessee will be responsible to construct a new hangar on the specified parcel. It is the Board's intent that construction shall be completed no later than July 31, 2018.

1.0 GENERAL CONDITIONS

1.1 The available parcel is shown on Exhibit A, attached hereto. Exhibit A also provides information about existing utilities. The site is delivered in "as is" condition, including but not limited to, existing utility easements, subsurface conditions or hazardous materials.

1.2 To maximize the highest and best use of the parcel, Proposer shall be required to utilize the maximum building area which is comprised of six thousand three hundred and ninety five (6,395) square feet. Taxilanes 7 and 8 will accommodate Aircraft Design Group I type aircraft. The maximum aircraft wingspan of the aircraft this site will accommodate is 46.7 feet.

1.3 FAA Regulation Part 77 requires submission of Form FAA 7460-1 "Notice Of Proposed Construction Or Alteration" to the FAA for any construction or alteration that impacts airport operations. The successful Proposer shall be responsible for completing and submitting the Form FAA 7460-1 to the FAA for this development project.

1.4 Construction on the site must conform to the Airport's CC&R's, local municipal building codes, fire codes and FAA standards and design criteria.

1.5 Proposer shall be required to install asphalt adjacent to the hangar to tie in with existing asphalt as shown on Exhibit A. Proposer shall ensure that all applicable site development and drainage requirements are met.

1.6 Water, electric and natural gas utilities are in close proximity to the site. Proposer shall be responsible for ensuring service with all required utility providers during construction at their sole expense. All utilities shall be separately metered at the point of connection and all subsequent utility charges shall be the responsibility of the Proposer. In the event the Airport is billed for any utility services provided to the leased premises, the Proposer shall be responsible for said payment of charges and expenses associated with such utility service.

1.7 All construction documents shall be subject to review and approval by the Airport.

1.8 Proposer shall be responsible for securing all federal, state and local permits, licenses and



approvals necessary to develop and operate the proposed construction and subsequent operation.

1.9 Proposer is responsible to ensure that Airfield perimeter security is maintained throughout construction. The successful Proposer must coordinate with Airport staff to create a security plan that outlines security measures during construction.

1.10 Proposer is responsible for ensuring contractor(s) do not impede access to tenants and aircraft adjacent.

2.0 ANTICIPATED TERM, RENTS AND FEES

2.1 The initial term of the Agreement to be executed shall not exceed twenty five (25) years. Subsequent renewal option(s) shall be considered based on Proposer's use of the subject property. The Agreement with renewal option(s) shall not exceed fifty (50) years.

2.2 Rents and Fees: To comply with Grant Assurance requirements of the Federal Aviation Administration, the Board is required to receive Fair Market Value compensation for the lease of airport property.

A. Land Rent: The land rent for the Airport is based on the Fair Market Value of the land. The Board establishes the Fair Market Value by having an appraisal of similar properties and with similar uses. The rental rate must be fair and equitable for similar type of activities. Lease rates are subject to increases based on the CPI and effective at five-year increments. The land rent is also subject to adjustment by appraisal every ten (10) years and at the renewal option(s).

B. Minimum Land Rent: The minimum land lease rate that the Airport shall consider for the 18,443 square foot site shall be \$0.23 per square foot per annum. Nothing herein prevents a Proposer from offering a higher lease rate to enhance the Proposer's position.

C. Leasehold Excise Taxes: In addition to land rent, the Airport collects leasehold excise taxes on behalf of the State of Washington (State) in the amount of 12.84%, which may be adjusted at any time by the State. Any improvements made by a tenant on the tenant's leased land are owned by the tenant. As such, the tenant is responsible for reporting those improvements to the state and paying any required taxes.

D. Fuel Flowage Fee
The Airport collects a per gallon fuel user fee for all fuel distributed at the Airport for aviation purposes, with fuel facility agreement. This fee is collected (from tenants) by the fuel companies delivering fuel to the Airport. The fuel companies then pay the fee to the Airport.

E. Landing Fee
The Airport collects a landing fee from all commercial operators who operate aircraft with a weight in excess of 12,500 pounds. This fee may or may not apply to the proposal depending on the proposed use and operational type.

F. Other Fees: Land use, site, and building permit fees will apply to the proposed development and Proposers will need to pay permitting, impact, and mitigation fees as part of the development process as deemed necessary by the permitting authority. Other fees that may apply



include pollution fees, sewer tap-in fees and a stormwater fee. The proposer will be responsible for all maintenance and repair, insurance, utilities, and taxes associated with the use and occupancy of the subject property and any and all cost and expenses relating to the proposed activity at the Airport.

G. Alternative Lease Rate Proposal: The Board may entertain a proposal with higher lease rates than indicated above. Should the proposer feel that they could meet their financial plans and provide the Board with a greater per square foot lease rate for the subject property, the Board would consider such proposals over other proposals of equal stature except for the proposed rate offer.

No offers will be accepted for rate structures lower than those stipulated above.

3.0 EVALUATION OF SUBMISSIONS

3.1 Written proposals will be evaluated based upon the criteria as outlined in Section 7 (the weighting or value associated with each element has been identified following the criteria to give Proposers an idea of the relative importance of each element to the Board):

3.2 An evaluation committee (“Committee”) will consist of Board representatives including senior level staff members. The Board reserves the right to request additional information and clarification of any information submitted, including any omission from the original proposal. All proposals will be treated equally with regard to this item.

3.3 Evaluation of Proposer and the ability of the Proposer to complete construction in a timely manner.

3.4 The final selection and approval of the successful Proposer will be made by the Board in accordance with its competitive selection process. The Committee will evaluate proposals on the basis of the guidelines set forth in this RFP and will present its findings to the Board Finance Committee.

3.5 Negligence or omission on the part of the Proposer in preparing any portion of the proposal confers no right to withdraw or make changes, additions, or deletions to the proposal after the proposal submission deadline.

3.6 The Board reserves the right to modify the solicitation schedule during the RFP process. Any changes to the solicitation schedule will be posted on the Airport’s website

3.7 The Proposer may include any additional or supplemental information, data, documentation, or material that may be useful in helping the Board make its decision.

4.0 ADMINISTRATIVE REQUIREMENTS

4.1 Cost of the Proposal: The Airport shall not, under any circumstances, be responsible for any costs or expenses associated with the proposal submitted including, but not limited to, research, investigation, development, preparation, duplication, production, collation, packaging, delivery, transmittal, or presentation of the proposal or any other related information, data, documentation, and material. All costs and expenses incurred by the Proposer in connection with the proposal submitted shall be the sole responsibility of (borne solely by) the Proposer.



4.2 Public Disclosure

a. Property of Airport: Proposals submitted to the Airport shall become the property of the Airport and shall not be returned to the Proposer.

b. Proposals are Public Records: Pursuant to Chapter 42.56 RCW, proposals submitted under this RFP shall be considered public records and with limited exceptions will be available for inspection and copying by the public. Except to the extent protected by state and/or federal laws, proposals shall be considered public documents and available for review and copying by the public after an award of Contract is made by the Airport.

c. Public Records Exemption: Any proprietary information included in the proposal that the Proposer wishes to remain confidential (to the extent allowed under the laws of the State of Washington) should be clearly identified as “Confidential” in the proposal. In addition, the Proposer must provide the legal basis for the exemption to the Airport.

d. Proposals Not Marked as Confidential: If a proposal does not clearly identify the confidential portions, the Airport will not notify the Proposer that its proposal will be made available for inspection and copying.

e. Process for Disclosing Information: If a request is made for disclosure of material or any portion marked “Confidential” by the Proposer, the Airport will determine whether the material should be made available under the law. If the Airport determines that the material is not exempt and may be disclosed, the Airport will notify the Proposer of the request and allow the Proposer ten (10) business days to take appropriate action pursuant to RCW 42.56.540. If the Proposer fails or neglects to take such action within said period, the Airport may release the portions of the proposal deemed subject to disclosure.

f. Indemnification by Proposer: To the extent that the Airport withholds from disclosure all or any portion of Proposer’s documents at Proposer’s request, Proposer shall agree to fully indemnify, defend and hold harmless the Airport, the City and County of Spokane, their elected officials, agents and employees, from all damages, penalties, attorneys’ fees and costs related to withholding information from public disclosure.

g. No Claim Against Airport: By submitting a proposal, the Proposer consents to the process outlined in this RFP and shall have no claim against the Airport because of actions taken.

4.3 Basic Eligibility: The successful Proposer must not be debarred, suspended, or otherwise ineligible to contract with the Airport.

4.4 Non-Discrimination: All Proposers will be afforded the full opportunity to submit proposals in response to this RFP. The Airport is an Equal Employment Opportunity (EEO) organization which does not discriminate against any prospective firm on the basis of race, religion, color, sex, age, national origin, sexual orientation, or presence of any sensory, mental, or physical disability in the consideration of contract award. Successful proposer will be required to comply with all EEO, federal, state, and local laws and regulations.



4.5 Insurance /Indemnity & Waiver of Damages:

A. Insurance: Prior to execution of the Agreement, the successful Proposer will be required to provide acceptable evidence of insurance coverage consistent with the insurance requirements outlined in the Airport's Agreement and Minimum Standards (if applicable) (Exhibit E).

B. Indemnity & Waiver of Damages: The successful Proposer will hold the Board, the City and County of Spokane, their elected and appointed officials, agents and employees, harmless from and against all suits, claims, demands, damages, actions and/or causes of action of any kind or nature in any way arising from Proposer's performance under the Agreement and will pay all expenses in defending any claims made against the Board, the City and County of Spokane, their elected and appointed officials, agents and employees, as a result of Proposer's performance under the Agreement, in accordance with Article 18 of the Agreement.

4.6 Binding Offer: A Proposer's proposal will remain valid for a period of 90 days following the proposal deadline and will be considered a binding offer to enter into the Agreement. The submission of a proposal shall be taken as prima facie evidence that the Proposer has familiarized itself with the contents of this RFP.

4.7 Compliance: Proposer shall comply with all Board, local, State and federal directives, orders, policies and laws as applicable to this RFP and subsequent Agreement.

4.8 Collusion: More than one proposal from the same Proposer under the same or different names will not be considered. Reasonable grounds for believing that a Proposer is submitting more than one proposal will cause the rejection of all proposals in which Proposer is involved. Those proposals will be rejected if there is reason for believing that collusion exists among Proposers, and no participant in such collusion will be considered in any future proposals for the next six months following the date of the proposal submission.

4.9 Final Selection: Upon final selection of a successful Proposer, the Board will provide to the Proposer two originals of the Agreement for execution. The Proposer agrees to deliver two duly executed original Agreements to the Board no later than 12:00 Noon, July 14, 2017.

5.0 DISQUALIFICATION OF PROPOSER and/or REJECTION OF WRITTEN PROPOSAL

A Proposer may be disqualified and/or a written proposal may be rejected by the Board for any of the following reasons:

- Submission of proposal after the proposal submission deadline (10:00 a.m. DST, July 6, 2017).
- Submission of more than one (1) written proposal by an individual, firm, or corporation under the same or different names.
- Evidence of collusion among Proposers.
- Proposer (or the proposed operation), for any reason, does not fully meet the qualifications and requirements of the CC&R's and the Airport's Minimum Standards (if applicable) and the standards of this RFP established by the Board.
- Proposer's proposed activities and/or improvements will create a safety hazard at, on, or in the vicinity of (or could be detrimental to) the Airport.
- The acceptance of the written proposal will require that the Board expend funds and/or supply labor



and/or materials in connection with the proposed activities and/or improvements that the Board is unwilling and/or unable to spend and/or will result in a financial loss or hardship to the Board.

- The Proposer has intentionally or unintentionally provided inaccurate or false information, data, documentation, or material or misrepresented or failed to disclose (omitted) any material fact in the written proposal and/or in supporting information, data, documentation, or material.
- The Proposer (or an officer, director, agent, representative, shareholder, or employee of the Proposer) has a record of materially violating federal, state, or local regulatory measures (including those established by the FAA, the State of Washington, the City, the County or any other airport owner/operator).
- The Proposer (or an officer, director, agent, representative, shareholder, or employee of the Proposer) has defaulted, failed to perform or breached any agreement or sublease at the Airport or at any other airport.
- The Proposer has not demonstrated that it possesses adequate financial responsibility or that it is reasonably capable of undertaking the proposed activity and/or improvements.
- The Proposer cannot demonstrate its ability to obtain insurance (in the type and amounts) required by the Board for the proposed activity and/or improvements.
- The Proposer (or an officer or director of the Proposer) has been convicted of a felony or a crime involving moral turpitude.
- The Proposer seeks terms and conditions which are inconsistent with the RFP and/or the policies and practices of the Board.
- The Proposer's interests and/or the proposed activity, use, or improvement is inconsistent with the Airport's Master Plan, Airport Layout Plan, Land Use Plan; mission (purpose), vision, values, goals, or objectives; the best interests of general public and/or the Airport, City or County; or, any airport assurances.
- The subject Premises are not appropriate or not adequate for the proposed activity.
- The proposed activity, use, or improvement will result in congestion of aircraft, vehicles, or equipment; will result in undue interference with aircraft operations or the operations of any tenant; will prevent free ingress and egress to existing tenant areas; or, will deprive an existing tenant of the full and unrestricted use of its leased premises.
- The Proposer has lobbied, either on an individual or collective basis, the Board (its associated City or County employees, or outside advisors) or any federal, state, or local elected or public official or staff (support) personnel regarding this RFP or its written proposal.

6.0 PROPOSAL SUBMISSION REQUIREMENTS

6.1 Written proposals must be complete, accurate, and free from ambiguity, obscurity, alterations, or irregularities of any kind. The Proposal Form (Exhibit B) must be printed, properly signed in ink by the Proposer or an authorized representative of the Proposer, and inserted into the written proposal. In case of conflict between words and numerals, the words, unless obviously incorrect, shall control or prevail. Proposers are cautioned to verify and confirm all aspects of the written proposal prior to submittal. Negligence or omission on the part of the Proposer or any party preparing any portion of the written proposal confers no right to withdraw or make changes, additions, or deletions to the written proposal after the proposal submission deadline.

The Board shall not, under any circumstances, be responsible for any costs or expenses associated with the written proposal submitted including, but not limited to, research, investigation, development, preparation, duplication, production, collation, packaging, delivery, transmittal, or



Request for Proposals – Aeronautical Land for Lease

presentation of the written proposal or any other related information, data, documentation, and material. All costs and expenses incurred by the Proposer in connection with the written proposal submitted shall be the sole responsibility of (borne solely by) the Proposer.

Written proposals must conform to the requirements stipulated in the RFP. By submitting a written proposal, each Proposer agrees that the proposal represents a firm offer to the Board and that such offer shall remain open for acceptance until the Agreement is executed by the Board or for a period of no less than ninety (90) days from the date submitted, whichever occurs first.

6.2 Written proposal content: Written proposals must be organized so that each element (identified below) is addressed (precisely) in the order indicated herein (sequentially). Proposers must answer all questions completely and accurately and furnish all required information, data, documentation, and material. Failure to do so may result in disqualification of the Proposer and/or rejection of a proposal.

Proposals must be typewritten on one side of 8 1/2" by 11" paper using a minimum 12 point type size (i.e., the size used in this document). Tabs must be utilized to separate each section of the proposal.

If bound, proposals must be bound on the long (left) side of the paper. Proposals that contain erasures or alterations may be rejected.

Proposers must provide (and proposals will be evaluated based upon) the following items:

1. **Cover Letter:** Each Proposer must submit a cover letter identifying the name and address of proposing individual or entity. The original written proposal must be signed in ink by the individual or an authorized representative of the proposing entity who can make contractual commitments and/or sign agreements on behalf of the Proposer.
2. **Executive Summary:** Each written proposal must contain an executive summary that summarizes the key elements of the proposal and gives a brief description of the proposed construction and related activities. In addition, a statement that explains why the Board should select the Proposer (i.e., why the Proposer would be the best selection) must be included in the executive summary.
3. **Qualifications and Experience:** Each written proposal must provide a description of the Proposer's ability to finalize construction of the proposed hangar in a timely manner and to meet all financial obligations associated with the construction.
4. **Development Plan:** The written proposal must address the following:
 - A. Proposed use of property (Aircraft Storage or Type of Commercial Activity Proposed)
 - B. Proposed size of hangar and type of construction
 - C. Type of aircraft to be stored in hangar
 - D. Proposed construction schedule
 - E. Security plan during construction
 - F. Evidence of the ability to obtain insurance coverages in the amounts required in the Agreement and/or Minimum Standards.
 - G. For proposed commercial aeronautical activity, provide copies of all applicable (required) licenses, permits, and operating certificates (federal, state, and local).



Request for Proposals – Aeronautical Land for Lease

5. Lease Terms:
 - A. Proposed lease terms (Initial Term and Renewal Option(s))
 - B. Proposed rental rate for first five years of the initial term
6. Financial Plan: The written proposal must address the following:
 - A. Provide a statement of financial capacity from a qualified financial institution or other reputable source (that can be readily verified through normal channels) that identifies the source and the amount of funds available to provide working capital to initiate and complete the proposed construction.
 - B. If proposal is for a Commercial Aeronautical activity, Proposer shall provide a three (3) year historical income (profit and loss) statement and a three (3) year historical balance sheet including all footnotes prepared in accordance with generally accepted accounting principles by an independent CPA.
 - 1) If the written proposal is being made by a subsidiary of a parent company or corporation, such subsidiary may submit the required financial information for the parent company, provided such parent company will be bound jointly with the subsidiary in the proposal and, if the subsidiary is awarded the lease and operating agreement, the parent company must acknowledge its joint obligations with its subsidiary and the proposal must be accompanied by a certified copy of a resolution by the Board of Directors of the parent company authorizing such joint obligations.
 - C. Acknowledgement of acceptance of the terms and conditions of the Agreement.
 - D. Failure to accurately complete and submit the required Proposal Form (Exhibit B) and attach all the required information, data, documentation, and material will be grounds for disqualification of the Proposer and/or rejection of a written proposal.

Additional Information

The Proposer may include any additional or supplemental information, data, documentation, or material that may be useful in helping the Board make its decision.

Additional or Supplemental Information, Data, Documentation and Material

The Board reserves the right to request additional or supplemental information, data, documentation, or material or clarification from Proposers, to conduct such investigations as the Board considers appropriate with respect to the qualifications, experience, capabilities, or reputation of any Proposer or the information, data, documentation, or material contained in any written proposal. The Board reserves the right to make no decision, to reject all written proposals for any reason and/or to waive any minor irregularities or conditions or to follow up on details or issues.

After Board approval of the Agreement, all information, data, documentation, and material submitted shall be considered public information and will be made available for inspection in accordance with the laws of the State of Washington. Any proprietary information, data, documentation, and material that the Proposer wishes to remain confidential (to extent allowed under the laws of the State of Washington) should be clearly identified in the written proposal. In addition, the Proposer must provide justification for such a request.



Award of Land Lease Agreement

The decision of the Board and the award of any Agreement will be final. All Proposers will be notified in writing whether or not they have been selected. Upon the Board's written notice of the award, the Board shall provide the successful Proposer with a Agreement for the premises.

The successful Proposer shall execute and deliver said Agreement on or before July 14, 2017 and provide all other required information, data, documentation and material to the Board (including, but not limited to, proof of insurance) and perform all other related obligations. In the event of a conflict between the terms of the Agreement and the provisions of this RFP or the written proposal, the terms of the Agreement shall govern. The Board reserves the right to cancel the award without liability at any time before the Agreement has been executed by all parties.

7.0 SELECTION CRITERIA

Written proposals will be evaluated based upon the following criteria (the weighting or value associated with each element has been identified following the criteria to give Proposers an idea of the relative importance of each element to the Board):

#	Element	Weight or Value
1	Qualifications & Experience	20%
3	Hangar Development Plan	40%
7	Lease Term & Rent	35%
8	Proposal Response	5%

8.0 ABOUT FELTS FIELD AIRPORT

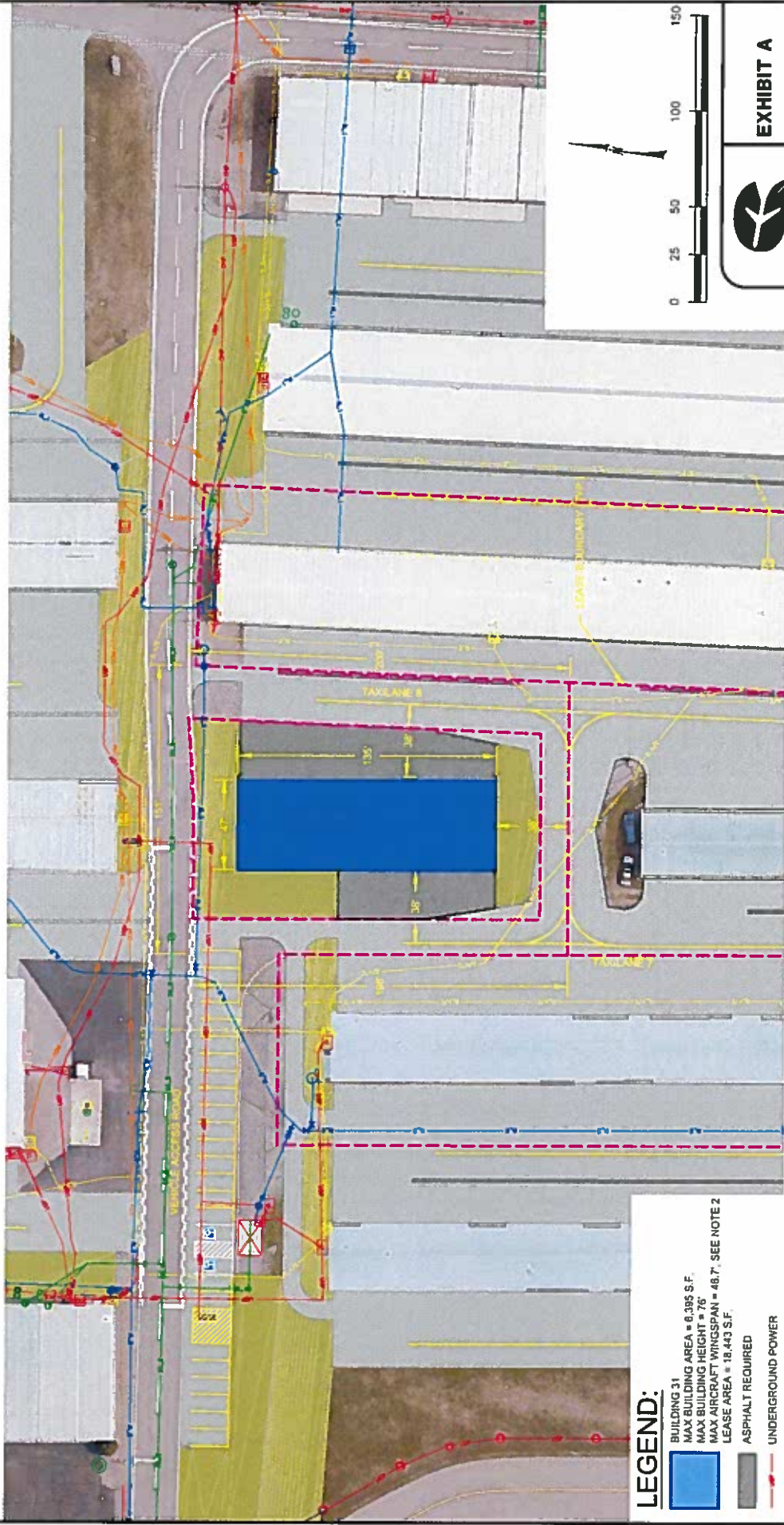
Spokane International Airport, Felts Field Airport and the Airport Business Park (Spokane Airport) are jointly owned by Spokane County and the City of Spokane. The city and county operate the airports under provisions of RCW 14.08 which establishes the operation of airports by more than one municipality under joint agreement. The operating authority of Spokane Airport is the Spokane Airport Board, consisting of seven appointees from the two governmental bodies.

Felts Field Airport is a 400 acre active General Aviation airport with over 176 based aircraft and 65 tenants. The Airport has a Fixed Base Operator and avionics services available. The Airport has two paved runways and a turf landing strip as well as the ability to accommodate water landings on the adjacent Spokane River.

The Airport is financially independent and self-sufficient based on the revenue generated from leases and fees. In 2016, its aviation operations totaled 54,313.

**EXHIBIT A
(SITE PLAN)**

FELTS FIELD BUILDING 31 SITE PLAN LEASE BOUNDARY



LEGEND:

- BUILDING 31
- MAX BUILDING AREA = 6,395 S.F.
- MAX BUILDING HEIGHT = 76'
- MAX AIRCRAFT WINGSPAN = 48.7'. SEE NOTE 2
- LEASE AREA = 18,443 S.F.
- ASPHALT REQUIRED
- UNDERGROUND POWER
- SANITARY SEWER
- DOMESTIC WATER
- GAS MAIN
- TELEPHONE

- NOTES:
- TAXILANES 7 & 8 ARE DESIGNED TO ACCOMMODATE AIRCRAFT DESIGN GROUP I AIRCRAFT WITH A MAXIMUM ALLOWABLE WINGSPAN EQUAL TO OR LESS THAN 48.7'.
 - MAXIMUM ALLOWABLE WINGSPAN WAS DETERMINED FROM FAA ENGINEERING BRIEF NO. 78 AND BASED ON THE DISTANCE FROM TAXILANE CENTERLINE TO FIXED OR MOVEABLE OBJECTS FOR TAXILANES ACCESSING THESE HANGARS.

EXHIBIT A
DATE: June 12, 2017
SHEET 1 OF 1



8000 West Airport Dr., Ste. 204
Spokane, WA 99224



**EXHIBIT B
(PROPOSAL FORM)**

Name: _____

Address: _____

Date: _____

Proposer is bound by its written proposal for a period of ninety (90) days following the date of proposal opening and may not withdraw its offer during this period. It is understood by the Proposer that the Spokane Airport Board reserves the right to reject any and all written proposals.

Proposer asserts that they have thoroughly read, understand and acknowledge all aspects of this Request for Proposal and understand that they are bound by all aspects and provisions of this Request for Proposal and its contents.

The Proposer hereby agrees to enter into the Agreement no later than July 14, 2017 with the Spokane Airport Board under the terms and conditions as set forth in the Request for Proposal dated June 18, 2017.

Proposer

Title:

**EXHIBIT C
(ACKNOWLEDGEMENT OF SITE VISIT)**

I hereby acknowledge that I (or approved designee) did attend the site visit to the designated parcel of land held on June 23, 2017 at 2:00 pm DST.

I hereby acknowledge that I (or approved designee) did not attend site visit to the designated parcel of land held on June 23, 2017 at 2:00 pm DST.

Proposer acknowledges that they further understand and accept the Premises in “as is”, “where is” condition.

No claim for adjustment of any provision of the Agreement to be executed shall be honored after the written proposal has been submitted on the grounds that the Proposer was not fully informed as to the existing conditions or circumstances or any other related matter.

Proposer:

Title:

**EXHIBIT D
(SAMPLE LAND LEASE AGREEMENT)**

Attached is a sample Agreement. The final Agreement shall be subject to the successful Proposer's proposal and use of Premise.

FELTS FIELD PERSONAL HANGAR OR COMMERCIAL HANGAR

LAND LEASE AGREEMENT

BETWEEN

SPOKANE AIRPORT

AND

TABLE OF CONTENTS

1.	TERM	1
2.	PREMISES	2
3.	USE OF PREMISES	2
4.	INSPECTIONS	3
5.	RENT AND FEES.....	4
6.	ADJUSTMENT OF RENT	4
7.	ADJUSTMENT OF RENT AT RENEWAL PERIOD	5
8.	FAILURE TO PAY RENT	5
9.	ADDITIONAL RIGHTS AND OBLIGATIONS OF LESSEE.....	5
10.	HAZARDOUS MATERIALS	7
11.	HAZARDOUS SUBSTANCES STORAGE	8
12.	COMPLIANCE WITH LAWS, RULES AND REGULATIONS	9
13.	ADDITIONAL RIGHTS AND OBLIGATIONS OF AIRPORT.....	9
14.	CONSTRUCTION, MAINTENANCE AND REPAIR OF LESSEE'S LEASEHOLD IMPROVEMENTS	9
15.	DAMAGE OR DESTRUCTION	11
16.	DEPRECIATION OF IMPROVEMENTS	11
17.	OWNERSHIP OF IMPROVEMENTS	12
18.	INDEMNITY AND WAIVER OF DAMAGES.....	12
19.	INSURANCE	13
20.	INDEMNIFICATION AND INSURANCE DURING CONSTRUCTION AND RENOVATION.....	14
21.	WAIVER OF SUBROGATION	14
22.	MAINTENANCE AND UTILITIES	15
23.	SIGNAGE	16
24.	TAXES	17
25.	AIRPORT'S RIGHT TO ENTER PREMISES	17
26.	GOVERNMENT RESERVATIONS AND RESTRICTIONS	17
27.	AGREEMENT SUBORDINATE TO BOND ORDINANCE.....	18
28.	AIRPORT'S RIGHTS OF CANCELLATION	18
29.	LESSEE'S RIGHTS OF CANCELLATION	19
30.	ASSIGNMENT AND SUBLETTING	19
31.	LEGAL CLAIMS AND ATTORNEY FEES	20
32.	APPROVAL OR DIRECTION BY AIRPORT	20
33.	PERFORMANCE BY AIRPORT	20
34.	LIENS OR ENCUMBRANCES	20
35.	FEDERAL NONDISCRIMINATION	20
36.	PRIOR AND COLLATERAL AGREEMENTS	21
37.	SEVERABILITY	21
38.	NON-WAIVER OF BREACH.....	21
39.	SURVIVAL OF INDEMNITIES	22
40.	APPLICABLE LAW; VENUE; WAIVER OF TRIAL BY JURY	22
41.	NOTICES	22
42.	TIME OF ESSENCE.....	22
43.	RELOCATION	22
44.	SURRENDER OF POSSESSION: DISPOSITION OF BUILDINGS AND IMPROVEMENTS	23
45.	FORCIBLE DETENTION	23
46.	PARAGRAPH HEADINGS	23

FELTS FIELD PERSONAL HANGAR OR COMMERCIAL HANGAR
LAND LEASE AGREEMENT

THIS AGREEMENT, made and entered into this ____ day of _____, 2017, by and between SPOKANE AIRPORT, by and through its AIRPORT BOARD, created pursuant to the provisions of Section 14.08.200 of the Revised Code of Washington, as a joint operation of the City and County of Spokane, municipal corporations of the State of Washington, hereinafter referred to as "Airport," and _____, a _____ organized and incorporated in the State of _____, hereinafter referred to as "Lessee";

WITNESSETH:

WHEREAS, the Airport Board is the operator of the FELTS FIELD AIRPORT, hereinafter referred to as "Felts Field," located in the City and County of Spokane, State of Washington, and is authorized to grant leases for real property and premises at Felts Field for the promotion, accommodation and development of commerce, commercial and general aviation air transportation; and

WHEREAS, the parties hereto desire to enter into a Land Lease Agreement, hereinafter referred to as "Agreement", granting the Lessee the use, together with others, of a portion of Felts Field and its appurtenances and the lease of certain Premises hereinafter demised as outlined in the Request for Proposals dated June 18, 2017, and as agreed to in the Proposal submitted by Lessee, both of which are attached hereto and made a part of this Agreement; and

NOW, THEREFORE, in consideration of the Premises provided herein, the rights and privileges and the mutual covenants and agreements hereinafter contained and other valuable considerations, the parties hereto agree, for themselves, their successors and assigns, as follows:

1. TERM

A. The term of this Agreement shall be _____(____) years commencing upon beneficial occupancy, unless sooner terminated or canceled as herein provided. Beneficial occupancy shall be defined as the day on which ground is broken or materials are placed on the Premises, the date that the Federal Aviation Administration approves the 7460-1 or no later than _____, _____ whichever occurs first.

B. Lessee shall have the option to renew this Agreement for _____ additional consecutive _____ renewal periods upon ninety (90) days advance written notice to the Airport and subject to the inspection process as hereinafter defined in Article 4 – INSPECTIONS and in accordance with the Felts Field Covenants, Conditions and Restrictions (CC & R's) and as may be amended. The right of Lessee to exercise said renewal option(s) shall be conditioned upon it not being in default under any terms, covenants, or conditions of this Agreement or any Amendments thereto. Lessee's right to extend the term shall be further conditioned upon determination by the Airport that the use of the Premises as specified is the highest and best aeronautical use based on current and long range plans of the Airport. In the event of cancellation of this Agreement, any unexercised right to extend this Agreement shall be null and void.

C. It is agreed by the parties hereto, that the lease of the Premises demised herein, shall be subject to cancellation by the Airport upon thirty (30) days' notice if Lessee does not

comply with the construction schedule set forth in Article 14 – CONSTRUCTION, MAINTENANCE AND REPAIR OF LESSEE’S LEASEHOLD IMPROVEMENTS. However, the Agreement shall not be subject to cancellation if said failure to comply with the construction schedule set forth in Article 14 is the result of a delay caused by the inability to timely acquire permits from any governmental entities, upon diligent and timely completed application therefore. The construction shall not, however, extend more than a period of one year beyond the specified schedule of construction set forth herein. Thereafter the Agreement shall automatically terminate without further action of the parties. The Premises shall be relinquished by Lessee and returned to the Airport in a condition equal to that which existed at the commencement of this Agreement.

D. The construction shall be accomplished no later than one (1) year after commencement of this Agreement. It is the intention of the Lessee and the Airport to have construction completed as outlined in Article 14 – CONSTRUCTION, MAINTENANCE AND REPAIR OF LESSEE’S LEASEHOLD IMPROVEMENTS.

E. The right of Lessee to extend the term shall be conditioned upon it not being in default under any terms, covenants, or conditions of this Agreement or any Amendments thereto. In the event of cancellation of this Agreement, any unexercised right to extend this Agreement shall be null and void.

2. PREMISES

The Airport hereby leases to Lessee certain unimproved Premises located at Felts Field consisting of _____ (_____) square feet of unimproved land upon which one (1) hangar is to be constructed by Lessee hereinafter referred to as “Premises”. The Premises are more particularly set forth on Exhibit A, attached hereto and made a part hereof. Lessee shall construct one building upon such Premises in accordance with Article 1 – TERM and Article 14 – CONSTRUCTION, MAINTENANCE AND REPAIR OF LESSEE’S LEASEHOLD IMPROVEMENT/TRADE FIXTURES. As necessary, Airport shall provide a description of the Premises and such description shall become a part of this Agreement. The square footage of the Premises and rent therefore shall be adjusted to correspond to the description.

3. USE OF PREMISES

A. Lessee shall use the Premises demised herein for the purpose of constructing an aircraft hangar, for the storage of personal aircraft or for a commercial aeronautical activity approved by the Airport as outlined in the Minimum Standards for Commercial Aeronautical Activities and Aircraft Fueling on Felts Field Airport (Minimum Standards) dated September 22, 2010. As part of said development, Lessee shall use the Premises in accordance with the Minimum Standards and CC&R’s which are incorporated by way of reference, as applicable, attached hereto and made a part hereof and for no other purpose without the prior written consent of the Airport. There shall be no fuel tanks or dispensing equipment installed or located on the Premises. Notwithstanding the fact that said facilities constructed on the Premises are leasehold improvements, title to and ownership of the facilities shall remain with the Lessee during the initial _____ years of this Agreement, including the additional renewal periods as provided for in Article 1 –TERM, Paragraph B. All construction hereunder shall be in

accordance with Article 14 – CONSTRUCTION, MAINTENANCE AND REPAIR OF LESSEE’S LEASEHOLD IMPROVEMENTS.

B. Lessee, its agents, employees, suppliers, and others doing business with Lessee shall have the right of ingress and egress to and from the Premises and the public use areas and facilities used in connection therewith, over designated Airport property and roadways, subject to rules and regulations governing the use of Felts Field and as the same may be promulgated by the Airport from time to time. No commercial activities shall be conducted on the Premises.

C. All privileges granted hereby under the terms of this Agreement shall be nonexclusive.

4. INSPECTIONS

The Premises and improvements shall be subject to annual inspections for aesthetics and use of Premises by members of Airport staff and selected Lessees (“the Committee”). The Premises and improvements shall be subject to aesthetics, structural and roof inspections every ten (10) years during the initial term, at the renewal periods and every ten year period thereafter and shall be at Lessee’s expense. Said inspections shall be accomplished as outlined in Paragraph A below.

A. Three (3) months prior to the option to renew, Article 1 – Term, Paragraph B, Lessee shall submit to the Airport a Letter of Intent (LOI) stating its intention of exercising the said renewal period. The Premises and improvements thereon shall be inspected at the Lessee’s cost within ninety (90) days of acceptance of the LOI by the Airport, said inspection to determine the initial aesthetic, structural and roof condition of the Premises and improvements thereon. The inspections shall be conducted by a qualified structural engineer. Initial inspections shall also be conducted by members of Airport staff and selected Lessees (“the Committee”) for the purpose of inspecting the Lessee’s allowed use of Premises as specified in Article 3 – USE OF PREMISES. Inspections shall be completed within ninety (90) days of LOI acceptance and results submitted to the Airport within thirty (30) days following completion of inspections. In the event of any dispute arising as a result of structural and/or roof inspections, a second inspection shall be obtained and the inspector shall be mutually selected and funded by the Airport and Lessee. The results of the second inspection report shall be considered final and binding to both parties. Inspection reports are subject to the review and approval of the Airport.

B. Pursuant to the completion of initial inspections and submissions of reports, should the Airport determine that repairs to the Premises are necessary, said repairs shall be completed no later than six (6) months from the date of notification to the Lessee of the results of the inspection report. The Premises and improvements thereon shall be subject to subsequent annual inspections for aesthetics and use of Premises by the Committee. Premises and improvements shall be subject to aesthetics, structural and roof inspections every ten (10) years thereafter and shall be at the Lessee’s expense.

C. In the event of any dispute arising from the result of annual inspections for aesthetics and Agreement compliance or the aesthetic, structural or roof inspections every ten (10) years, at the renewal period and every ten (10) year period thereafter, said dispute shall be resolved in good faith by the Committee and the results communicated in writing to the Lessee within ninety (90) days of determination. Should good faith efforts fail then the Airport reserves

the right to make a final determination as to the results and necessary remedial action as to appropriate aesthetics of the Premises and improvements thereon and allowable uses consistent with the terms and conditions of this Agreement.

5. RENT AND FEES

A. Payment of rent shall commence upon beneficial occupancy as outlined in Article 1 – TERM.

B. Lessee shall pay the rent as outlined below. Such rent is due and owing in advance, by the first of the month and no later than the tenth (10th) of each month, and payable in twelve (12) equal monthly payments.

1. Rent for the initial five (5) year period commencing upon beneficial occupancy, shall be the sum of _____ Cents (\$0.____) per square foot per annum for _____ (____) square feet of unimproved land.

C. Charges as may now be or may be established in the future, may be imposed upon the Lessee in the same manner as all other users, in accordance with rules, regulations and resolutions adopted by the Airport.

D. Said rent and fees are subject to Washington State Leasehold and other applicable taxes which shall be collected by the Board.

6. ADJUSTMENT OF RENT

A. The rent for the Premises for the initial term shall be adjusted at the end of the fifth (5th) year and every other five (5) year period thereafter as stated in Article 1 – TERM herein by the percentage change in the “Revised Consumer Price Index” for the previous adjustment period. “Consumer Price Index” is defined as the “Pacific Cities and U.S. Average” specified for “All Items,” “All Urban Consumers”, related to West-B/C published by the Bureau of Labor Statistics, U.S. Department of Labor, subject to modifications, amplifications and changes of methods in making and computing the same as shall be or may be made from time to time. The most recently published CPI that is available shall be used. If the base year of said CPI is changed from the base year used at the inception of this Agreement (that is the year 1996 = 100) then the CPI number used herein shall be converted from any subject base to the base used at the inception of this Agreement by such conversion factor as shall be supplied by the Bureau of Labor Statistics upon request. In the event that the CPI reporting system is changed during the term of this Agreement or any extensions thereto whereby the percent of increase or decrease from the period ending in _____, of the adjustment year is not published then the most current Index published and available prior to the effective date of the rent adjustment shall be used. In the event during the term of this Agreement the Consumer Price Index is no longer published, the Airport shall use a comparable source or index as is available. In no event shall the rent be less than that for the previous adjustment period.

B. Notwithstanding Paragraph 6A. above, the rent for the Premises shall be adjusted every ten (10) years based upon the then current Fair Market Rental Rate determined by an appraisal. The appraisal shall be done by a licensed MAI appraiser to determine the current Fair Market Value of the Premises. The appraiser selected shall have a minimum of five (5) years commercial and industrial property appraisal experience, including experience in appraising

other similar airport properties. In the event the Lessee cannot agree on the rent to be charged for the ensuing adjustment period based on the Airport's appraisal, the Lessee may retain an appraisal at its sole cost. The rent for the adjustment period shall be the average of the figures provided by the two (2) appraisals, unless the difference between the two is greater than ten percent (10%). In such event, a third appraisal selected mutually by the parties, shall be retained and the cost of the third appraisal shall be shared equally between the Airport and Lessee. The two (2) closest appraisals of the three (3) shall be averaged and that value shall be the rent for the affected period. In no event shall the rent be less than that for the previous adjustment period.

7. ADJUSTMENT OF RENT AT RENEWAL PERIOD

A. In the event Lessee exercises its option to renew this Agreement as set forth in ARTICLE 1 – TERM, Paragraph B, the initial rent for said renewal period shall be adjusted as outlined above in Article 6, - ADJUSTMENT OF RENT, Paragraph B.

B. The rent shall additionally be adjusted for every five year period throughout the renewal period as outlined above in Article 6, –ADJUSTMENT OF RENT, Paragraph A.

8. FAILURE TO PAY RENT

A. It shall be the duty of the Lessee to pay all rents, fees, taxes and charges when due. In the event Lessee fails to pay rental, fees, charges or billings as required under this provision of this Agreement after the payments become due as described in Article 5 - RENT AND FEES, interest at a maximum legal rate, or 18% per annum, whichever amount is greater shall be assessed until fully paid. The implementation of this provision shall not preclude Airport from terminating this Agreement for default in the payment of rentals, fees or charges, or from enforcing any other provisions contained herein.

B. Failure to pay the amounts due or comply with any other of the Lessee's financial obligations to the Airport under this Agreement shall entitle the Airport to re-enter and take possession of the Premises upon giving Lessee ten (10) days advance written notice of intent to do so, if said monetary default has not been remedied within said ten (10) day period. However, the Airport may extend the time period to correct the default if, in its sole opinion, due diligence is shown by Lessee in curing the default.

C. The Airport's agents or employees shall not be liable for any civil or criminal claim or cause of action because of entering the Premises or any improvements thereon at reasonable times and in a reasonable manner to carry out the provisions of this Article.

9. ADDITIONAL RIGHTS AND OBLIGATIONS OF LESSEE

Lessee hereby covenants and agrees:

A. Lessee shall be responsible for the cost of and for initiating and securing Federal Aviation Administration approval of Form 7460-1, Notice of Proposed Construction or Alteration prior to commencing construction of this project. The Lessee shall also be responsible for the cost of and for submitting a SEPA Checklist to the Airport. The Airport shall assist in the process of initiating and securing Federal Aviation Administration approval of Form 7460-1, Notice of Proposed Construction or Alteration and in processing the SEPA Checklist.

B. Lessee shall observe and comply with any and all applicable Airport, federal, state and local laws, statutes, ordinances, regulations and standards and shall abide by and be subject to all rules and regulations which are now, or may from time to time, be promulgated by the Airport concerning management, operation or use of Felts Field.

C. Lessee shall be responsible for all its expenses in connection with its operation at the Airport, and the rights and privileges herein granted, including without limitation by reason of enumeration, taxes, permit fees, license fees and assessments lawfully levied or assessed upon the Lessee by the City, County and State, and that it will secure all such permits and licenses as may be lawfully required.

D. In the conduct of its business at Felts Field, the Lessee, its sub-lessee's, agents and servants shall obey all applicable rules, regulations and ordinances and laws, including the CCR's, the Minimum Standards and others which are now, or may from time to time be promulgated by the Airport.

E. Lessee, its agents, servants or licensees shall refrain from parking any vehicles, aircraft and equipment in a location which interferes with aircraft operations.

F. Lessee shall exercise due and reasonable caution to prevent fire and accidents on the aeronautical areas used by the Lessee. Should Lessee fail to remove or abate a fire or other hazard caused by the Lessee, its agents, sub-lessee's, patrons or suppliers after direction to do so, Airport may remove the hazard and charge the cost thereof to the Lessee.

G. Lessee shall abide by all security restrictions and regulations set forth by the Airport or any agency having jurisdiction at Felts Field.

H. Lessee shall be issued an access code for the appropriate gate upon submitting the required documentation as outlined in Exhibit B, attached hereto and made a part hereof. Lessee shall also be responsible for issuing access codes for all sub-lessees.

I. Lessee shall not make any additional alterations, changes in or additions to the Premises or improvements thereon without the prior written consent of the Airport. Any approved alterations or improvements shall conform in all respects to the applicable statutes, ordinances, rules and regulations of all applicable governmental agencies.

J. Lessee shall keep and maintain the Premises in good condition, order and repair during the time of occupancy of Premises, and to surrender the same upon the termination of this Agreement in the condition in which they are required to be kept, reasonable wear and tear and damage by casualty not caused by Lessee's negligence excepted.

K. Lessee agrees for itself, its agents and sub-lessee's that it will not perform any acts or carry on any practices which would result in the necessity to repair or replace Airport property, normal wear and tear excluded, or be a nuisance or menace to other users of Felts Field.

L. Lessee's equipment, including aircraft, used by the Lessee at Felts Field shall be maintained at Lessee's sole expense, in good, safe and operative order, and in a clean and neat condition.

M. Personnel performing services at Felts Field shall be neat, clean and courteous. Lessee shall not permit its agents, sub-lessee's or servants to conduct business or otherwise act in a loud, noisy, boisterous, offensive or objectionable manner.

N. To the extent of its capabilities, Lessee agrees to cooperate with the Airport and/or any other operator in dealing with aircraft or related emergencies at Felts Field.

O. Lessee, its sub-lessee's and its agents shall promptly remove any of its disabled aircraft from any part of Felts Field, including without limitation, runways, taxiways, taxi lanes, aprons and aircraft parking position and place any such aircraft inside a hangar on its leased Premises. No disabled aircraft shall be stored outside of the hangar. Should Lessee fail to remove any of its disabled aircraft promptly, the Airport may, but shall not be obligated to, cause the removal and Lessee shall reimburse the Airport for all costs of such removal. Lessee hereby releases the Airport from any and all claims for damages to the disabled aircraft or otherwise from or in any way connected with such removal by the Airport. This section shall be subject to the jurisdiction, rules and regulations of the National Transportation Safety Board or its successor agency.

P. Pursuant to RCW 47.68.250, as amended, it is the responsibility of the Lessee of hangar or tie down space to inform owners of aircraft within their leasehold that such aircraft must be registered with the Washington State Department of Transportation. Upon request of Airport, Lessee will deliver aircraft registrations to the Airport from the aircraft owner(s) utilizing such hangar or tie down space.

Q. In accordance with Federal Aviation Administration rules and regulations, Lessee shall take appropriate action to protect instrument and visual operations at Felts Field. Lessee shall adequately clear and protect Airport operations by removing, lowering, relocating, and marking all lighting hazards on their Premises including shading or adjusting lighting to prevent glare, installation of obstruction lighting as instructed by the Airport.

R. Outside storage of materials is prohibited on the Premises including but not limited to storage of vehicles, to include recreational vehicles and any temporary restroom facilities.

10. HAZARDOUS MATERIALS

A. Airport warrants and represents that to the best of its knowledge, that no release, leak, discharge, spill, disposal, or emission of Hazardous Substances has occurred in, on, or under the Premises, and that the Premises are free of Hazardous Substances as of the date hereof in compliance with all applicable Airport, Federal, State and local laws, regulations and ordinances.

B. The Airport shall indemnify, defend and hold the Lessee harmless from any and all costs due to Hazardous Substances that Lessee establishes flowed, leached, diffused, migrated, or percolated into, onto, or under the Premises from adjacent properties after the term of the Agreement commences.

C. Lessee agrees to indemnify defend and hold harmless the Airport from any and all claims, damages, from or in connection with the presence of Hazardous Substances in or on the Premises, unless the Hazardous Substances are present as a result of the negligence, willful

misconduct, or other acts of Airport; its agents, employees, contractors or invitees. Without limitation of the foregoing this indemnification shall include any and all costs incurred due to any investigation of the site or any cleanup, removal, or restoration mandated by a federal, state, or local agency or political subdivision.

D. For the purposes of this Article, the term “Hazardous Substances” shall be interpreted broadly to include but not be limited to substances designated as hazardous under the Resource Conservation and Recovery Act, 42 U.S.C. 6901, et seq., the Federal Water Pollution Control Act, 33 U.S.C. 1251, et seq., or the Comprehensive Environmental Response Compensation and Liability Act, 42 U.S.C. 9601, et seq. or as may be amended, the Model Toxics Control Act (M.T.C.A.), R.C.W. 70.105D, et seq., and any applicable federal, state, or local law or regulation.

11. HAZARDOUS SUBSTANCES STORAGE

A. The Lessee is solely responsible for taking all steps and actions to remove or remediate any Hazardous Substances or any other environmental contamination on or under the Premises that are a result of the Lessee’s use or occupancy of the Premises. The Lessee is responsible for the protection of public health and safety and the environment from actual or potential harm and is obligated to ensure that the Premises are in compliance with all Environmental Laws. If any remediation work is required, Lessee, at its sole expense, shall perform all work required and provide to the Airport for approval, a written plan of action for completing said remediation work.

B. Hazardous Substances

1. Except for any Hazardous Substances used in the operation and maintenance of the Premises for aircraft storage used in reasonable quantities and in compliance with Environmental Laws, Lessee shall not engage in or allow the generation, use, manufacture, treatment, transportation, or storage of any Hazardous Substance in, on, under, or adjacent to the Premises, except by written permission of the Airport.

2. Lessee shall not engage in or allow the unlawful release of any Hazardous Substance in, on, under or adjacent to Lessee’s Premises (including air, surface water and ground water on, in, under or adjacent to the property). Lessee shall at all times be in compliance with Environmental Laws (and shall cause its employees, agents and contractors to be) with respect to the Premises or any hazardous substance and shall handle all Hazardous Substances in compliance with good industry standards and management practices.

3. Lessee shall promptly notify the Airport and any and all adjacent property tenants, in writing, if Lessee has or acquires notice or knowledge that any hazardous substance has been or is threatened to be released, discharged or disposed of, on, in, under or from the Premises. Lessee shall immediately take such action as is necessary to report to governmental agencies as required by Environmental Laws and to detain the spread of and remove, to the satisfaction of any governmental agency having jurisdiction, any Hazardous Substances released, discharged or disposed of as the result of or in any way connected with the conduct of Lessee’s business, and which is now or is hereafter determined to be unlawful or subject to governmentally imposed remedial requirements.

12. COMPLIANCE WITH LAWS, RULES AND REGULATIONS

Lessee covenants and agrees that it will comply with all Airport, federal, state, and local laws, ordinances and regulations, and further covenants and agrees it will abide by all applicable rules and regulations that are now in effect or hereinafter adopted by the Airport. Incorporated into this Agreement by way of reference are the Felts Field CC&R's and Minimum Standards. The Lessee shall, at its own expense, obtain and keep in effect all certificates, licenses and permits necessary to conduct said operations and pay all fees and taxes applicable to these operations.

13. ADDITIONAL RIGHTS AND OBLIGATIONS OF AIRPORT

A. Except as herein provided, the Airport agrees that it will, with reasonable diligence and in a manner consistent with that of a reasonably prudent operator of an airport of comparable size, develop, operate, maintain and keep in good repair and order Felts Field and all common use and public appurtenances, facilities and equipment provided by the Airport as the same relates to Lessee's rights granted under this Agreement. The Airport agrees that it will operate Felts Field in a manner consistent with standards established by the Federal Aviation Administration, or any successor federal agency exercising similar powers for airports of comparable size and in accordance with rules and regulations of the Federal Aviation Administration and any other governmental agency having jurisdiction thereof.

B. The Airport shall have the right to adopt and enforce reasonable rules and regulations with respect to the use of Felts Field, which Lessee agrees to observe and obey.

C. Airport covenants that upon paying the rent and performing the covenants and conditions herein contained, Lessee shall peacefully and quietly have, hold and enjoy the Premises demised herein.

14. CONSTRUCTION, MAINTENANCE AND REPAIR OF LESSEE'S LEASEHOLD IMPROVEMENTS

A. Lessee shall construct or install, at its own expense, any equipment, improvements and facilities, and any additions thereto, on all or any part of the Premises, under the conditions as hereinafter set forth. Lessee shall complete such construction in accordance with the following construction schedule. In the event Lessee fails to comply with such schedule, the Agreement shall be subject to cancellation as set forth in Article 1 – TERM.

<u>Size of Building</u>	<u>Building Permit Acquisition</u>	<u>Completion of Construction</u>
_____ (S.F.)	_____, 20__	_____, 20__

Construction or improvements shall consist of one (1) hangar(s) consisting of _____ (_____) s.f. as shown on Exhibit A. In the event that Lessee proposes any changes to the size of the building(s) to be constructed, such proposal must be submitted to the Airport for approval prior to the building permit acquisition date set forth herein. Lessee shall be responsible for constructing any taxi lanes necessary to connect its Premises to existing Airport taxiways. Lessee shall be granted a temporary construction easement on Airport property for construction of such taxi lanes. The ownership of any portion

of the taxi lane not located on Lessee's Premises shall vest in the Airport upon completion. Lessee shall be responsible for all costs associated with the construction including, but not limited to the building or structure, grading and paving of aircraft parking area, applicable landscaping, lighting and provision of or extension of all utilities to the building site. Lessee shall keep and maintain all such improvements and facilities and any additions thereto constructed or installed by it in good condition. In the event another party constructs facilities in the area and desires to utilize the utility runs constructed by Lessee within the past ten (10) years, the Airport shall require such party to pay Lessee a proportionate share of Lessee's cost of extending the utilities and roadway pavements during Lessee's construction of its facility. Repayment to Lessee shall start at 50% of the first year of construction and decrease annually by one-tenth ($1/10^{\text{th}}$) over the ten (10) year period. In the event Lessee utilizes utility runs constructed by another party, Lessee shall pay its proportionate share of the cost of such utility runs. Lessee shall provide an easement to the Airport and adjoining Lessees for placement of utilities on said Premises.

B. In the event another party must cross Lessee's Premises for the installation of utility runs or connections, such access across, through or under Lessee's Premises (excluding underneath Hangar) shall be granted by Lessee with no limitations that would deny another party the right to have utilities installed on that party's leasehold Premises. The Lessee's Premises shall be restored to their original condition after any such work is done by or on behalf of another party at the sole cost of the other party.

C. No improvements, structures, alterations, or additions shall be made in, to or upon the Lessee's Premises without the prior written consent of the Airport, and all such improvements, structures, alterations, additions and work shall be in accordance with any conditions relating thereto then stated in writing by the Airport.

D. At the time of requesting approval by the Airport, the Lessee shall submit the preliminary plans for such improvements. Upon approval of said preliminary plans, the Lessee shall prepare and obtain the Airport's approval of working drawings and specifications which shall be true and correct representations of the preliminary plans so approved. All construction shall conform to approved working drawings and specifications and when such work is commenced, it shall be completed with reasonable dispatch. No substantial change, addition or alteration shall be made in said working plans or specifications or in the construction called therefore without first obtaining the Airport's written approval. Upon completion of said improvements, the Lessee shall furnish the Airport, at no charge, two (2) complete sets of as-built drawings of the improvements as constructed and one (1) set on electronic media of the improvements as constructed.

E. All improvements constructed by the Lessee pursuant to this Section shall conform in all respects to the applicable statutes, ordinances, building codes, rules and regulations of all applicable governmental agencies as may have jurisdiction.

F. Lessee shall meet the applicable County or City requirements to properly dispose of storm water runoff generated on Premises.

G. Lessee shall have the right at any time during the term of the Agreement or upon termination and within thirty (30) days thereafter, to remove all personal fixtures and equipment at its own expense subject to any valid lien the Airport may have thereon for unpaid rents, fees or charges. Any and all property not removed by the Lessee within said thirty day period shall

thereupon become a part of the realty on which it is located and title thereto shall vest in the Airport. All Airport property damaged by or as a result of the removal of the Lessee's property shall be restored to a condition satisfactory to the Airport by the Lessee at its expense to the condition existing prior to such damage.

15. DAMAGE OR DESTRUCTION

A. In the event the construction in accordance with Article 14 – CONSTRUCTION, MAINTENANCE AND REPAIR OF LESSEE'S LEASEHOLD IMPROVEMENTS herein, or improvements thereto, are partially or totally damaged by fire or other casualty, the Lessee shall be required to repair or replace the same at its own expense. The new improvements shall be at least the same size, design and quality as that which existed prior to any damage or destruction. Both parties agree, however, that any insurance proceeds shall be first applied to the cost of repair or replacement of improvements.

B. Lessee may elect not to repair or replace said construction or improvements. Lessee shall advise the Airport of its intent within thirty (30) days of the damage or destruction. If Lessee elects not to repair or replace the improvements this Agreement shall be terminated. In such event, the Airport may either accept ownership of the improvements or require Lessee to remove the improvements and restore the building site affected by such damage or destruction to a condition satisfactory to the Airport. The insurance proceeds shall be used for such restoration and the balance divided between the Airport and Lessee as their interests bear in accordance with Article 16 – DEPRECIATION OF IMPROVEMENTS. The Airport shall notify Lessee of its intent within thirty (30) days of receipt of Lessee's notification. If Airport elects to have Lessee remove the improvements, Lessee shall have thirty (30) days to do so.

C. Other Airport Property. In the event of damage or destruction of Airport property caused by the Lessee, its agents, employees, aircraft or other equipment, Lessee agrees to repair, reconstruct, or replace the affected property to the condition which existed prior to such damage or destruction, to the extent that same is not covered by insurance required under this Agreement. Lessee further agrees to cause such repair, reconstruction or replacement of affected space with due diligence.

16. DEPRECIATION OF IMPROVEMENTS

As soon as practicable following completion of the construction as set forth in Article 14 – CONSTRUCTION, MAINTENANCE AND REPAIR OF LESSEE'S LEASEHOLD IMPROVEMENTS, herein, but no later than sixty (60) days after completion, Lessee shall submit to the Airport an itemized statement of the total cost of the construction, certified by an officer of Lessee showing the actual cost of said construction and shall produce copies of all invoices or other records in connection therewith, if requested by the Airport. Said statement shall list all expenditures by category, as follows:

Category #1– Trade Fixtures: equipment, fixtures, furnishings, signs.

Category#2 – Fixed Improvements: structural, mechanical, electrical, site development, wall coverings, floor coverings, partitions, walls, heating and cooling modifications/installations, landscaping, pavement.

Architectural, engineering, real estate broker and developer fees will be added at value rather than cost as some or all of said fees were waived. Such fees shall in no event exceed twenty-five percent (25%) of the total expenditure included in Category #2 of this depreciation schedule. The total expenditure shall be referred to as Construction Capital Investment. Said itemized statement shall, unless disputed in writing by Airport within ninety (90) days next following receipt thereof from Lessee, constitute prima facie evidence of the costs shown therein. In the event of any cancellation or termination of this Agreement for cause other than the destruction of the Premises or a breach or default by Lessee hereunder Airport shall pay to Lessee cash price equal to Lessee's actual cost for Category #2, as set forth above, less depreciation to the nearest complete month of the term then elapsed under this Agreement, less the actual cost of repairing any damage caused the Premises by reason of removal of trade fixtures. For the purposes of this Agreement, depreciation for Category #2 shall be based upon a straight line method over _____ (___) years which shall begin to run upon completion of construction/date of beneficial occupancy of facilities, however, no later than six months from the date of lease commencement. The amount so depreciated shall vest in the Airport.

17. OWNERSHIP OF IMPROVEMENTS

In the event this Agreement is terminated due to default by Lessee or upon expiration of the initial term of this Agreement and any exercised renewal periods, then, as outlined in Article 44 – SURRENDER OF POSSESSION; DISPOSITION OF BUILDINGS AND IMPROVEMENTS, Airport may at its sole option either accept ownership of the improvements constructed or installed on the Premises (Category #2) or require Lessee to remove such improvements within one hundred twenty (120) days of such cancellation or expiration. Airport shall notify Lessee of its intent within sixty (60) days of the cancellation or expiration.

18. INDEMNITY AND WAIVER OF DAMAGES

A. The Lessee shall indemnify, hold harmless and defend the Airport, the City and County of Spokane, their elected and appointed officials, agents, employees and representatives from and against any and all claims and actions, demands, damages, civil penalties, charges, judgements, losses, liabilities of any character or kind and other legal actions and proceedings of whatever nature, including reasonable attorney's fees (including fees to establish the right to indemnification) resulting from, arising out of, related to, or caused by Lessee's or Sublessee's conduct of business or from any activity or other things done, permitted, or suffered by Lessee in, or about the Premises and/or Felts Field or other act or failure to act, excluding only claims or actions arising out of the sole negligence of the Airport, the City and County of Spokane, their elected and appointed officials, agents and employees, provided that the Airport shall give the Lessee prompt and reasonable notice of any such claim or actions made or filed against it.

B. Lessee hereby agrees to release and hold harmless the Airport, the City and County of Spokane, its elected and appointed officials, agents and employees, from any damages to the Lessee caused by noise, vibrations, fumes, dust, fuel particles and all other effects that may be caused by the operation of aircraft landing at or taking off from, or operating at or on Felts Field; and the Lessee does hereby fully waive, remise and release any right or cause of action which it may now have or which it may have in the future against the Airport, its successors and assigns, due to such noise, vibrations, fumes, dust, fuel particles, and all other effects that may be caused or may have been caused by the operation at or on Felts Field. The above exception shall not limit a cause of action against other persons or entities, including licensees, concessionaires or aircraft operators.

C. Lessee further agrees to hold the Airport, the City and County of Spokane, their agents, officials and employees free and harmless for any claims arising out of the damage, destruction or loss of any or all of Lessee's equipment excluding any claims arising out of the sole negligence of the Airport, the City and County of Spokane, their elected officials, agents, and employees.

19. INSURANCE

A. Lessee shall, at its expense, maintain insurance in full force and effect during the term of this Agreement in such amounts as to meet the minimum limits of liability as outlined below, and insurance shall be placed with companies or underwriters authorized to issue said insurance in the State of Washington and carry a Best's rating no lower than A-. Lessee shall ensure all sublessee's comply with the automobile insurance requirements as outlined in this Article. Failure of Lessee and all sublessee's to obtain and maintain such required insurance shall constitute a default under this Agreement. The insurance policy(ies) shall be the standard comprehensive insurance coverage with aircraft exclusions deleted, to cover all operations of the Lessee and shall include, but not by way of limitation, bodily injury, property damage and contractual coverage including the obligations pursuant to Article 18 - INDEMNITY AND WAIVER OF DAMAGES, herein. Lessee shall also maintain Hangarkeepers Liability Insurance in the event they store non-owned aircraft on said Premises. The Airport, the City and County of Spokane, their elected and appointed officials, agents and employees shall be named as additional insureds with respect to Lessee's use of Felts Field and the Premises which are the subject of this Agreement. The Lessee's insurance shall be primary and non-contributory with any insurance maintained by the additional insureds and shall be stated on the Certificate of Insurance provided by the Lessee. Lessee shall promptly upon execution of this Agreement, furnish to the Airport appropriate certificates of insurance evidencing coverage affected and to be maintained for the term of this Agreement. The coverage for personal aircraft storage use shall not be less than One Million Dollars (\$1,000,000.00), combined single limit or split limits equal to and not less than One Million Dollars (\$1,000,000.00), for bodily injury and property damage with respect to each occurrence. The coverage for a commercial aeronautical activity shall be as specified in the Minimum Standards. In addition, Lessee and all sublessee's shall maintain automobile liability insurance and the policy shall be issued by a company authorized to issue insurance in the State of Washington. The coverage shall not be less than Three Hundred Thousand (\$300,000.00) combined single limit or split limits equal to and not less than Three Hundred Thousand (\$300,000.00), for bodily injury and property damage with respect to each occurrence, such limits subject to reasonable adjustment by the Airport during the term of this Agreement. Failure of Lessee or sublessee's to maintain such required automobile insurance shall constitute a default under this Agreement. The insurance policies shall not be subject to cancellation except after notice to the Airport by registered mail at least thirty (30) days prior to the date of such cancellation or material change. Where any policy(ices) has (have) normal expirations during the term of this Agreement, written evidence or renewal shall be furnished to the Airport at least thirty (30) days prior to such expiration. Upon written request by the Airport, Lessee shall permit the Airport to inspect the originals of all applicable policies. The Lessee's insurance identified in this Article 19 shall include a waiver of subrogation in favor of the additional insured. This Article 19 shall be subject to periodic adjustments by the Airport.

B. Fire and Peril Insurance

Lessee shall procure and maintain policies of insurance at its own expense, insuring the Premises and improvements thereon against all perils of direct physical loss excluding earthquake and flood. The insurance coverage shall be for not less than one hundred percent (100%) full replacement value of said Premises and improvements with an agreed amount clause and a reasonable and customary deductible on said Premises and improvements. Such amount is subject to final approval by the Airport. The Lessee shall furnish to the Airport evidence that such coverage has been procured and is being maintained in full force and effect.

20. INDEMNIFICATION AND INSURANCE DURING CONSTRUCTION AND RENOVATION

A. Lessee agrees to indemnify and hold the Airport, the City and County of Spokane, their elected and appointed officials, agents and employees, free and harmless from any and all claims, suits, loss, damage or injury to persons or property that might occur during the construction or renovation of the Premises.

B. Lessee further agrees that it shall not allow or permit any agent, independent contractor or subcontractor to commence work on the Premises until all insurance certificates from such agents, independent contractor or subcontractor hereunder have been approved and are in the Airport's possession. The approval of insurance by the Airport shall not relieve or decrease the liability of the Lessee for its agents, independent contractors or subcontractors. Upon written request by Lessee, the Airport may waive the provisions of this Article if, in the Airport's opinion, contractors' activities are included under Lessee's insurance coverage. This insurance shall protect the contractor, Lessee and the Airport, the City and County of Spokane, their elected and appointed officials, agents and employees, as additional insured, against liability, claims or costs thereof, for bodily injury or property damage resulting from the performance of the construction contract, to the extent Lessee has assumed liability herein, within the following limits:

1. Public Liability and Property Damage:
Not less than One Million Dollars (\$1,000,000.00) combined single limit for bodily injury, death or property damage resulting from any one occurrence.
2. Contractor's Protective Liability and Property Damage:
Same limits as set forth in Paragraph 1 of this Section.
3. Automobile Public Liability and Property Damage:
Not less than One Million Dollars (\$1,000,000.00) combined single limit.

21. WAIVER OF SUBROGATION

A. The Airport and Lessee each waive any rights it may have against the other on account of any loss or damage occasioned to Airport or Lessee, as the case may be, their respective property, the Premises or its contents or to other portions of the Airport arising from any liability, loss, damage or injury caused by fire or other casualty for which property insurance is carried or required to be carried pursuant to this Agreement. Each of the parties hereto, on behalf of their respective insurance companies insuring the property of either Airport or Lessee against any such loss, to the extent of any recovery under such insurance, waives any right of subrogation that it may have against the other. Each waiver shall be expressly included in, and

shall comply with the requirements of the respective insurance policies. Should either or both of the respective insurance companies assess a charge for such waiver, each party shall pay only for the charges assessed by its respective insurer.

B. Lessee further expressly waives any and all claims against the Airport, the City and County of Spokane, their agents and employees of whatever nature, for any and all loss or damage sustained by the Lessee, except loss or damage caused by the sole negligence of the Airport, its agents or employees, including interruption of the Lessee's business operations, by reason of any defect, deficiency, failure or impairment of the Premises, or any utility service to or in the Premises, including, but not limited to, the water supply system, electrical wires leading to or in the Premises, gas, electric or telephone service, or any other failure which may occur during the term of this Agreement from any cause.

22. MAINTENANCE AND UTILITIES

A. Upon completion of construction, Lessee shall have complete responsibility for and take good care of the Premises and the interior and exterior of all buildings erected thereon, including all utilities, fixtures and painting, and keep the same and all parts thereof, including the roof and all walls and foundation, together with any and all alterations, additions, and improvements therein or thereto, in good order and condition, suffering no waste or injury, and shall at the Lessee's expense, promptly make all needed repairs and replacements including casualty losses in and to any building or structure or equipment now or hereafter erected or installed upon the demised Premises, including walkways, water, sewer, and gas connections, pipes and mains, and all other fixtures, machinery and equipment now or hereafter belonging to or connected with said Premises or used in their operation. All such repairs and replacements shall be of high quality sufficient for the proper maintenance and operation of the demised Premises and subject to the provisions of Article 14 – CONSTRUCTION, MAINTENANCE AND REPAIR OF LESSEE'S LEASEHOLD IMPROVEMENTS.

B. Airport shall provide snow removal to the best of its ability on public areas of Felts Field. Lessee shall be responsible for snow removal and ice control on the demised Premises.

C. The Lessee shall provide at its own expense such janitorial and cleaning services and supplies as may be necessary or required in the operation and maintenance of its Premises. The Lessee also agrees to keep and maintain the interior of its Premises in a clean, neat and sanitary condition, and attractive in appearance.

D. Lessee shall maintain and make necessary repairs, structural or otherwise, to the interior of all of its Premises and the fixtures or equipment therein and appurtenances thereto, including, without limitation, fire extinguisher, fire suppressants, the interior windows, doors and entrances, floor coverings, interior walls and ceiling, the interior surface, the surfaces of interior columns exclusive of structural deficiencies, any columns erected by Lessee, partitions and lighting within its Premises and serving Lessee. This maintenance shall be such that the original theme will be maintained in accordance with original approved plans.

E. Lessee shall keep and maintain in good condition all service lines, electrical equipment and plumbing fixtures located at or on its Premises.

F. All repairs made by the Lessee or on its behalf shall be of high quality in both materials and workmanship. All repairs will be made in conformity with the rules and regulations prescribed from time to time by Federal, State or local authority having jurisdiction over the work in or to the Lessee's Premises.

G. Upon providing notice, if possible, the Airport or its duly appointed representatives shall have the right to enter the Lessee's Premises to:

1. Inspect the Premises during the Airport's regular business hours or at any time in case of emergency to determine whether the Lessee has complied with and is complying with the terms and conditions of this Agreement and other enumerated and health/operational standards. The Airport may, at its discretion, require the Lessee to effect repairs at the Lessee's own cost.

2. Perform any and all things which the Lessee is obligated to perform and has failed after reasonable written notice to perform, including: maintenance, repairs and replacements to the Lessee's Premises or to respond to any public health or safety emergency. Notwithstanding the above, in the event of an emergency condition, the Airport or its duly appointed representatives shall have the right to enter the Lessee's Premises to perform maintenance repair and replacement.

3. Undertake the maintenance, repair or replacements requested by the Airport if the Lessee refuses or neglects to make any repairs necessitated by the negligent acts or omissions of the Lessee, its sub-lessee's, agents, servants or licensees. The Airport shall have the right to make such repairs on behalf of and for the Lessee if Lessee has not commenced such repairs within five (5) days after written notice by Airport. Such work shall be paid by the Lessee within ten (10) days following demand by Airport for said payment at the Airport's standard rates plus administrative costs.

H. The Lessee shall provide, in a timely manner, for the adequate sanitary handling and removal of all trash, garbage and other refuse caused as a result of the Lessee's operations in a manner and area designated by the Airport. The Lessee agrees to provide and use suitable closed receptacles for all garbage, trash and other refuse in its Premises. Piling of boxes, cartons, barrels or similar items shall not be permitted in a public area. In the event Airport installs a central/common use trash collection facility, Lessee shall pay its proportionate share of the cost of using such a facility if the Lessee uses the facility.

I. The Lessee shall pay for all utilities consumed within the Premises. The Lessee shall maintain separate utility meters.

23. SIGNAGE

Lessee shall have the right, at its own expense to install and maintain signs for the purpose of identification. Prior to installation of such signage, the Lessee shall submit plans and obtain approval of the Airport. In the event the signs are removed and not replaced, Lessee shall repair the area to its normal appearance. To the extent that Lessee uses any electronic medium for identification and/or advertising which includes any reference to Lessee's relationship with SIA, Airport shall have the right to review and approve the same.

24. TAXES

Lessee agrees to pay all lawful taxes and assessments during the term hereof or any extension as provided for herein, which may be levied or charged by the Federal, State, County, City or other tax-levying body upon the Premises herein or upon any taxable interest acquired by the Lessee in this Agreement, including leasehold excise tax, or any taxable possessory right which the Lessee may have in or to the Premises or facilities hereby leased or the improvements thereon, by reason of its occupancy thereof, or otherwise, as well as all taxes on taxable property, real or personal, owned by the Lessee in or about the Premises. Nothing herein shall prevent the Lessee from protesting through due process, any taxes levied. Upon any termination of this Agreement, all taxes levied or a lien upon any of said property or taxable interest therein shall be paid in full without proration by the Lessee forthwith, or as soon as a statement thereof has been issued by the tax collector if termination occurs during the interval between the attachment of the lien and issuance of statement.

25. AIRPORT'S RIGHT TO ENTER PREMISES

Upon providing notice, if possible, the Airport reserves the right to inspect the Premises and improvements at any reasonable time throughout the term of this Agreement. When, for any reason, an entry is deemed necessary, and Lessee is not present to permit such entry, the Airport, its agents and employees, shall be permitted to enter the Premises and improvements. The Airport's agents or employees shall not be liable for any civil or criminal claim or cause of action for damage because of entering the Premises or improvements at reasonable times and in a reasonable manner.

26. GOVERNMENT RESERVATIONS AND RESTRICTIONS

The Premises being leased and rights granted by this Agreement shall be subject to all enforced reservations and restrictions, including but not limited to, the following:

A. It is understood and agreed to by Lessee that nothing herein contained shall be construed to grant or authorize the granting of any exclusive right forbidden by the Airport Development Act, 49 U.S.C. 47101, et. seq., and Section 308 of the Federal Aviation Act of 1958 and as amended.

B. During the time of war or national emergency, the Airport shall have the right to lease the landing area or any part thereof to the United States Government for military or naval use and, if such lease is executed, the provisions of this Agreement insofar as they are inconsistent with the provisions of the agreement or lease with the Government, shall be suspended.

C. This Agreement shall be subject to the terms of any sponsor's assurances and agreements now required or imposed in the future, between the Airport and the Federal Aviation Administration or any successor federal agency.

D. This Agreement shall be subordinate to the provisions of any existing or future agreement between the United States Government and the Airport relative to the operation or maintenance of Felts Field, the execution of which has been or may be required as a condition precedent to the expenditure of federal funds for the development of Felts Field, by the provisions of the Airport Improvement Program, and as the program may be amended, or any

other federal act, deed, grant agreement or program affecting the operation or maintenance of Felts Field now or in the future; provided however, that the Airport shall, to the extent permitted by law, use its best efforts to cause any such agreements to include provisions protecting and preserving the rights of Lessee in and to the Premises and improvements thereon.

27. AGREEMENT SUBORDINATE TO BOND ORDINANCE

This Agreement and all rights of the Lessee hereunder are expressly subordinated and subject to the lien and provisions of any pledge or assignment made by the Airport, the City of Spokane or County of Spokane to secure any bonds authorized by law to be issued for the development or improvement of the Airport, and the Airport and the Lessee agree that the holders of the said bonds shall possess, enjoy and may exercise all rights of the Airport hereunder to the extent such possession, enjoyment and exercise are necessary to ensure compliance by Lessee and the Airport with the term and provisions of the bond covenants.

28. AIRPORT'S RIGHTS OF CANCELLATION

In addition to any conditions as specified herein and all other remedies available to the Airport, this Agreement shall be subject to cancellation by the Airport should any one or more of the following occur:

A. If the Lessee shall file a voluntary petition in bankruptcy, or proceedings in bankruptcy shall be instituted against the Lessee and the Lessee is thereafter adjudicated a bankrupt pursuant to such proceedings, or if a court shall take jurisdiction of the Lessee and its assets pursuant to proceedings brought under the provisions of any Federal Reorganization or Bankruptcy Act, or if a Receiver for the Lessee's assets is appointed, or if the Lessee shall be divested of its rights, powers and privileges under this Agreement by other operation of law

B. If the Lessee shall fail to perform, keep and observe any of the applicable covenants and conditions contained in this Agreement, provided that upon the happening of any contingency recited in this Article, the Lessee shall be given written notice to correct or cure such default, failure to perform or breach. In the case of default, Airport shall notify any lenders holding an interest in the leasehold improvements in accordance with any consent form executed by Airport. If, within thirty (30) days from the date of such notice, the default, breach, or complaint shall not have been corrected in a manner satisfactory to the Airport, then and in such event the Airport shall have the right to declare this Agreement terminated. The Airport does, however, reserve the right to extend the time period to correct the default, if, in its sole opinion, due diligence is shown by the Lessee in curing the default.

C. If under any of the foregoing provisions of this Article the Airport shall have the right to reenter and take possession of the premises, the Airport may enter and eject the Lessee and those claiming through or under it and remove its property and effects, (using reasonable force, if necessary) without being guilty of any manner of trespass; without any liability therefore, without prejudice to any remedies of the Airport in the event of default by the Lessee; and without liability for any interruption of the conduct of the affairs of Lessee or those claiming through or under it.

29. LESSEE'S RIGHTS OF CANCELLATION

In addition to all other remedies available to the Lessee, this Agreement shall be subject to cancellation by Lessee should any one or more of the following occur:

- A. The permanent abandonment of Felts Field.
- B. The issuance of any order, rule or regulation by the Federal Aviation Administration or its successor federal agency or the issuance by any court of competent jurisdiction of an injunction, materially restricting for a period of at least ninety (90) days, the use of Felts Field for air transportation.
- C. The breach by the Airport of any covenants, terms or conditions of this Agreement to be kept, performed and observed by the Airport and the failure to remedy such breach for a period of sixty (60) days after written notice from Lessee of the existence of such breach.
- D. The assumption of the United States Government, or any authorized agent of the same, of the operation, control or use of Felts Field and its facilities in such manner as to substantially restrict the Lessee from conducting its business or activity, if such restriction be continued for a period of ninety (90) continuous days or more.
- E. The occurrence of any event or events beyond the reasonable control of Lessee, including, but not limited to, any act of God or other supervening event which precludes the Lessee from the use of the property for the purposes enumerated herein, or from the use of airport facilities.

30. ASSIGNMENT AND SUBLETTING

- A. Neither Lessee nor any assignee or other successor of Lessee shall in any manner, directly or indirectly, by operation of law or otherwise, assign, sublet, transfer or encumber any of Lessee's rights in and to this Agreement, or to the fixed improvements, or any interest therein, nor license or permit the use of the rights herein granted in whole or in part, without the prior written consent of the Airport. Lessee shall have the right to assign the Agreement and leasehold improvements to a purchaser of substantially all of Lessee's assets on the leased Premises, if the assignor executes an agreement acceptable to the Airport with an assignee which is acceptable to the Airport and which has the financial ability to perform and assume all of Lessee's obligations hereunder.
- B. Lessee shall have the right, upon prior approval by the Airport, to assign its leasehold interest in this Agreement as collateral for financing purposes. Any such assignment or other security instrument which Lessee may execute in favor of a lender shall be subject to and subordinate to the rights of the Airport pursuant to this Agreement. This Article shall not be construed as limiting the rights of the Lessee, including individual owners of leasehold aircraft hangar condominium units, to sell and own such leasehold aircraft hangar condominium units, subject to the terms of this Agreement. Additionally, Airport affirms that upon formation of a condominium owners' association, this Agreement may, upon prior review and approval by the Airport, be assigned to said association. Any assignment shall not diminish the financial security or obligations secured to the Airport through this Agreement.

31. LEGAL CLAIMS AND ATTORNEY FEES

A. Each party hereto shall promptly report to the other any claim or suit against it arising out of or in connection with the Lessee's operation at Felts Field. The Airport and Lessee shall each have the right to compromise and defend the same to the extent of its own interest; provided the defense of the same has not been tendered and accepted by the other party. The Lessee is an independent contractor in every respect, and not the agent of the Airport.

B. In the event either party requires the services of an attorney in connection with enforcing the terms of this Agreement or in the event suit is brought for the recovery of any rent, fees or other sum or charges otherwise payable by Lessee, this Agreement or the breach of any covenant or condition of this Agreement, or for the restitution of the Premises to the Airport and/or eviction of Lessee during the term of this Agreement, or after the expiration thereof, the prevailing party will be entitled to reasonable attorneys' fees, consultants' fees, witness fees and other costs, both at trial and on appeal. For purposes of calculating attorneys' fees, legal services rendered on behalf of the Airport by public attorneys shall be computed at hourly rates charged by attorneys of comparable experience in private practice in Spokane, Washington.

32. APPROVAL OR DIRECTION BY AIRPORT

Wherever consent, approval or direction by the Airport is required under this Agreement, such consent, approval or direction by the Airport shall be effective if given by the Airport's Chief Executive Officer or his designee in the manner set forth in this Agreement.

33. PERFORMANCE BY AIRPORT

If the Lessee should fail to do anything required to be done under the terms and conditions of this Agreement, except for the payment of rents, fees or charges, the Airport may, at its sole option and after giving written notice to the Lessee, perform such act on behalf of the Lessee. Upon notification to the Lessee of the cost thereof by the Airport, the Lessee shall promptly pay the Airport the amount due.

34. LIENS OR ENCUMBRANCES

Lessee agrees that it shall pay, or cause to be paid, all costs and expenses for work done, materials delivered, and professional services provided to the Premises for improvements done at Lessee's request, during the leasehold term for improvement to the Premises. Lessee shall keep the Premises free and clear of all mechanic's or materialmen's liens or any other liens on account of any work done on the Premises at Lessee's request. Lessee agrees to and shall indemnify, and hold the City of Spokane, County of Spokane, and the Airport free from and harmless against all liability, loss, damage, cost, attorney's fees and all other expenses on account of claims of lien of laborers or materialmen, or others, for work performed or materials or supplies furnished to Lessee for use on the Premises. Airport may require lien releases as a condition of approval.

35. FEDERAL NONDISCRIMINATION

A. Lessee understands and acknowledges that the Airport has given to the United States of America, acting by and through the FAA, certain assurances with respect to nondiscrimination, which have been required by Title VI of the Civil Rights Act 1964 and by 49 CFR Part 21 as a condition precedent to the Government making grants in aid to the Airport for

certain Airport programs and activities, and that Airport is required under those regulations to include in every agreement pursuant to which any person or persons, other than Airport, operates or has the right to operate any facility on Felts Field providing services to the public, the following covenant, to which Lessee agrees:

B. Lessee, in its operation at and use of Felts Field, covenants that:

1. No person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities;

2. In the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination;

3. It shall use the Premises in compliance with all other requirements imposed by or pursuant to 49 CFR Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation Effectuations of Title VI of the Civil Rights Act of 1964, and as that regulation may be amended; and

4. Lessee further agrees promptly to provide the Airport, upon written request by the Airport, such information the Airport is required to obtain from Lessee to show compliance with applicable nondiscrimination laws.

36. PRIOR AND COLLATERAL AGREEMENTS

This Agreement shall constitute the entire Agreement between the parties and no other stipulation, agreement or understanding, written or oral, expressed or implied of the parties hereto or of their agents, relating to the lease and use of the Premises demised herein, shall limit or modify its terms. This Agreement shall, as of the commencement date hereof, cancel and supersede all prior agreements, written or oral, expressed or implied, between the parties for the rights granted herein. This Agreement shall not be subject to modification or change except by written instrument duly signed.

37. SEVERABILITY

If any term or provision of this Agreement shall to any extent be held invalid or unenforceable, the remaining terms and provisions of this Agreement shall not be affected thereby, but each term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

38. NON-WAIVER OF BREACH

The waiving of any of the covenants of this Agreement by either party shall be limited to the particular instance and shall not be deemed to waive any other breaches of such covenants. The consent by the Airport to any act by Lessee requiring Airport's consent shall not be deemed to waive consent to any subsequent similar act by Lessee.

39. SURVIVAL OF INDEMNITIES

All indemnities provided in this Agreement shall survive the expiration or any earlier termination of this Agreement. In any litigation or proceeding within the scope of any indemnity provided in this Agreement, Lessee shall, at the Airport's option, defend the Airport at Lessee's expense by counsel satisfactory to the Airport.

40. APPLICABLE LAW; VENUE; WAIVER OF TRIAL BY JURY

This Agreement, and the rights and obligations of the parties hereto, shall be construed and enforced in accordance with the laws of the State of Washington. Jurisdiction and venue for any action on or related to the terms of this Agreement shall be exclusively in either the United States District Court for the Eastern District of Washington at Spokane or the Spokane County Superior Court for the State of Washington, and the parties irrevocably consent to the personal jurisdiction of such courts over themselves for the purposes of determining such action and waive any right to assert a claim for inconvenient forum. In any action on or related to the terms of this Agreement, the parties (for themselves and their successors and assigns) hereby waive any right to trial by jury and expressly consent to trial of any such action before the court.

41. NOTICES

All payments, demands and notices required herein shall be deemed to be properly served if personally delivered, or if sent by overnight courier or certified mail with postage prepaid, to the last address furnished by the parties hereto. Until hereafter changed by the parties, in writing, notices shall be addressed as follows:

AIRPORT: Properties & Contracts Director
Spokane Airport
9000 W. Airport Drive, Suite 204
Spokane, WA 99224

LESSEE: _____

The date of service of such notice shall be upon personal delivery, one (1) day after such notice is deposited with reliable overnight courier or three (3) days after such notice is deposited in a Post Office of the U.S. Post Office Department.

42. TIME OF ESSENCE

It is mutually agreed that time is of the essence in the performance of all covenants and conditions to be kept and performed under the terms of this Agreement.

43. RELOCATION

It is agreed that the Airport may require the relocation of Lessee and substitution of premises other than the Premises demised in the event that the Airport, in its sole opinion or upon receipt of an order or notice of the Federal Aviation Administration, determines such relocation and substitution is necessary for the orderly expansion and development of Felts Field

facilities or compliance with FAA rules or directives. Such relocation shall be comparable to the existing facility and at a location determined by the Airport.

44. SURRENDER OF POSSESSION: DISPOSITION OF BUILDINGS AND IMPROVEMENTS

In the event this Agreement is terminated due to default by Lessee or upon expiration of the initial term of this Agreement or any exercised renewal period as outlined in Article 1 – TERM, Paragraph B, Lessee shall, upon transfer of ownership of the improvements constructed or installed on the Premises to the Airport, remove all of its property defined as trade fixtures or personal property from the Premises and surrender the entire possession of its rights to the Airport. The Airport, at its option, reserves the right to enter into a new Agreement, or reject ownership and require that all buildings and improvements, including foundations, footings and wall slabs, with the exception of taxiways, be removed within one hundred twenty (120) days of the termination date; provided, however, that Lessee shall be granted a three (3) month extension, without penalty, upon showing of good cause for delaying the removal of the building and improvements. Airport shall notify Lessee of its intent within sixty (60) days of the cancellation or expiration.

45. FORCIBLE DETENTION

Should the Lessee continue to occupy the leased Premises after the forfeiture, expiration or cancellation of this Agreement, such tenancy shall be on a month to month basis and may be terminated at the sole discretion of the Airport, but in all other respects be in accordance with the applicable provisions of this Agreement.

46. PARAGRAPH HEADINGS

Paragraph headings contained herein are for convenience in reference only, and are not intended to define or limit the scope of any provisions of this Agreement.

IN TESTIMONY WHEREOF, witness the signature of the parties hereto the day and year first above written.

SPOKANE AIRPORT BOARD:

APPROVED AS TO FORM:

By: Lawrence J. Krauter
Chief Executive Officer

Brian M. Werst
General Counsel

Date: _____

Date: _____

LESSEE

Title: _____
Date: _____



**EXHIBIT E
(MINIMUM STANDARDS)**

Enclosed in this Exhibit you will find the current “Minimum Standards for Commercial Aeronautical Activities and Aircraft Fueling on Felts Field Airport” as adopted by the Spokane Airport Board on September 22, 2010.

Minimum Standards For
Commercial Aeronautical Activities
And Aircraft Fueling
On
Felts Field Airport

Adopted and Approved by the
Airport Board
September 22, 2010

SPOKANE, WASHINGTON

TABLE OF CONTENTS
Minimum Standards for Commercial Aeronautical Activities
and Aircraft Fueling on Felts Field Airport

SECTION A – Introduction	1
1. <u>Purpose</u>	1
2. <u>Authority</u>	1
3. <u>Related Publications</u>	1
4. <u>Contents</u>	1
5. <u>Definitions</u>	2
6. <u>Background</u>	3
7. <u>Use of Standards</u>	3
8. <u>Need to be Reasonable and Relevant</u>	3
9. <u>Combination of Activities</u>	4
10. <u>Elements (AC 150/5190-7)</u>	4
11. <u>Land Use Identification Plan</u>	4
12. <u>Types of Commercial Activities</u>	4
13. <u>Conformance with Terms of the Agreement</u>	5
14. <u>Application</u>	5
15. <u>Review of Standards</u>	5
SECTION B – Types of Commercial Aeronautical Activities	6
1. <u>FBO</u>	6
2. <u>Airframe and Engine Repair and Maintenance</u>	8
3. <u>Aircraft Charter or Air Taxi Service</u>	9
4. <u>Aircraft Rental and/or Sales</u>	9
5. <u>Flight Training</u>	10
6. <u>Avionics Sales, Repair and Service</u>	11
7. <u>Hangar Development</u>	11
8. <u>Air Cargo</u>	12
9. <u>Aerial Applicators</u>	13
10. <u>Aerial Advertising</u>	13
11. <u>Flying Clubs</u>	13
12. <u>Other Special Services</u>	14
SECTION C – Aircraft Fueling	15
1. <u>Fueling Safety</u>	15
2. <u>Self-Fueling</u>	15
3. <u>Automobile Gasolines</u>	16
4. <u>Responsibility</u>	16
SECTION D – Lease /Contractual Requirements	17
1. <u>Contract Required</u>	17
2. <u>Application to the Airport Board</u>	17
3. <u>Minimum Application Information</u>	17
4. <u>Lease or Other Contractual Agreement with the Board</u>	19
5. <u>Lease of Airport Land and/or Facilities</u>	20
6. <u>General Information</u>	22
Appendix A –Insurance Requirements	

SECTION A – Introduction

1. Purpose

The purpose of establishing the Minimum Standards incorporated in this document is to provide guidance for commercial service providers operating on the airport. The establishment of these Minimum Standards is designed to ensure reasonable and nondiscriminatory rules and regulations for airport operators. These Standards are based on guidance material provided by the Federal Aviation Administration (FAA).

2. Authority

Spokane County and the City of Spokane jointly created the Spokane Airport Board, in accordance with Chapter 14.08 of the Revised Code of Washington (RCW) through an Interlocal Agreement, and as amended by Joint Resolution 90-1040. The Airport Board is vested with the authority for the operation and regulation of Spokane Airports, to include construction, enlargement, improvement, maintenance, and equipment. The Airport Board, exercising powers on behalf of and with the approval of Spokane County and the City of Spokane, has full authority to adopt and amend all needed rules, regulations and ordinances for the management, government and use of any property under its control. (*RCW 14.08.120; 14.08.200*)

The authority granted to the Airport Board, includes establishing procedures authorizing airport personnel to take reasonable measures for remedies. (*RCW 14.08.122*)

3. Related Publications

- A. Federal Aviation Administration Order 5190.6B
Airport Compliance Requirements
- B. FAA Advisory Circular 150/5190-7:
Minimum Standards for Commercial Aeronautical Activities
- C. FAA Advisory Circular 150/5190-6:
Exclusive Rights at Federally Obligated Airports.
- D. Chapter 14.08, Revised Code of Washington:
Municipal Airports -1945 Act.

4. Contents

The Minimum Standards set forth operational requirements and minimum services that commercial aeronautical operators must meet and provide. Minimum leasing requirements are tailored to be both reasonable and relevant to ensure operators can provide high quality aeronautical services on the airport.

5. **Definitions**

A. **Aeronautical Activity**

An activity which involves, makes possible, or is required for the operation of aircraft, or which contributes to or is required for the safety of such operations (*FAA Order 5190.6B*). Types of aeronautical activities are described in Section B.

B. **Airport**

Generally an airport is an area of land or water which is used, or intended to be used for the landing and takeoff of aircraft, and any appurtenant areas which are used, or intended to be used for new or existing airport buildings, other airport facilities or right-of-way(s), including any heliport (*FAA Order 5190.6B*). For the purpose of these Standards, the term "airport" refers to Felts Field Airport, Spokane, Washington.

C. **Airport Board**

The Airport Board is the Spokane Airport Board (which may be referred to as the ("Board")), a governing body created by joint agreement by and between Spokane County and the City of Spokane. The Airport Board consists of seven members appointed by the Spokane County Commissioners and the Spokane City Council. The Airport Board is the operating authority of Spokane Airports, pursuant to RCW 14.08, Section 14.08.200.

D. **FAA**

The Federal Aviation Administration: An agency within the United States Department of Transportation.

E. **FAR**

Federal Aviation Regulation: The sections of Federal law governing Airports and aeronautical activity contained in Title 14 of the USC, Parts 1 to 99.

F. **FBO**

Fixed Base Operator: A company that is required to provide a combination of commercial aeronautical services to the public including the public sale of aviation fuels.

G. **Lease or Operating Agreement**

A required contractual agreement between the Airport Board and a Lessee or Operator, providing terms and conditions for the right to conduct a commercial aeronautical or aviation related activity on the airport.

H. **Lessee**

An individual, corporation or partnership granted the right to lease and use airport property for a specific purpose and is responsible for performance under the terms and conditions of a Lease Agreement.

I. **Minimum Standards**

The minimum requirements that must be met by a business engaged in on-airport aeronautical activities for the right to conduct those activities. The terms Minimum Standards or "Standards" may be used alternately to refer to the Minimum Standards for Commercial Aeronautical Activities and Aircraft Fueling on Felts Field Airport.

J. Operator

An individual or company engaged in a commercial aeronautical activity on the airport and who may be a Lessee of the Airport Board or a sub-lessee of an approved Lessee. As used in Sections B and C, the term will apply to the particular activity described in each subsection.

K. Rules and Regulations

Specific procedures and requirements for the conduct of activities on the airport and for the use of airport facilities. When adopted by the Airport Board, such rules and regulations shall be applicable to the conduct of all activity on the airport and will provide for necessary remedies when the Minimum Standards or rules and regulations are violated.

L. SSO

Special Service Operator: Provides a specific, specialized type of commercial service to the aviation public. These service providers are distinguished from an FBO which customarily provides several services at the same place of business, to include fueling operations.

6. Background

The owner of a public airport developed or improved with funds administered by the FAA assumes the obligation to make the airport's facilities and services available on fair and reasonable terms without unjust discrimination. Where federal funds have been expended on an airport, the opportunity to engage in an aeronautical activity should be made available to any person, firm or corporation meeting standards established by the owner which are relevant to the proposed activity, reasonable and in the public interest. The owner of a public airport can restrict the commercial use of the airport, or solicitation of business thereon, based on nondiscriminatory standards.

7. Use of Standards

The establishment of these Standards is in the public interest. Minimum Standards are developed and implemented for the purpose of safeguarding the public interest and are intended to preserve the stability of established businesses and discourage unqualified operators. This protects established aeronautical businesses and the public by preventing the establishment of unsafe, irresponsible and inadequate operator's or service(s).

8. Need to be Reasonable and Relevant

It is not the intent of the Airport Board to adopt Standards that could serve to create or preserve a monopoly. The Standards have been evaluated by the Board and subjected to public review to ensure reasonableness, relevancy and fairness. In the event a dispute should arise regarding minimum leasing or operating requirements, current FAA design standards will be used whenever possible to determine what is reasonable and relevant to the type of aeronautical activity.

9. Combination of Activities

A basic need at an airport is the provision of essential line services. Essential services include the sale of aviation fuel and oil, facilities for tie-down or other storage of aircraft, ramp services and some capability for minor flight line repairs. It is reasonable and appropriate to require that any operator, prior to offering any essential service(s), shall meet the Standards for each category as they are outlined in Section B, Types of Commercial Aeronautical Activities, or in Section C, Aircraft Fuel Services (*AC 150/5190-71*)

10. Elements (AC 150/5190-7)

There are minimum leasing requirements outlined in these Standards, associated with specific proposed aeronautical activities. Per FAA guidance, elements which should be incorporated into the Standards shall include:

- A. Arrangement for suitable spaces, structures or facilities.
- B. Provision for adequate fixtures and equipment.
- C. Requirement to maintain adequate staff with skills, licenses and certificates appropriate to the activities proposed.
- D. Operation during specified hours.
- E. Conformance to safety, health and sanitary codes.
- F. Requirement to show evidence of financial stability and credit rating.
- G. Provision of stated indemnity and insurance.

11. Land Use Identification Plan

Proposed commercial aeronautical activities shall conform as closely as possible to the approved Airport Layout Plan (ALP).

12. Types of Commercial Activities

Listed below are types of commercial aeronautical activities covered in these Standards (*AC 150/5190-7*). Specific minimum requirements to conduct aeronautical activities on the airport will be found in Section B.

- Fuel and Oil Sales
- Flight Training
- Aircraft Charter and Taxi
- Aircraft, Engine and Accessory Maintenance
- Avionics Sales, Repair and Service
- Aerial Applicators
- Aerial Advertising
- Aircraft Rental and Sales
- Hangar Development

13. Conformance with Terms of the Agreement

All aeronautical operators shall conform with the terms and conditions of any written agreement that allows them to operate on the Airport. Such terms and conditions shall include, but not be limited to, Use of Premise and Lessee/Operator's Rights and Obligations.

14. Application

The owner of a public airport has the right to increase the Standards from time to time to improve the quality of service to the public. (AC 150/5190-7). The Airport Board reserves the right to amend the Standards in the future. Any Amendments to the Standards so approved shall be applicable to all affected aeronautical activities without discrimination.

15. Review of Standards

The Board shall hold periodic public meetings for the purpose of reviewing these Standards to determine adequacy and relevancy. Such reviews shall be held at the request of one or more of the affected commercial operators on the airport.

SECTION B – Types of Commercial Aeronautical Activities

The primary commercial aeronautical activities permitted on the airport are listed in this section. Other aviation related services not listed may be considered on a case-by-case basis by the Airport Board. Each category for commercial aeronautical services contained in this section will outline the minimum services that must be provided by a prospective or existing operator and will also include the minimum facility requirements. Requirements for obtaining contractual agreements and related insurance requirements are contained in Section D of this document.

1. FBO

A Fixed Base Operator (FBO) is authorized to engage in public sales of aviation fuels and at least one other aviation related activity as outlined below. The Airport Board grants this privilege to individuals or companies that can provide evidence of sufficient financial resources to provide quality service to the public. Required services may be provided by (sub-lessees) within the FBO's leased premises on the airport, if approved by the Airport Board.

A. Minimum Services Required

In conjunction with the privilege to sell aviation fuel products, the operator shall:

1. Provide for sale and into-plane dispensing of aircraft fuel, depending on current popular demand, which is currently Jet-A and 100LL, together with a selection of aviation lubricants to meet current market demand.
2. Provide at least one (1) metered, properly filtered Jet-A or multi-grade aircraft fuel dispensing truck capable of meeting current customer demands.
3. Provide for fueling and into-plane delivery of aircraft fuels 24 hours per day of which twelve (12) hours may be "on call." The operator shall provide card-activated or other automated dispensing equipment for after-hour use by its customers.
4. Operator shall use existing Airport owned underground storage tanks (if available) or provide permanent above ground fuel storage on the airport. The storage shall be no less than 10,000 gallons for each grade of aviation fuel sold and will be installed in accordance with applicable codes and environmental requirements at a location which must be approved by the Airport Board.
5. Adequate ground support equipment for normal servicing of customers' aircraft, including tow bars, starting assistance, battery charging, tire inflation, aircraft cleaning, waste removal and passenger steps.
6. Properly trained, first class line service personnel for general aviation aircraft operators, including Ramp assistance for Itinerant aircraft parking.
7. In addition to the services required above, the Operator shall provide at least one (1) of the following services:

- Aircraft tie-down and storage during business hours and available after hours
- Aircraft repair and maintenance
- Avionics sales and service
- Flight training
- Aircraft charter and/or rental
- Pilot supplies, aircraft parts and accessory sales

B. Minimum Facility Requirements

(Minimum space requirement may be leased directly from the Airport Board or sub-leased on the airport, provided it is for the exclusive use of the operator):

The operator shall construct or lease a minimum of two of the following:

1. Hangar facility or facilities for storage and/or aircraft repair and maintenance which shall include conveniently located, clean, heated and air conditioned lounges and restrooms for passengers and air crews, including a waiting area, telephone and an area for flight planning.
2. Paved aircraft parking with tie-downs.
3. Adequate off-street vehicle parking that conforms in all respects to County and or City Code requirements.
4. Sufficient space to accommodate required fuel storage and fuel truck parking in accordance with applicable fire and building codes.
5. An operator shall also ensure that there is adequate space for safe collection and disposal of trash, waste or other materials.

C. Card Lock Self-Fuel Systems

1. Current consumer expectations include provisions for automated aviation fuel dispensing systems, such as credit card activated fuel pumps (card lock or similar technology). An operator proposing to install card lock or similar fuel dispensing system shall comply with all applicable code requirements. Attendance and ground equipment requirements of an automated dispensing system shall conform in all respects to municipal or state code requirements.

2. Commercial fuel dispensing systems which are the primary source of business revenue may be operated provided the facility includes storage capacity of 10,000 gallons of fuel. The commercial fueler shall be responsible for providing fuel flowage reports, payment of fees and all other required documentation to the Board when due. An operator proposing a self-fueling facility shall comply with the leasing, Minimum Aircraft Fueling Services and the Aviation Fuel Sales insurance requirements contained in these Standards. Attendance and ground equipment requirements for an automated dispensing system shall comply with municipal or state code requirements.

D. Minimum Insurance Requirements

See Appendix A

2. Airframe and Engine Repair and Maintenance

A. Stand Alone Commercial Operator/Affiliated with another Commercial Operator

1. Minimum Services Required

- a) An operator engaging in aircraft airframe and powerplant repair and maintenance shall be required to provide service during normal weekday business hours.
- b) The operator will provide aircraft maintenance in accordance with applicable Federal Aviation Administration regulations.
- c) At least one (1) FAA –licensed airframe and powerplant mechanic available.
- d) The operator may sell aircraft parts, accessories and pilot supplies.
- e) The operator has the option to offer avionics repair and service provided it has properly trained and licensed technicians to provide such service.

2. Minimum Facility Requirements

Minimum overall leasing requirements for airframe and powerplant repair and maintenance shall include the following which the operator must provide: *(minimum space requirement may be leased directly from the Airport Board or sub-leased on the airport, provided it is for the exclusive use of the operator):*

The operator shall construct or lease the following:

- a) Hangar and shop space providing adequate room to accommodate aircraft for maintenance or repair. An operator shall also meet all County/City code requirements for the provision of on-site paved vehicle parking and restroom facilities on the operator's premises for employees and customers. Operator shall also meet all code requirements for environmental issues such as washing and cleaning aircraft.
- b) Outside aircraft storage space with paved tie-downs adequate for parking customers' aircraft before and after repair or maintenance.

3. Insurance Requirements

See Appendix A

B. Independent Operator – Not Affiliated with Another Commercial Operation

1. Minimum Services Required

- a) An operator engaging in aircraft airframe and powerplant repair and maintenance shall be required to provide a Washington State Unified Business Identifier (UBI), subject to taxes as required by law.
- b) The operator will provide aircraft maintenance in accordance with applicable Federal Aviation Administration regulations.
- c) The operator shall have required FAA license for work being performed.

2. Minimum Facility Requirements

There are no minimum Facility requirements for operators however all

maintenance work done by an operator must be done within an enclosed hangar. Operators must enter into a Use Agreement with the Airport and pay an annual permit fee of \$400.00 payable upon signing a Use Agreement. An operator must also obtain their own Airport issued Access Control card.

3. Insurance Requirements

See Appendix A

3. Aircraft Charter or Air Taxi Service

An operator providing aircraft charter, aerial sightseeing or taxi service on the airport will be required to provide permanent on-airport facilities to conduct such activities. The facilities must have convenient public access.

A. Minimum Services Required

1. Adequate aircraft properly equipped in accordance with applicable Federal Aviation Regulations for the particular service provided.

2. For air charter service, at least one (1) FAA licensed commercial pilot or required crew qualified to provide said service in accordance with FAR Part 135 and other applicable regulations.

B. Minimum Facility Requirements

The operator shall lease office space on the airport and provide the following *(minimum space requirement may be leased directly from the Airport Board or sub-leased on the airport, provided it is for the exclusive use of the operator)*:

1. Sufficient hangar or paved apron space with tie-downs for aircraft.

2. Office space on the airport, including on-site paved vehicle parking, air conditioned waiting area, telephone and restroom facility as required by County and City codes.

C. Minimum Insurance Requirements

See Appendix A

4. Aircraft Rental and/or Sales

An operator conducting aircraft rental or sales on the airport will be required to provide permanent facilities on the airport to conduct such activities. The facilities must have convenient public access. Minimum hours of operation for the operator will be normal business hours during weekdays and at least partial hours on weekends during suitable flying conditions.

A. Minimum Services Required

1. Adequate certificated airworthy aircraft properly equipped in accordance

with applicable Federal Aviation regulations for the type service provided.

2. For aircraft rental or sales, at least one (1) FAA licensed commercial or instructor pilot capable of providing adequate check-out of the operator's aircraft.

3. For aircraft rental or sales, applicable check lists and operating manuals for all aircraft rented or sold.

B. Minimum Facility Requirements

The operator shall lease office space on the airport and provide the following *(minimum space requirement may be leased directly from the Airport Board or sub-leased on the airport, provided it is for the exclusive use of the operator)*:

1. For aircraft rental, leasing and/or sales, adequate hangar space or sufficient paved apron space with tie-downs for the operator's and its customers' aircraft.

2. Office space on the airport, including on-site paved vehicle parking, air conditioned waiting area, restroom facility and public telephone.

C. Minimum Insurance Requirements

See Appendix A

5. Flight Training

An operator desiring to conduct flight training or pilot ground school activities on or from the airport is subject to the requirements of these Standards. For flight training the operator shall provide:

A. Minimum Services Required

1. At least one (1) FAA-certificated flight instructor.

2. Continuing ability to meet FAA certification requirements for the kind(s) of flight training offered, in accordance with applicable Federal Aviation regulations.

3. Adequate visual aids, audio or video equipment necessary for flight instruction or ground school operations.

4. For flight training and ground school operations, a certificated ground school instructor providing regularly scheduled ground school instruction sufficient to enable students to pass FAA written examinations for private and commercial pilot ratings.

B. Minimum Facility Requirements

Minimum overall leasing requirement for flight training and ground school operations on the airport shall include the following which the operator must provide: *Minimum space requirement may be leased directly from the Airport Board or sub-leased on the airport, provided it is for the exclusive use of the operator.*

1. Classroom space together with seating facilities to accommodate students.

2. Sufficient hangar or paved apron space with tie-downs for aircraft.

3. Office space on the airport, including on-site paved vehicle parking, air

conditioned waiting area, telephone and restroom facility as required by County and City codes.

C. Minimum Insurance Requirements

See Appendix A

6. Avionics Sales, Repair and Service

The sales, repair and service of aircraft communications and navigation radio equipment and related products may be conducted by an FBO or an independent avionics company, provided that it provides the following:

A. Minimum Services Required

1. The operator shall be properly licensed in accordance with applicable Federal Aviation regulations for aircraft radio and navigation equipment repairs.

2. At least one (1) qualified repair technician during normal business hours five (5) days per week, with the capability to support current state-of-the-art avionics equipment.

B. Minimum Facility Requirements

Minimum overall leasing requirement for avionics sales, repair and service shall include the following which the operator shall provide: *(minimum space requirement may be leased directly from the Airport Board or sub-leased on the airport, provided it is for the exclusive use of the operator)*:

1. Hangar and shop space providing adequate room to accommodate aircraft for maintenance or repair. Operator shall also meet all County/City code requirements for the provision of on-site paved vehicle parking and restroom facilities on the operator's premises for employees and customers. Operator shall also meet all code requirements for environmental issues such as washing and cleaning aircraft.

2. Outside aircraft storage space with paved tie-downs adequate for parking customers' aircraft before and after repair or maintenance.

C. Minimum Insurance Requirements

See Appendix A

7. Hangar Development

The Board encourages development of aircraft storage hangars on the airport and will provide property for lease to qualified developers when possible. All hangars constructed on the airport shall be permanent structures complying with Airport Development Standards established by the Board. Placement of temporary structures or portable shelters for aircraft on the airport is not permitted.

A. Minimum Services Required

1. Hangar development on the airport shall be for the purpose of commercially renting units or the sale of individual units within a hangar structure for the storage of aircraft. In all cases, there shall be a single Lessee responsible for the performance of and compliance with the terms and conditions of the Lease Agreement. The Lessee may either be an individual, corporation or legal partnership.

2. The Lessee shall provide all necessary paving and utilities required to operate an aircraft storage business.

B. Minimum Facility Requirements

1. Each hangar structure shall be capable of accommodating no less than four (4) aircraft per building.

2. Minimum space requirements shall include sufficient area to accommodate parked aircraft in transition outside the building and vehicles operated by the building occupants, without adversely affecting the movement of other aircraft on the airport.

C. Minimum Insurance Requirements

See Appendix A

8. Air Cargo

Operators of air cargo, air freight or small package aircraft, whether based on the airport or not, are required to obtain a Landing Use Agreement with the Airport Board prior to commencing operations.

A. Minimum Services Requirement

Air cargo services may be "for hire" or contracted with a freight forwarding company off the airport. Contracted operators are not required to provide minimum service. Air cargo services for public hire shall:

1. Provide receiving service during normal business hours, at least five days per week.

2. Provide for a pick up or package drop box for customers.

B. Minimum Facility Requirements

Minimum overall leasing requirement for operators providing public air cargo service shall include the following: *(minimum space requirement may be leased directly from the Airport Board or sub-leased on the airport, provided it is for the exclusive use of the operator):*

1. Office area sufficient for the receiving and processing of air cargo packages, including on-site paved vehicle parking and restroom facilities for employees and customers.

2. Hangar space or paved aircraft parking apron space adequate for loading and unloading of air cargo shipments to and from associated ground vehicles.

3. There are no minimum leasing requirements for contracted air cargo operators.

C. Minimum Insurance Requirements

See Appendix A

9. Aerial Applicators

Aerial application of agricultural chemicals and pesticides requires special handling of toxic products which are not compatible with the environment in the proximity of the airport. Because of potential hazards to public safety, and the airport's relation to the aquifer, this type of aeronautical activity is prohibited at Felts Field Airport.

10. Aerial Advertising

A. Authorized Advertising

Aerial advertising may be conducted by an incumbent aeronautical operator on the airport or an independent operator provided that:

1. Aerial advertising activity will not adversely impact the safety and utility of the airport.

2. Prior to conducting aerial operations from the airport, the operator must obtain written permission from the Airport, for pick-up and drop of any banners or similar devices on the airport. In the event advertising devices are to be picked-up or dropped on an active runway or taxiway, the operator will notify Airport Operations to issue the appropriate NOTAM for the affected area.

B. Agreement Required

An independent aerial advertising operator is required to obtain an Operating Agreement from the Airport Board prior to commencing operations on the airport. Other requirements for this activity are found in Section D of this document.

C. Minimum Insurance Requirements

See Appendix A

11. Flying Clubs

The Board recognizes flying clubs that are an affiliate of a commercial aeronautical provider on the airport. Private Flying Clubs are not regulated under these Minimum Standards. They must conform in all respects to the associated Lease or Operating Agreement.

1. Affiliated Flying Club

a) An affiliated flying club is part of a commercial aeronautical operation on the airport which has an agreement with the Board to engage in certain commercial

aeronautical activities. Typically, the affiliated club is a function of a fixed base operator. The affiliated club shall offer its privileges only to individual members of the club and the members do not necessarily share in direct operating costs of the club.

b) The affiliated club may offer flight instruction, aircraft rental, charter services and ground school to club members provided the Board has approved the affiliated operator to engage in such activities in accordance with applicable Minimum Standards. Flight training and ground school instruction for members of the affiliated club shall be provided by employees of the affiliated commercial operator and shall meet the minimum pilot/aircraft certification requirements contained herein for the activities in which the club is engaged.

A. Minimum Facility Requirements

A Flying club shall lease adequate hangar or ramp and operational space to support their operations and aircraft and an affiliated club must be documented as an approved activity in the affiliated operator's agreement.

B. Minimum Insurance Requirements

See Appendix A

12. Other Special Services

Other types of commercial aeronautical activities not covered in these Standards may be considered on a case-by-case basis by the Airport Board. Upon application, the Board will consider each proposal on its individual merits, as it pertains to aeronautical use of airport property. As applicable, the Board shall endeavor to apply reasonable and relevant requirements to permit the proposed activity for the benefit of the public.

SECTION C – Aircraft Fueling

In addition to the requirements set forth in Section B for the commercial sale of aviation fuels, all fueling activity is subject to compliance with safety and other requirements contained below. The Spokane Airport Board recognizes the necessity of protecting the public health, safety and interest at the airport. The Board recognizes the need to protect the environment and the aquifer and therefore any proposed fuel storage tanks must have prior written Board approval and shall be above ground tanks. Aircraft fueling activities at the airport will be conducted in conformance with policies and procedures approved by the Board. The Board requires payment of fuel flowage fees from all aircraft operators fueling and or providing fuel for aircraft on the airport. Nothing contained in these Standards shall imply that the Board will waive the fuel flowage fees.

1. Fueling Safety

All fuel servicing conducted on the airport shall comply with the International Fire Code, current edition, as adopted by state and local jurisdiction, and other nationally recognized standards for aircraft fuel servicing. Fueling operations shall comply in all respects with code requirements and all fueling operations require Pollution Liability coverage in the amount required by the State of Washington or One Million Dollars (\$1,000,000), whichever amount is greater.

2. Self-Fueling

In accordance with the Federal Aviation Act of 1958 and as may be amended, the Board allows aircraft owners to fuel their own aircraft, subject to requirements set forth in these Standards. Three categories of fueling/self-fueling activities are described in the Standards, including corporate, individual, and fueling co-ops. **See Appendix A for Minimum Insurance requirements.**

A. Approved Storage

Storage of fuel by aircraft owners conducting Self-fueling of their privately-owned, non-commercial aircraft, must be in an approved container, meeting all applicable fire codes, federal, state and local laws, statutes, ordinances, rules and regulations.

B. Corporate Self-Fueling

Corporate aircraft operators are those companies that operate their own aircraft, incidental to the corporation's regular conduct of business. Those corporate operators electing to self-fuel may provide their own storage and dispensing equipment on the airport provided such equipment is approved by the Board prior to installation. The corporate self-fueler shall be responsible for having its supplier provide fuel flowage reports to the Board upon delivery. Storage of fuel on the operator's leased premises shall be in a single storage tank for each type of aviation fuel, with a minimum storage capacity of 1,000 gallons per tank.

C. Fueling Co-Op

There is currently one approved Fueling Co-Op located on Felts Field Airport and its right to operate as a Co-Op shall continue as long as it meets the requirements below.

1. The co-op organization will conform to the standards of the International Fire Code.
2. The co-op shall be responsible for having its fuel supplier provide a monthly accounting of fuel delivered and furnish copies of fuel delivery receipts, together with remittance of fuel flowage fees to the Airport Accounting office.
3. Minimum storage capacity is 5,000 gallons per grade of fuel.

3. Automobile Gasolines

A. Supplemental Type Certificates (STC's)

FAA policy permits the use of specified automobile motor fuels for use in specific aircraft engines through the issuance of supplemental type certificates (STCs).

1. Those operators who are users of automobile gasolines in aircraft on the airport are subject to compliance with the provisions of the Minimum Standards and applicable rules and regulations adopted by the Airport Board.
2. Standards for automotive fuel handling and storage are the same as those for aviation fuel, as applicable to the type of aeronautical activity. Operators storing automobile fuels on the airport shall certify to the Airport Board that adequate measures have been taken to safely conduct such activity.

B. Compliance with Codes

1. Equipment used for placing automobile fuels for use in aircraft on the airport shall be approved for dispensing petroleum fuels. The operator shall certify that such equipment is approved by those entities having jurisdiction (i.e, City Of Spokane Fire Department).
2. All fuel servicing will be conducted in compliance with applicable FAA, International Fire Code, U.S. Environmental Protection Agency and Washington State Department of Ecology regulations.

4. Responsibility

The company, operator or individual conducting fueling operations is at all times responsible for preventing the spillage or immediate reporting and cleanup of their spillage of fuels and other chemicals on airport surfaces. Whenever any spillage of fuels, oil or chemicals occurs on the airport, it shall be the responsibility of any person observing such spillage to immediately notify the governmental agency having jurisdiction (i.e. City of Spokane Fire Department) and Airport Police Dispatch at 509-455-6429.

SECTION D – Lease /Contractual Requirements

1. Contract Required

Any person desiring to engage in any business or commercial activity or in the sale of any commodity or service on the airport must have specific authorization to do so by lease, concession, operating or use agreement with the Spokane Airport Board.

2. Application to the Airport Board

Application for an agreement to lease airport property and/or for authorization to conduct any aeronautical activity or business on the airport shall be submitted to:

**Properties & Contracts Manager
Spokane Airports
9000 W. Airport Dr., Suite 204
Spokane, WA 99224**

Each application must be signed and submitted by a party owning interest in the business; an individual who will be managing the business; a member of a partnership; or a director or officer in the applying corporation. Minimum information required in each application is described in Paragraph 3, below.

Applicant shall submit all information and material necessary or as requested by the Board to establish applicant's qualifications and compliance with applicable rules, regulations and these Standards. To receive Board consideration, all applications to conduct commercial aeronautical activities or development on the airport must include the minimum information required on the following pages.

3. Minimum Application Information

Each application must be submitted in writing and contain the following:

A. Application to the Board

1. Name and address of the applicant.
2. Type of organizational structure (individual, corporation, limited partnership, etc.).
3. Description of the proposed activity with a proposal for use of airport land and/or building(s) or other facilities, including proposed uses of any hazardous materials.
4. Photo copies of licenses, permits or other documents required by appropriate regulatory agencies for the conduct of applicant's proposed activity, including disclosure of revocation or denial of any license by FAA or any applicable regulatory agency. Applicant must possess or show evidence of application for a license to do business in Spokane.
5. Names and qualifications of persons involved with the conduct of proposed activity.

6. Financial statement (May be required at the discretion of the Board):

- For a corporation: an audited financial statement.
- For an individual: previous two year's IRS tax statement.

7. Description of tools, equipment services and inventory as applicable for the proposed activity.

8. Proposed commencement date and anticipated term for conducting the applicant's activity.

9. Estimated costs of any structures or facilities to be constructed on the airport.

10. Acknowledgment of and commitment to provide insurance as required and outlined in Appendix A of this document.

B. Board Review of Application

In reviewing an application, the following areas will be evaluated and may be used to justify the denial of the application:

1. Not Qualified. The applicant does not meet qualifications, standards or requirements established in these Standards.

2. Safety Hazard. Applicant's proposed activities or construction will create a safety hazard.

3. Airport Expense. Approval of the application would require expenditure of airport funds, labor or materials which would exceed benefits to the airport.

4. Availability. Adequate or appropriate space is not available on the airport to accommodate applicant's proposed activities.

5. Master Plan Compliance. The proposed activity or development does not conform to the Airport Master Plan or the Airport Layout Plan.

6. Congestion. Applicant's proposed activity or use of airport property may result in restriction of public use of airport facilities or competitive operations.

7. Misrepresentation. Submission of false information or failure to make full disclosure on the application as required above.

8. History of Revocation or Denial. Applicant has a history of a permit or contract being revoked or denied by an airport for non-compliance or non-performance with agreement(s) similar to that requested in the application.

9. Default. Applicant has materially defaulted in the performance of a lease or other contractual agreement with the Board.

10. Insufficient Finances. Applicant does not indicate it has adequate financial ability to conduct proposed activity.

11. Violations. History of conviction of a crime or violation of any ordinance which would indicate applicant would be an undesirable operator on the airport.

12. Environment. Applicant's proposed activities would present a threat to the environment or a hazard to public health, safety and welfare.

C. Public Interest

In considering every application for establishing commercial aeronautical activities or proposed development, the Board will consider whether or not the proposal will be in the public interest.

4. Lease or Other Contractual Agreement with the Board

A. Basic Contract Elements

1. Term. Each agreement shall have a specified length of term based on a mutually-agreed effective date. Depending on the nature of the agreement, the term may be month-to-month, year-to-year or a specified number of months and/or years, with an established termination date. Length of term of the agreement shall conform to the provisions of RCW 14.08, Board policy and Federal Aviation Administration Order 5190.6B, Airport Compliance Requirements.

2. Premises. Description of leased premises as applicable.

3. Use of Premises. Describes permitted use(s) of leased airport premises whether leased exclusively by the applicant or sub-leased from another operator.

4. Rights Granted. Defines each of the commercial aeronautical services or other activity authorized by the Board in accordance with these Standards and other Board policy.

5. Rents and/or Fees. This section specifies rents and/or fees to be paid to the Board with associated due dates. Rents and fees shall be assessed to airport operators on fair and reasonable terms, without unjust discrimination, and are designed to enable the airport to be self-sustaining.

6. Adjustment of Rents and Fees. Sets a mutually-agreed date rents and fees shall be subject to readjustment in accordance with Washington law, Board policy and Federal Aviation Administration Order 5190.6B, Airport Compliance Requirements.

7. Failure to Pay Rents and Fees. Provides for Board's legal rights and remedies if applicant fails to pay rents and/or fees specified in the agreement.

8. Financial Conditions. Authorizes the Board, at the Board's discretion, to inspect an operator's or Lessee's financial records of the business as they pertain to the agreement with the Board. Will also contain, at the Board's discretion, a provision for applicant to provide a deposit, performance bond or letter of credit during the term of the agreement.

9. Ownership of Leasehold Improvements ("Reversion" of Building). Will specify provision for a lessee-owned building or other leasehold improvements to be removed from the leased premises by the Lessee or vest in (or "revert" to) the Airport Board upon expiration of the agreement. Fuel tanks, dispensing equipment or related fueling equipment are considered personal property and must be removed at the expiration of the agreement.

10. Insurance Requirements and Indemnification. Each agreement will contain minimum insurance requirements based on the nature of the applicant's proposed activity. There is also a requirement for the applicant to indemnify The Board, the City and County of Spokane, their elected and appointed officials, agents and employees free and harmless from claims arising from an operators' or Lessee's operation of aircraft, or any liability arising in connection with conduct of the proposed activity on the airport.

a. The required liability insurance will be kept in full force and effect during the term of the agreement. Failure to maintain required insurance in effect shall be cause for termination of the agreement.

b. The policy shall be comprehensive general insurance with combined single limit coverage for bodily injury, death or property damage in any one occurrence. See Appendix A for the required liability limits.

c. The Board shall reserve the right to review and modify specific minimum insurance requirements from time to time.

d. Provisions for insurance coverage will also specify fire, casualty and comprehensive insurance requirements as applicable.

11. Taxes. Applicant will be responsible for payment of all applicable federal, state and local taxes.

NOTE: Prior to commencing any operation on the airport or occupying any airport premises, the applicant must obtain and furnish to the Board, evidence of all insurance required for the proposed activity on the airport.

B. Included in Terms and Conditions

In addition to the foregoing elements, the following provisions will be included in the agreement:

1. The Minimum Standards are incorporated into the agreement by specific reference.

2. Applicant must comply with the standards for each specific activity approved by the Board.

3. Any structure or facility constructed or modified on the airport shall conform to all applicable building codes and fire codes and regulations or any other regulations of appropriate federal state or local agencies.

4. That the Board shall reserve the right to promulgate and/or amend the Minimum Standards or rules and regulations affecting conduct of activities on the airport.

5. The performance of the lease or any other agreement is guaranteed as may be required by the Board.

6. The fuel flowage fee shall be paid on all fuels delivered onto the airport for use in aircraft.

7. Controlling interest in the applicant's business or development on the airport shall not be sold or otherwise transferred or assigned without the prior written consent of the Board.

8. Any lease, contract or agreement between applicant and the Board shall be terminated if applicant fails to perform under the terms and conditions of the agreement or fails to comply with these Standards or any rules and regulations of the Board as may be modified, after due notice is served in writing.

C. Reference Table

Lease, contract or agreement insurance requirements are identified on the matrix in Appendix-A.

5. Lease of Airport Land and/or Facilities

These guidelines describe Board policies concerning the leasing of airport-owned land and facilities. An applicant proposing to construct buildings, pavements or other facilities on the airport shall conform to the requirements set forth in the Airport Development Standards as adopted by the Board and as may be amended.

A. Demonstrated Need

A Lessee or operator will be required to demonstrate a need for use and lease of airport-owned land, buildings and facilities. Airport property will not be leased for the sole purpose of subleasing to others. Failure to demonstrate sufficient need shall be cause to reduce the affected leasehold accordingly.

B. Maintenance and Repair

All maintenance and repair costs on airport-owned buildings or facilities, except as may be specifically excluded in the agreement, will be borne by the Lessee or operator. The Lessee is responsible for all maintenance and repair costs on Lessee's own buildings and facilities.

C. Sub-Leasing and Assignment

The Lessee or operator must obtain prior written consent from the Board prior to sub-leasing or assigning any airport property.

D. Utilities

All utility costs are to be paid directly by the Lessee or operator.

E. Pavements

All paving shall be permanent and compatible with similar pavements on the Airport and shall comply with the Airport Development Standards and as they may be amended.

All proposals to add pavements to the airport must have Board approval. Pavements on exclusive leased premises, whether constructed by the Lessee or the Board, shall be maintained by the Lessee.

F. Building Construction

NOTE: Prior to commencing construction on the airport, a set of detailed plans and specifications must be furnished to the Board for approval, as provided for in the Airport Development Standards.

1. All building construction will be permanent and comply with all code requirements for the type and use of the structure. Buildings will also conform to the standards established by the Board as outlined in the Airport Development Standards and as they may be amended.

2. Landscaping of facilities on the airport will be required. The applicant must provide a plan for landscaping the leased premises for Board approval prior to making any alterations to airport property. Minimum landscaping required includes reseeding any areas disturbed during construction. The leased premises will be kept clean and aesthetically pleasing during the term of the agreement and shall conform to the Rutter Avenue Landscaping Plans, if applicable.

H. Other Facilities

1. Improvements made to leased Airport property, other than tenant owned buildings, fuel tanks and fuel delivery systems, become property of the Board upon completion of construction and will be maintained by the Lessee or operator during the term of the agreement.

2. Installation of above ground fuel storage tanks and fuel delivery systems will be considered by the Board on a case-by-case basis depending on availability of space, environmental considerations and benefit to the public. Fuel storage tanks and delivery components are considered to be personal property and not a permanent installation on the airport. The owner of said personal property shall be responsible for the prompt removal of the personal property upon expiration of the agreement.


6. General Information

At the Board's sole option, said Lessee or its heirs, successors or assignees may negotiate a new lease agreement with the Board. Any such new lease agreement will be subject to terms, rents and conditions in effect at that time.

The Spokane Airport Board hereby adopts these Minimum Standards For Commercial Aeronautical Activities and Aircraft Fueling on Felts Field Airport on this 22 day of September, 2010.

SPOKANE AIRPORT BOARD

INTERIM SPOKANE AIRPORT DIRECTOR


Title: Secretary


Ryland P. Davis

Appendix A –Insurance Requirements

Aeronautical Activity	Insurance Requirements
Fixed Base Operator	<p>Comprehensive general liability insurance with minimum of \$1,000,000 combined single limit, per occurrence, including products liability and completed operations.</p> <p>Automobile liability -\$1,000,000, any auto.</p> <p>Fire, casualty and comprehensive coverage on Lessee-owned buildings equal to the replacement cost of the buildings.</p> <p>Hangarkeepers policy equal to the total value of the aircraft in your care, control and custody.</p> <p>Pollution coverage for fueling operations and tanks equal to \$1,000,000 or state requirements, whichever is higher.</p>
Stand alone/Affiliated Operator Airframe and Engine Repair and Maintenance	<p>Comprehensive general liability insurance with minimum of \$1,000,000 combined single limit coverage per occurrence, including products liability and completed operations.</p> <p>Automobile liability -\$1,000,000, any auto.</p> <p>Fire, casualty and comprehensive coverage on Lessee-owned buildings equal to the replacement cost of the buildings.</p> <p>Hangar Keepers; equal to the total value of the aircraft in your care, control and custody.</p>
Independent Operator Airframe and Engine Repair and Maintenance	<p>Comprehensive general liability insurance with minimum of \$1,000,000 combined single limit coverage per occurrence, including products liability and completed operations.</p> <p>Automobile liability -\$1,000,000, scheduled autos.</p>
Aircraft Charter, Rental and/or Sales	<p>Comprehensive general liability insurance with minimum of \$1,000,000 combined single limit coverage per occurrence.</p> <p>Automobile liability -\$1,000,000, any auto.</p> <p>Fire, casualty and comprehensive coverage on Lessee -owned buildings equal to the replacement cost of the building.</p> <p>Hangar Keepers Liability if aircraft under care, custody or control such as consignment aircraft sales.</p>
Flight Training	<p>Comprehensive general liability insurance with minimum of \$1,000,000 combined single limit coverage per occurrence.</p> <p>Automobile liability -\$1,000,000, any auto.</p> <p>Fire, casualty and comprehensive coverage on Lessee -owned buildings equal to replacement cost of building.</p> <p>Hangar Keepers Liability if aircraft under care, custody or control such as consignment aircraft sales. (if applicable).</p>
Avionics Sales, Repair and Service	<p>Comprehensive general liability insurance with minimum of \$1,000,000 combined single limit coverage per occurrence, including products liability and completed operations.</p> <p>Automobile liability -\$1,000,000, any auto.</p> <p>Fire, casualty and comprehensive coverage on Lessee -owned buildings equal to replacement cost of buildings.</p> <p>Hangar Keepers insurance equal to value of aircraft in care, control and custody.</p>

Minimum Standards for Commercial Aeronautical Activities and Aircraft Fueling on Felts Field Airport

Aeronautical Activity	Insurance Requirements
Hangar Development	<p>For commercial hangar developers and for the declarant or master tenant association Lessee for a condominium hangar, comprehensive general liability insurance with minimum of \$1,000,000 combined single limit coverage per occurrence.</p> <p>Automobile liability -\$1,000,000, any auto.</p> <p>Fire, casualty and comprehensive coverage on Lessee -owned buildings equal to replacement cost.</p> <p>Hangar Keepers insurance equal to value of aircraft in care, control and custody.</p>
Air Cargo	<p>Comprehensive general liability insurance with minimum of \$5,000,000 combined single limit coverage per occurrence.</p> <p>Automobile liability -\$1,000,000, any auto.</p> <p>Fire, casualty and comprehensive coverage on Lessee -owned buildings equal to replacement cost.</p>
Aerial Applicators	Not Applicable
Aerial Advertising	<p>Comprehensive general liability insurance with minimum of \$1,000,000 combined single limit coverage.</p> <p>Automobile liability -\$1,000,000, any auto.</p> <p>Fire, casualty and comprehensive coverage on Lessee -owned buildings equal to replacement cost of buildings.</p>
Affiliated Flying Club	<p>For an affiliated club, operator's insurance shall include comprehensive general liability insurance with minimum of \$1,000,000 combined single limit coverage.</p> <p>Automobile coverage equal to operator's primary operator's insurance (\$1,000,000)</p>
Self-Fueling Operations	<p>In addition to insurance required for the applicable authorized activity, self-fueling operations require Pollution Liability insurance to cover all costs for clean-up equal to \$1,000,000 or state requirements, whichever is higher.</p> <p>Automotive liability coverage if using vehicles on the airport.</p>

- Any operator that has storage of or control of any non-owned aircraft must have Hangarkeeper's liability insurance.
- Any operator conducting fueling operations shall have Pollution Liability insurance to cover all costs for clean-up equal to \$1,000,000 or state requirements, whichever is higher.

SPOKANE AIRPORTS

Spokane Felts Field Airport

(SFF)

**9000 W. Airport Drive
Suite 204
Spokane, WA 99224-8700**

EXHIBIT F
(FELTS FIELD COVENANTS, CONDITIONS & RESTRICTIONS (CC & R's))

Attached are the current Covenants, Conditions & Restrictions as adopted by the Spokane Airport Board on December 18, 1996.

**NOTE: CC&R's are in the process of being updated.
A copy of the Amended CC&R's will be posted to the
Airport's website on June 29, 2017.**

Felts Field Airport

COVENANTS, CONDITIONS AND RESTRICTIONS

C C & Rs

FOR AIRCRAFT STORAGE HANGARS

December 18, 1996

Felts Field Airport

COVENANTS, CONDITIONS AND RESTRICTIONS (CC&Rs)

For Aircraft Storage Hangars

CONTENTS

<u>Section</u>	<u>Page</u>
Part I GENERAL	1
Part II AIRPORT DEVELOPMENT STANDARDS	3
Part III PERFORMANCE GUIDELINES	8
Part IV SITE DEVELOPMENT GUIDELINES	11
Part V BUILDING REGULATIONS	13
Part VI TYPE OF CONSTRUCTION	13
Part VII STORAGE HANGAR CC&Rs	14
A. SETBACKS	14
B. SIGNS	14
C. BUILDING USES AND RESTRICTIONS	15
D. PARKING	16
E. LANDSCAPING	16

FELTS FIELD AIRPORT COVENANTS, CONDITIONS AND RESTRICTIONS

PART I - GENERAL

A. PURPOSE

The guidelines for development of the *Spokane Felts Field Airport and Corporate Airpark* are designed to provide guidance in determining appropriate use activities on airport leased parcels.

All activities and development on Airport property shall be in compliance with Federal, State, and Local regulations.

The purpose of developing these covenants, conditions and restrictions (CC&Rs) is to establish development standards, encourage specific uses of airport property and provide for activities or establishments in specific areas. It is further the intent of this document to control the height, size and location of structures and buildings on parcels, and assure conformance with the CC&Rs.

Activities permitted should be compatible with surrounding uses, should not cause hazard potentials from the nature of the operation, and should not contribute to the deterioration of the environment.

B. DEVELOPMENT CONTROL

Airport staff will review each use request prior to the Airport Board entering into a lease of Airport property. Whenever possible, airport staff will participate in pre-development conferences for the proposed development.

The airport staff will, to the extent possible, assist prospective developers and make recommendations to the Airport Board concerning each lease application. The Board shall from time to time, adopt performance standards for the implementation of these CC&Rs, compatible with the designs of other buildings and structures at the Airport.

C. AIRPORT AREAS

Permitted uses and development will be divided into three (3) categories on the airport and certain standards are found in this document. The categories are:

1. Storage Hangars - This category includes non-commercial aircraft storage hangars on the airport. These structures are for the purpose of storing aircraft. Permitted uses include amateur aircraft construction, owner-performed maintenance and other non-commercial activities. No commercial aeronautical activities are permitted in this category.
2. FBO and Corporate - This category includes commercial aviation business and corporate aircraft facilities, including the terminal and support facilities and other commercial aviation business.
3. Commercial - This category includes the Airport Corporate Airpark and defines areas suitable for approved commercial and light aviation-related industrial uses.

Approved uses are those that have been reviewed by airport staff and approved by the Spokane Airport Board.

D. DEFINITIONS

Accessory Building - A building which is incidental and subordinate to the principal building.

Administrative Uses - The office support services, management and general administrative functions performed for the same company rather than for the public or other business firms.

Building - Any structure built for the support, shelter or enclosure of persons, aircraft or property, including portable structures.

Building Height - The vertical distances from grade (average ground level) to the highest point of the structure.

Building Setback Lines - An imaginary line specifying the closest point on a lot from the lot boundary that a building structure may be located.

Establishment - An establishment is an economic unit located at a single physical location where business is conducted or where service or operations are performed.

Facility - As used in this document, the term refers to a hangar or other building, structure or other appurtenance that supports the operation of an aeronautical activity on the airport.

Grantor - The Spokane Airport Board.

Parcel - A defined piece of airport property as set forth by description in a lease agreement.

Parking Space - Space within a building or parking area exclusive of ramps, drives, barriers or work areas for the parking of motor vehicles and contain a minimum of 200 square feet.

Premises - A portion of airport property, including a parcel of land, airport-owned building or both, as set forth in a lease agreement.

Sign/Mural - Any structure, device or contrivance (illuminated or non-illuminated) erected or used for identification, information, advertising or vehicular control.

Site - A lot or parcel of land in the Airport complex for buildings or designated uses.

Streets - The area within the right-of-way that are dedicated for vehicular access to building sites or lots.

Structure - That which is built or constructed, an edifice or building of any kind, or any piece of work artificially built up or composed of parts joined together in some definite manner.

Support Uses - Uses that are subordinate and provide a service to or function as a part of permitted uses.

E. INSPECTIONS

1. Inspections, as provided for below and as required in the lease agreement between the affected lessee and the Airport Board, shall be conducted by a qualified building inspector, mutually agreed to by both parties; members of the Board; airport staff and selected lessees ("the Committee"), for the purpose of inspecting the lessee's allowed use of premises as specified in the lease agreement for the premises.
2. The premises and improvements thereon shall be subject to annual inspections for aesthetics and use of premises by the committee. Premises and improvements shall be subject to structural inspections every ten (10) years after commencement date of the affected lease, and shall be at the lessee's expense. Pursuant to the completion of inspections and submission of reports, should the Board determine that repairs to the premises are necessary, said repairs shall be completed no later than 6 months from the date of the completion of the inspection. In the event of any dispute arising as the result of structural inspections a second inspection shall be obtained and the company shall

be mutually selected by the Board and lessee. The results of the second inspection report shall be considered final and binding to both parties.

3. Inspection reports are subject to the review and approval of the Board. In the event of any dispute arising from the result of annual inspections for aesthetics and use of premises, said dispute shall be resolved in good faith by the committee and the results communicated in writing to the lessee within 90 days of determination. Should good faith efforts fail then the Board reserves the right to make a final determination as to the results and necessary remedial action as to appropriate aesthetics of the premises and improvements thereon and allowable uses authorized in the airport lease agreement.

F. REVIEW OF CC&Rs

The Board shall hold periodic public meetings for the purpose of reviewing these CC&Rs to determine adequacy and relevancy. The first review shall be held 12 months following the adoption of this revision and subsequently every 24 months thereafter.

PART II - AIRPORT DEVELOPMENT STANDARDS

A. PURPOSE

The purpose of the Airport Development Standards (standards) is to provide a documented basis for directing and evaluating the planning, engineering, and architectural design of ramp, hangar and other facilities to be constructed on Felts Field Airport (airport). These standards apply to a proponent (applicant), requesting approval for development on airport property.

B. PLAN REVIEW

The CEO/Executive Director or designated representative shall review all Plans and Specifications for construction of ramps, hangars and other buildings or facilities submitted pursuant to these Standards and submit a written recommendation to the Airport Board. The Airport Board shall then review and approve, reject or modify all plans and specifications submitted pursuant to these Standards.

C. APPLICABILITY

No ramp, hangar, other buildings or facilities shall be built or modified until plans and specifications for the construction of the same are submitted and approved by the Spokane Airport Board.

D. STANDARD FOR REVIEW

Impact of the proposal on adjacent airport facilities will be reviewed pursuant to the application for development on the airport. Airport facilities include runways and related approaches, taxiways, ramp areas, and existing buildings. No building proposal can be approved until an air space study is completed by the Federal Aviation Administration [See FAR Part 77, §77.13 (a) (5)]. Airport staff will submit necessary documentation to FAA with the filing of FAA Form 7460-1.

In reviewing the plans and specifications, the following criteria apply:

1. There shall be no interference with the operation of aircraft on adjacent ramps, hangars, taxiways or runways.
2. There shall be adequate access for aircraft to the hangar.
3. A Hangar shall be adequately sized for type aircraft and proposed use in accordance with Minimum Standards.
4. There shall be no lighting or reflections which will adversely affect air traffic control (ATC), or the operation of aircraft on or approaching the airport.
5. There shall be no noise, odors, vibration, smoke, dust, fumes or gases generated on the proposed development, which will adversely impact other activities on the airport.
6. There shall be no adverse impact on the safety of aircraft operations or other activities on or adjacent to the airport. No development will visually or electronically interfere with the operation of ATC or navigational aids on or approaching the airport.
7. There shall be a proposed development which is consistent with the approved Airport Layout Plan, airport master plan and the planning objectives of the Airport Board.
8. There shall be adherence to airport design standards (Advisory Circular 150/5300-13 or equivalent) published by FAA, which shall prevail in the event of any dispute between the standards contained herein or the FAA standards, concerning location or height of structures or other facilities.

E. MINIMUM REQUIREMENTS

New facilities constructed on the airport shall conform to these minimum requirements in order to obtain Airport Board approval:

1. **Pavements.** Asphalt pavements shall conform to WSDOT Class-B or FAA P-401 specification, as may be amended, or equal and shall be installed by a licensed paving contractor.
 - a. Flexible pavements shall have minimum four inch (4") compacted crushed rock base course laid over a compacted sub base. The wearing course thickness shall be no less than two inches (2") of hot-mix asphalt.
 - b. All new pavements shall join existing pavements with a sawn transition joint without surface irregularities.
 - c. Pavements constructed by developers outside leased areas become property of the Airport Board upon completion. The Board shall be responsible for maintenance of such pavements. Pavement constructed within leased areas remain the responsibility of the lessee for maintenance and snow removal.
2. **Buildings.** Hangars and other buildings shall be permanent, fully enclosed structures constructed of attractive, permanent materials capable of providing a minimum useful life of at least 25 years.

- a. Structural components shall conform to all local building code requirements in effect at the time of construction.
- b. All hangar exterior finishes shall be painted or coated high quality steel or equal and shall be at least 26 gauge thickness. Building exteriors shall be colored to provide attractive appearance and produce minimum reflective surfaces and glare.
- c. All hangars shall have concrete floors of sufficient design strength to accommodate the type aircraft to be stored in the building. Floors shall be capable of containing oils, fuel or other chemical spills or drips. If the building is to be used for washing aircraft or other equipment, runoff shall be collected and disposed of in accordance with applicable local code requirements.

F. PLANS AND SPECIFICATIONS REQUIREMENTS

The applicant shall submit, subject to Board approval, two (2) copies of any proposed Plans and Specifications for the construction or modification of facilities. Such Plans and Specifications shall include at least the following:

1. A site plan indicating the location and extent of the following:
 - a. The size, location, dimensions and floor plan of the hangar or other buildings to be constructed.
 - b. The size and dimension of the ramp area and vehicle parking.
 - c. Location and setback of the hangar and other buildings from ramps, adjacent taxiways, roads, lease lines or airport boundaries.
 - d. Ramp, hangar and vehicle parking access.
 - e. Total areas (square footage) of ramp, hangar or other buildings, including vehicle parking. A detailed description will be provided by the applicant.
 - f. Location of all trees, shrubbery and other landscaping.
 - g. Building elevation plans, including any overhangs.
 - h. Exterior lighting, directions of area illumination and designation of glass and other reflective surfaces.
 - i. Utility and easement locations.
 - j. Location and height of all fences and gates.
 - k. Location of loading areas and pedestrian ways.

1. All exterior contours and types of surfaces and construction materials of all buildings and pavements.
2. Engineering/architectural plans and information sufficient to show:
 - a. Geographic location(s) of structure(s) with existing and future ground and building elevations (ref. NAD-1983 datum).
 - b. Grading and drainage plans with existing and future flows, required facilities and erosion control measures.
 - c. Pavement cross sections.
 - d. Construction plans for proposed buildings.
 - e. Other applicable engineering/architectural plans for the proposed development.
 - f. Upon Board approval of the proposed development and prior to construction, all plans and specifications, stamped by an engineer or architect licensed to practice in the state of Washington, shall be filed at the airport administration office.

G. PERMITS AND CERTIFICATIONS

The applicant shall obtain at its own cost, all necessary permits, certifications and licenses required by local, state and federal agencies. The applicant will certify it has obtained said permits and that it complies with these standards, the Minimum Standards for Commercial Aeronautical Activities and rules and regulations established by the Board. The applicant shall supply financial statements and letters of credit as applicable to the Board.

H. FEES

In order to secure review and response from the Airport Board, each development proposal shall be accompanied with a fee of \$500, payable to Spokane Airports.

1. This fee will be applied directly to costs incurred by the Board to review and process an application prior to the proposed development and associated lease or operating agreement. Any remaining funds shall be applied as rental credit to the applicant upon execution of a lease agreement for the subject proposal. If no action is taken by the applicant after receiving Board approval for the proposed development within six (6) months from filing the proposal application, the proposal shall expire. In the event of such expiration, unused fees remain the property of the Board.
2. The applicant may receive one extension to its application up to three (3) months, by requesting such extension in writing. An additional \$250 fee will be required unless applicant can establish that the proposed development was delayed by others not under the applicant's control. If the proposed development is terminated through actions other than those of the applicant, all fees less costs to the Board, will be refunded.

I. PROCEDURE

Upon receiving the specified fees, the Airport Board shall respond to the proposal within thirty (30) business days.

1. The proposal must be submitted in writing and shall contain the items required above.
2. The Board response shall either approve, approve with stipulations, or deny the proposed development based on these standards.
3. Action taken hereunder shall be in writing. If the Board denies the proposed development, the basis for such denial shall be specified in reasonable detail. A notification shall be sent to the applicant by certified mail, return receipt requested.

J. ACTION

The recommendation of airport management shall be final unless the applicant requests, in writing, a public hearing before the Board to appeal the decision. Request for appeal shall be filed with the Board, in writing, within ten (10) business days after the Board's decision is received via certified mail by the applicant.

K. APPROVED PLANS AND SPECIFICATIONS

The applicant shall submit to the Airport Board, two (2) copies of the approved plans and specifications showing the following:

1. All required changes and/or amendments thereto.
2. All required approvals by applicable building and utility authorities.

L. REQUIRED DOCUMENTATION

Prior to construction of any ramp, taxiway, driveway, hangar or other type of building or facility, the applicant shall provide the following to the Airport Board:

1. A copy of building permits, as applicable, and other required licenses or permits necessary under local, state, federal laws, statutes orders or regulations.
2. Proof of insurance from the applicant's contractor as follows:
 - a. Worker's Compensation As required by law.
 - b. Employer's Liability Minimum \$500,000 per occurrence.
 - c. Commercial General Liability
for Bodily Injury
and Property Damage Minimum \$1,000,000 Combined Single Limit.

The contractor's liability policies shall contain agreement by the insurer to insure and indemnify the contractor against any and all claims, actions, judgements or demands for damages arising on

account of construction of the applicant's development. The contractor's liability insurance policies shall name the Spokane Airport Board, the City and County of Spokane, their elected and appointed officials, agents and employees as additional insureds.

1. Where applicable, the contractor's liability insurance including coverage for blasting, collapse of or structural damage to any building or facility and damage to underground property such as utilities or other similar property.
2. Provide waiver of subrogation of all policies.
3. At the completion of construction of the development, the applicant shall submit a lien waiver from the contractor and one (1) complete set of "as-built" record drawings of the development and a copy of the Certificate of Occupancy issued by the applicable approving agency.

PART III - PERFORMANCE GUIDELINES

All parcels or buildings shall be used and occupied in conformance with these guidelines and will be used or occupied so as not to create any dangerous, injurious, noxious or otherwise objectionable conditions.

A. FIRE

All activities and storage of flammable and/or explosive material shall be provided with adequate safety and fire fighting devices in accordance with Federal, State, and Local regulations. The appropriate fire district and agencies shall be notified of all such activities.

B. EXPLOSIVE MATERIALS

The storage and handling of explosive materials not normally associated with the operation or amateur construction of aircraft shall not be permitted without the express written permission of Airport Management and other authorities having jurisdiction. An applicant shall obtain written approval seventy-two (72) hours prior to using such materials at Felts Field Airport.

C. VIBRATION

No vibration shall be produced which is transmitted through the ground and is discernible without the aid of instruments at any point beyond the lot line; nor shall any vibration produced exceed 0.002 g peak measured at or beyond the lot line using either seismic or electronic vibration measuring equipment.

D. NOISE

All noise shall be controlled so as not to be objectionable due to intermittence, high frequency or shrillness. In no event shall the sound pressure level of noise radiated from a building or site (except for the operation of motor vehicles, aircraft, or other transportation related activities) exceed the decibel levels in the designated octave bands as follows:

Octave Band Cycles

Maximum permitted sound level
Decibels re 0.0002 dynes/cm²

0 - 300	75
300 - 1200	55
1200 - 4800	45
4800 & Above	35

The sound pressure level shall be measured with a sound level meter and an octave band analyzer. (American Standard Sound Level Meters for measurement of sound.)

E. VISIBLE EMISSIONS

Visible emissions of any kind into the atmosphere will not be discharged from any source which exceed applicable Federal Regulations and State of Washington Department of Ecology Standards. No plant or operation shall discharge from any building or site any toxic materials or odors or waste consisting of fuels or gases which are detrimental to the public health, or airborne particulate matter consisting of dust, sprays, or mists.

F. ODORS

Any condition or operation which results in the creation of odors of such intensity and character as to be detrimental to the health and welfare of the public or which interferes unreasonably with the comfort of the public shall be removed, stopped or modified to remove the odor.

G. HEAT AND GLARE

No direct or sky-reflected glare shall be permitted that is discernible at the lot line (except for lighting or parking area or signs otherwise permitted by this section).

H. RADIOACTIVE AND HAZARDOUS MATERIALS

The storage and handling of radioactive and/or hazardous material shall not be permitted without the express written permission of Airport Management and other authorities having jurisdiction. Handling and disposal of radioactive and/or hazardous materials shall be in conformance with the regulations of Federal, State, and Local agencies and the U.S. Department of Energy. The Lessee agrees to indemnify the Spokane Airport Board; and the City and County of Spokane from all cleanup responsibilities resulting from the use, handling, and storage of any radioactive and/or hazardous material discharges.

I. LIQUID WASTE DISPOSAL

All waste discharges at any point into public or private sewage disposal systems will be in accordance with Federal, State, and Local regulations and with the approval of the appropriate local sewer district.

J. STORM WATER RUNOFF

All storm water runoff resulting from constructed impervious surfaces will be contained within the property lines of each tract or parcel. Grass and/or landscaped areas will be designated to accommodate excessive storm water runoff. Compliance with applicable federal, state, and local regulations is required.

K. SOLID WASTE

Each applicant, lessee, tenant or occupant is responsible for the removal of refuse, trash or other non-toxic materials from each site. The removal and disposal of said materials will be the responsibility of the applicant, lessee, tenant or occupant and in accordance with applicable City and County regulations and will be removed on a weekly schedule unless otherwise directed by airport management.

L. NUISANCES

No portion of the property shall be used in such a manner as to create a nuisance to adjacent sites. Nuisances may yet be undefined or go beyond what is herein described. For the purpose of this article, however, a nuisance is described as an activity or use that is annoying, unpleasant, or obnoxious.

M. DUST CONTROL

All ground surface areas not covered by structures or vehicular service uses shall be landscaped in accordance with the landscaping provisions of the Development Standards and required improvements. All land surface areas, parking lots, roofs, etc., shall be maintained in good condition free of noxious weeds, dust, trash, and other debris.

N. MARKING AND LIGHTING

Notwithstanding the provisions of the nonconforming uses prescribed for height limitations, the owner, and all future owners, of any existing nonconforming structure or obstacle hereby waives the right to object to the installation, operation, and maintenance thereon of such markers and lights as shall be deemed necessary by the Federal Aviation Administration to indicate to the operators of aircraft the presence of obstructions. Such markers and lights shall be installed at the expense of the tenant.

O. EXTERIOR LIGHTING

- A. Exterior lighting used to illuminate buildings, parking areas, drives, or landscape features, will be diffused as much as possible to be contained on the site.
- B. Light standards will be uniform and will not exceed 30 feet in height.
- C. Exterior lighting will comply to the requirements of the Federal Aviation Administration.

Note: Whenever possible, airport staff will assist prospective developers or builders to comply with the above issues.

P. ELECTROMAGNETIC RADIATION

For the purpose of these guidelines, electromagnetic interference shall be defined as electromagnetic disturbances which are generated by the use of electrical equipment other than planned and intentional sources of electromagnetic energy which interfere with the proper operation of electromagnetic receptors of quality and proper design. It shall be unlawful to operate or to cause to be operated any source of electromagnetic interference, the radiation or transmission which does not comply with the current regulations of the Federal Communications Commission, and any Federal, State, or Local regulations.

Q. TOPOGRAPHIC, HYDROLOGIC, AND GEOLOGIC HAZARDS

Any configuration of the surface of the land, including its natural and man-made features which will not in any way interfere with the safe, efficient operation of the Airport.

PART IV - SITE DEVELOPMENT GUIDELINES**A. SETBACKS**

There shall be a minimum of 35 feet clear space beyond any building footprint. This dimension may be adjusted to allow construction adjacent to existing structures. In the event of a dispute between this document and local building codes regarding the separation of structures, applicable local building codes shall prevail. Specific set-back guidelines are also contained within the respective sections for the specific type aeronautical activities.

Two types of set-back requirements are considered in these CC&Rs. For aeronautical purposes, current FAA airport design standards are used to provide necessary set-backs from aircraft movement areas. For building set-backs from streets, where applicable, local building code standards shall be used.

1. Minimum building setback shall be no less than the following:
 - a. Thirty-seven and one half (37.5) feet from the centerline of any taxiway or taxilane. Where applicable, current FAA airport design standards will determine minimum distances from aircraft movement areas and parking surfaces.
 - b. Thirty-five (35) feet from any public road right-of-way.
2. Set-back distance from a lease line may be reduced where the proposed development is adjacent to another contiguous leasehold. In such cases, applicable building code requirements will determine minimum spacing.

B. HEIGHT RESTRICTIONS

Spokane County established various height zones for the Airport Overlay Zone in the Spokane County Zoning Ordinance. Specific height limitations for each permitted use or establishment will conform to the requirements of the Spokane Airport Board, in accordance with regulations of the Department of Transportation, Federal Aviation Administration (F.A.R. Part 77). Notwithstanding any other provisions of this document, no permitted use or establishment will in any way endanger or interfere with the landing, takeoff, or maneuvering of aircraft intending to use the Airport.

Note: Whenever possible, airport staff will assist prospective developers or builders to comply with the above issues.

C. SIGNS

All signs shall be installed in accordance with Federal Aviation Administration regulations. All designs and plans for signs, graphics, or murals shall be submitted to the Airport Board or its designated committee for architectural, design, and operational review prior to construction. The

Board or its designated committee shall approve or disapprove all signs, graphics, or murals which are to be erected on the Airport. Specific requirements for signs are contained within specific sections covering the types of aeronautical activities on the airport.

1. All signs attached to a building shall be single-faced and surface-mounted. All signs, graphics, and murals shall be parallel to the wall on which it is mounted.
2. All signs, graphics or murals shall at all times be maintained in a presentable condition.

D. PARKING

Specific parking requirements are contained within the appropriate sections for the types of aeronautical activities.

E. LANDSCAPING

Specific landscaping requirements are contained within the appropriate sections for the types of aeronautical activities.

F. STORAGE AREAS

Outdoor storage is permitted only in Commercial areas. All outdoor storage should be visually screened from access streets, freeways, and adjacent property. Said screening should form a complete opaque screen a minimum of six (6) feet in vertical height.

G. REFUSE COLLECTION AREA

All outdoor refuse collection areas should be visually screened from access streets, freeways, and adjacent property by a complete opaque screen. No refuse collection areas should be permitted between a frontage street and the building line.

H. TELEPHONE AND ELECTRICAL SERVICE

All "on-site" electrical lines (excluding lines in excess of 12 KV) and telephone lines should be placed underground. Transformer or terminal equipment should be visually screened from view from streets and adjacent properties.

I. DRAINAGE (ON SITE)

Each plan submitted for approval should incorporate storm water runoff facilities to mitigate the potential for groundwater degradation. Each site will incorporate areas in the plan to allow infiltration of the storm water through grassed areas. Alternative systems which meet or exceed contaminant removal levels of grassed areas may be used.

All storm water runoff resulting from constructed impervious surfaces will be contained within the property lines of each tract or parcel. Grass and/or landscaped areas will be designated to accommodate excessive storm water runoff. Compliance with applicable federal, state, and local regulations is required. The applicant is responsible to comply with the requirements of standards for non-residential development within the Spokane Aquifer Sensitive Area. Each plan submitted must meet applicable regulations.

PART V - BUILDING REGULATIONS

A. ZONING ORDINANCES

Except as provided for herein or by interlocal agreement, applicable City of Spokane and Spokane County building and zoning ordinances shall apply.

B. FINAL APPROVAL BY AIRPORT BOARD

Final approval of compatibility of any constructed improvement on the airport shall remain with the Airport Board. Construction shall not commence before the Board has granted final approval.

PART VI - TYPE OF CONSTRUCTION

A. BUILDING MATERIALS

Types of materials shall comply with **PART II, Development Standards, Section E., Paragraph 2.** herein. Siding materials shall be kept neatly painted, if used. State-of-the-art changes in types of construction may be permitted from time-to-time only upon the express condition that any such change be consistent with the intent of this Declaration and that any such change receives written approval from airport staff.

Architectural Treatment - Building walls should be the dominant architectural form; roofs should be a secondary element. The colors of buildings on the airport shall be muted tones, predominantly in shades of blue green or gray. Colors for roofing materials shall minimize glaring toward moving aircraft and ATC operations.

B. PERMANENT BUILDINGS

All hangars shall be fully enclosed permanent structures, with a minimum capacity of four (4) aircraft.

C. ACCESSORY BUILDINGS, ENCLOSURES AND FENCES

Accessory buildings, enclosures, and fences shall enhance the design of and be of the same quality of materials as the buildings they serve.

D. BUILDING CODES AND ORDINANCES

Unless provided for herein, all buildings shall conform to applicable local building codes and ordinances.

E. APPROVAL BY AIRPORT MANAGEMENT

The type of building construction proposed shall be subject to the written approval of Airport Management as authorized agent of the Airport Board and the decision of Airport Management shall be based on the recommendations of airport staff and appealable to the Airport Board.

PART VII - STORAGE HANGAR CC&Rs

A. SETBACKS

There shall be a minimum of 35 feet clear space beyond any building footprint. This dimension may be adjusted to allow construction adjacent to existing structures. In the event of a dispute between this document and local building codes regarding the separation of structures, applicable local building codes shall prevail. Specific set-back guidelines are also contained within the respective sections for the specific type aeronautical activities.

Two types of set-back requirements are considered in these CC&Rs. For aeronautical purposes, current FAA airport design standards are used to provide necessary set-backs from aircraft movement areas. For building set-backs from streets, where applicable, local building code standards shall be used.

1. Minimum building setback shall be no less than the following:
 - a. Thirty-seven and one half (37.5) feet from the centerline of any taxiway or taxilane. Where applicable, current FAA airport design standards will determine minimum distances from aircraft movement areas and parking surfaces.
 - b. Thirty-five (35) feet from any public road right-of-way.
2. Set-back distance from a lease line may be reduced where the proposed development is adjacent to another contiguous leasehold. In such cases, applicable building code requirements will determine minimum spacing.
3. Architectural Treatment - Building walls should be the dominant architectural form; roofs should be a secondary element. The colors of buildings on the airport shall be muted tones, predominantly in shades of blue green or gray. Colors for roofing materials shall minimize glaring toward moving aircraft and ATC operations.

Note: Whenever possible, airport staff will assist prospective developers/builders in compliance with the above issues.

B. SIGNS

All signs shall be installed in accordance with Federal Aviation Administration regulations. All designs and plans for signs, graphics, or murals shall be submitted to the Airport Board or its designated committee for architectural, design, and operational review prior to construction. The Board or its designated committee shall approve or disapprove all signs, graphics, or murals which are to be erected in the Airfield Areas. No sign, graphic, or mural shall be installed, erected, or maintained in the Airfield Areas except in conformity with the following:

1. All signs attached to a building shall be single-faced and surface-mounted. All signs, graphics, and murals shall be parallel to the wall on which it is mounted.

2. Signs, graphics, or murals visible from the exterior of any storage hangar structure shall not be lighted, and no signs or any other contrivance shall be devised or constructed so as to rotate, gyrate, blink, or move in any animated fashion.
3. A sign advertising the sale, lease, of the site, or portion thereof, shall be permitted. Signs shall not exceed a maximum area of thirty-two (12) square feet and mounting locations subject to Board approval.

C. BUILDING USES AND RESTRICTIONS

1. The following activities and uses are permitted in this classification of building:
 - a. An aircraft or aircraft project must be stored in the hangar unit for the majority of the year. The hangar unit is not to be utilized exclusively as a storage unit for non-aviation items. Only items of an aeronautical nature which are utilized for flying shall be stored within the hangar.
 - b. A fire extinguisher appropriate for the type activity shall be provided in each hangar.
 - c. Storage of multiple aircraft is allowed.
 - d. Storage of tools and equipment for work on hangar owner's aircraft is approved.
2. These items are specifically prohibited in this class of hangar:
 - a. Storage of combustible or other hazardous materials except as outlined under requirements of Part III, Section B., above.
 - b. Storage of boxes, autos, boats, boat trailers, campers, snowmobiles, household goods, etc. instead of aircraft.

*Note: A bicycle, moped or small motor bike are allowed for transport on flightline roads.
A vehicle can be stored in the hangar when the aircraft is being flown.*

- c. Extension cords used as permanent wiring.
- d. Alteration of the structure without first obtaining written permission from the airport manager and obtaining the required permits.
- e. Fueling inside the hangar.
- f. Operating the aircraft engine inside the hangar.
- g. Residing inside the hangar.
- h. Subleasing the hangar without first obtaining written permission from the Airport Board.

- j. Conducting any business or commercial activities such as charter, rental, instructional services or any other business related purpose whether aviation or non aviation related.
- k. Discharging or releasing of flammable, combustible liquids, petroleum waste, paint products, chemicals or hazardous wastes or products upon sidewalks, streets, drainage areas, sewer or the ground.
- l. The discharge of a fire arm on airport property.

D. PARKING

Each storage hangar operator should provide adequate off-street parking to accommodate all parking needs for the site without obstructing airport taxiways.

E. LANDSCAPING

- 1. Generally, landscaping is not required for storage hangar sites. However, undeveloped areas that are owned or are under lease agreement, and are proposed or set aside for future development shall be maintained in a weed-free condition by the lessee. As a minimum, dry land grasses shall be planted on unpaved leased areas.
- 2. All storm water run-off from parking areas shall receive primary treatment and disposal through grassy swales, in compliance with federal, state, and local regulations. Engineered site plans shall allow acreage sufficient to provide primary treatment for the first one-half (1/2) inch of storm water runoff generated from paved or impervious parking surface.

The Spokane Airport Board hereby adopts these Guidelines / Covenants For Aeronautical Activities On Spokane Felts Field Airport on this

18 day of December, 1996.


Chairman, Spokane Airport Board


CEO / Executive Director