

Request for Proposals

AERONAUTICAL LAND FOR LEASE (PERSONAL AIRCRAFT HANGAR DEVELOPMENT)



Felts Field Airport Spokane, Washington

Issued By:

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

October 20, 2019



INTRODUCTION AND GENERAL INFORMATION

The Spokane Airport Board (hereinafter “Board”) is issuing this Request for Proposals (“RFP”) for qualified parties or individuals interested in leasing a parcel to build a hangar for personal aircraft storage at Felts Field Airport as shown on Exhibit A.

This document outlines the prerequisites, selection process and documentation necessary to submit a proposal for the lease of designated property. 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

0.1. **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. PST on Wednesday, November 20, 2019 and delivered to:**

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

Any proposal received after 10:00 a.m. PST, Wednesday, November 20, 2019 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 Board staff and shall be opened after 10:00 a.m. PST, **Wednesday, November 20, 2019**. All documents must be submitted in a sealed envelope that is clearly marked: “Request for Proposals – Personal Aircraft Hangar 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 Board 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 Board and must be provided without cost to the Board.

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 Board 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.

The Board 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 Board.

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 C). 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 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.

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
- Ability to satisfactorily comply with the Felts Field Covenants, Conditions & Restrictions (CC & R’s) (Exhibit D)
- Proposed term and rent
- Ability of Proposer to meet the Board’s minimum insurance requirements

0.2 Withdrawal of Proposal: No proposal may be withdrawn after it has been submitted to the Board unless the Proposer makes a request for withdrawal in writing and the request is received by the Board prior to the proposal submission deadline (10:00 a.m. (PST) **Wednesday, November 20, 2019**). No proposal may be withdrawn after the proposal submission deadline (10:00 a.m. (PST) **Wednesday, November 20, 2019**) for a period of ninety (90) days.

0.3 Equal Employment Opportunity: Felts Field 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 award of agreement. 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 Board, (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 Proposers acquaintances, friends, family, outside advisors, agents, or other representatives shall not contact the Board (its associated City and County employees, or outside 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	October 20, 23, 27 and 30th
RFP posted on Airport website (www.spokaneairports.net)	Sunday, October 20, 2019
Question/clarification deadline	Monday, November 4, 2019 (12:00 noon)
Final addenda (if any) posted on Airport website	Wednesday, November 6, 2019 (2:00 p.m.)
Response deadline	Wednesday, November 20, 2019, (10:00 a.m.) Main Terminal, Suite 204, Administration
Recommendation to the Board Finance Committee	Wednesday, December 11, 2019
Successful Proposer’s Execution of Agreement	Tuesday, December 17, 2019 (10:00 a.m.)
Agreement Approved by Board	Thursday, December 19, 2019

**** If a Proposer does not have access to Felts Field, a site visit to the parcels can be arranged by calling Drake Beaton at 509.455.6415.**

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:

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

All questions from Proposers must be submitted in writing, electronically, to dbeaton@spokaneairports.net no later than 12:00 p.m. PST, Monday, November 4, 2019, (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 Proposers, shall be posted on the Airport’s website no later than 2:00 p.m. PST, Wednesday, November 6, 2019 (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 that is noted in this Section.

1.0 GENERAL CONDITIONS

The Board is seeking qualified Proposers to lease specific property at Felts Field Airport, Spokane, Washington as outlined below. Available property is shown on Exhibit A (Parcel A and Parcel D).

The Board shall consider proposals from qualified Proposers who wish to lease a parcel to construct an aircraft hangar for storage of their personal aircraft as outlined on Exhibit A (Parcel A and Parcel D). Proposer shall be required to construct connecting ramp to taxilane from property line to adjacent property line. Hangar construction shall be completed no later than one (1) year from the effective date of the Land Lease Agreement. The Board shall be responsible for constructing the adjacent taxilane which is shown on Exhibit A.

1.1 The available property is shown on Exhibit A - Parcel A and Parcel D attached hereto. Exhibit A also provides information on the Building Restriction Lines and 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(s), Proposer shall be required to utilize the maximum building area as shown on Exhibit A. The proposed taxilane shall accommodate Aircraft Design Group I type aircraft. The maximum aircraft wingspan of the aircraft this site will accommodate is 49 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 Board has completed and submitted the FAA 7460-1 to the FAA for the proposed hangar projects as shown on Exhibit A. Proposer shall be required to adhere to the specific elevation and height restrictions outlined in the approved 7460-1 and as noted on Exhibit A – Parcel A and Parcel D.

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 ramp adjacent to the hangar to tie in with proposed taxilane 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 is responsible for field verifying all utilities prior to construction. 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 property, the Proposer shall be responsible for said payment of charges and



expenses associated with such utility services.

- 1.7 All construction documents shall be subject to review and approval by the Board.
- 1.8 Proposer shall be responsible for securing all federal, state and local permits, licenses and approvals necessary to develop and construct hangar(s).
- 1.9 Proposer is responsible to ensure that Airfield security is maintained throughout construction.
- 1.10 Proposer is responsible for ensuring contractor(s) do not impede access to tenants and aircraft adjacent to the site.

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 Land Rent: To comply with Grant Assurance requirements of the Federal Aviation Administration, the Board is required to receive Fair Market Rent for the lease of Airport property.

a. Land Rent: The land rent is subject to adjustment at the end of the fifth (5th) year and every ten (10) years thereafter and at the renewal option(s) by an appraisal to determine the Fair Market Rent of the land. The land rent is also subject to adjustment based on the Consumer Price Index at the end of the tenth (10th) year and every other five-year period during the term and the renewal option(s).

b. Minimum Land Rent: The minimum land rent that the Board shall consider for the Property shall be \$0.26 per square foot per annum. Nothing herein prevents a Proposer from offering a higher land rent to enhance the Proposer's position.

c. Alternative Land Rent Proposal: The Board may entertain a proposal with higher land rent than indicated above. Should the Proposer feel that they could meet their financial plans and provide the Board with a greater per square foot land rent for the subject property, the Board would consider such proposals over other proposals of equal stature except for the proposed land rent offer.

No offers will be accepted for a rent structure lower than those stipulated above.

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

e. 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.

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 Proposal 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 Board 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 Board shall become the property of the Board 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 the award of an Agreement is made by the Board.

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 Board.

d. Proposals Not Marked as Confidential: If a proposal does not clearly identify the confidential portions, the Board 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 Board will determine whether the material should be made available under the law. If the Board determines that the material is not exempt and may be disclosed, the Board 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 Board may release the portions of the proposal deemed subject to disclosure.

f. Indemnification by Proposer: To the extent that the Board 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 Board, 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 Board: By submitting a proposal, the Proposer consents to the process outlined in this RFP and shall have no claim against the Board because of actions taken.

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

4.4 Non-Discrimination: All Proposers will be afforded the full opportunity to submit proposals in response to this RFP. The Board 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 award of agreement. 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 Board’s Sample Agreement (Exhibit C).

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(s), the Board will provide to the Proposer(s) two originals of the Agreement for execution. The Proposer(s) agrees to deliver two duly executed original Agreements to the Board no later than 10:00 a.m., Tuesday, December 17, 2019.

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 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 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 Grant Assurances.
- The subject property is 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.

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. 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, address, email and phone numbers 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. Identify Parcel for proposed hangar construction
 - b. Confirm proposed use of property (Personal Aircraft Storage)
 - c. Proposed size of hangar and type of construction
 - d. Type of aircraft and tail numbers of aircraft to be stored in hangar
 - e. Proposed construction schedule
 - f. Security plan during construction
 - g. Evidence of the ability to obtain insurance coverages in the amounts required in the Agreement and/or Minimum Standards
5. Lease Terms: Proposed lease terms (Initial Term and Renewal Option(s)).
6. Land Rent: Proposed Land Rent (per square foot per annum, whole number only) for initial five (5) year period.
7. 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. Acknowledgement of acceptance of the terms and conditions of the Agreement.
 - c. 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 the 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 an Agreement will be final. All Proposers will be notified by email whether or not they have been selected. Upon the Board’s notice of the award, the Board shall provide the successful Proposer(s) with an Agreement for the property.

The successful Proposer(s) shall execute and deliver said Agreement on or before 10:00 a.m., Tuesday, December 17, 2019 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	Hangar Development Plan	25%
2	Will Hangar be Owner Occupied <i>(Owner occupied will be given higher consideration)</i>	30%
3	Lease Term & Rent	40%
4	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.

Spokane Airport is financially independent and self-sufficient based on the revenue generated from leases and fees. In 2018, its aviation operations totaled 59,236.



Request for Proposals – Aeronautical Land for Lease

EXHIBIT A
Parcel A and Parcel D

October 20, 2019

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FELTS FIELD AIRPORT INFIELD HANGAR DEVELOPMENT

LEGEND		
8"W	DOMESTIC WATER	PROPOSED HANGAR
4"SS	SANITARY SEWER	LEASE PARCEL A (6405 SF)
UGP	UNDERGROUND POWER	
3/4"G	NATURAL GAS	
COM	TELEPHONE/COMMUNICATIONS	

NOTE:
 1). MAX HANGAR HEIGHT: PITCH=23.1' EAVE.=22.3'
 2). ALLOWABLE BUILDING HEIGHT BASED ON ASSUMED HANGAR FINISH FLOOR ELEVATION OF 1,951.1'.
 3). UTILITIES ARE APPROXIMATE AND NEED TO BE VERIFIED IN THE FIELD BY DEVELOPERS.

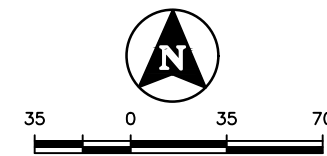


EXHIBIT A
 DATE: 10/11/2019
 SHEET 1 OF 1

9000 West Airport Dr., Ste. 204
 Spokane, WA 99224



LEGEND

- 8" W — DOMESTIC WATER
- 4" SS — SANITARY SEWER
- UGP — UNDERGROUND POWER
- 3/4" G — NATURAL GAS
- COM — TELEPHONE/COMMUNICATIONS
- PROPOSED HANGAR
- LEASE PARCEL D (6405 SF)

FELTS FIELD AIRPORT INFIELD HANGAR DEVELOPMENT

NOTE:

- 1). MAX HANGAR HEIGHT: PITCH=22.1' EAVE.=22.1'
- 2). ALLOWABLE BUILDING HEIGHT BASED ON ASSUMED HANGAR FINISH FLOOR ELEVATION OF 1,951.1'.
- 3). UTILITIES ARE APPROXIMATE AND NEED TO BE VERIFIED IN THE FIELD BY DEVELOPERS.

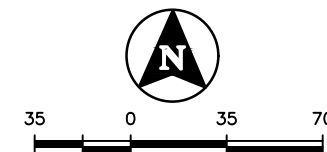


EXHIBIT A

DATE: 10/11/2019

SHEET 1 OF 1

9000 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 10:00 a.m., Tuesday, December 17, 2019 with the Spokane Airport Board under the terms and conditions as set forth in the Request for Proposal dated October 20, 2019.

The Proposer Acknowledges Receipt of Addendum(s), **if any**:

Addendum # 1 _____

Addendum # 2 _____

Signature: _____

Name: _____

Title: _____

Name of Business: _____

Date: _____



**EXHIBIT C
(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

LAND LEASE AGREEMENT

BETWEEN

SPOKANE AIRPORT

AND

SAMPLE

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FELTS FIELD PERSONAL HANGAR
LAND LEASE AGREEMENT

THIS AGREEMENT, made and entered into this ____ day of _____, 2019, 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 _____ company organized 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 October 20, 2019, 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 _____, 2019 unless sooner terminated or canceled as herein provided.

B. Lessee shall have the option to renew this Agreement for _____ (____) additional consecutive _____ (____) year term(s) upon ninety (90) days advance written notice to the Airport at the renewal option 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 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 six (6) months 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.

2. PREMISES

The Airport hereby leases to Lessee certain unimproved Premises located at Felts Field consisting of _____ (_____) square feet of unimproved land upon which _____ (_____) 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. As necessary, Airport shall provide a revised Exhibit A which shall become a part of this Agreement. The square footage of the Premises and rent therefore shall be adjusted to correspond to the revised Exhibit A. 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.

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. As part of said development, Lessee shall use the Premises in accordance with the 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 renewal option 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 as outlined in the CC&R’s 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 as outlined in the CC& R’s. 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 option and every ten (10) year period thereafter, said dispute shall be resolved in good faith 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 the effective date 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 _____, shall be the sum of _____ Cents (\$ _____) 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 Airport.

6. ADJUSTMENT OF RENT

A. The rent for the Premises for the initial term shall be adjusted at the end of the tenth (10th) 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 June, 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 at the end of the fifth (5th) year and every ten (10) years thereafter 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 THE RENEWAL OPTION

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

B. The rent shall additionally be adjusted every other five year period throughout the renewal option 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 rents, 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. The Airport has initiated and secured Federal Aviation Administration approval of Form 7460-1, Notice of Proposed Construction or Alteration. Lessee shall be required to ensure that all construction comply with the requirements of the approved 7460-1. Any changes to proposed construction that do not comply with the approved 7460-1 and approved maximum building heights will require submission of a new Form 7460-1 prior to any work commencing for this project. The Lessee shall be responsible for the cost of and for submitting a SEPA Checklist to the Airport. The Airport shall coordinate with Lessee the necessary steps required for securing the approvals of the documents outlined in this Article.

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 Felts Field, 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 CC&R's, and others which are now, or may from time to time be promulgated by the Airport.

E. Lessee, its agents, servants or licensees shall not park any vehicles, aircraft and equipment on leased Premises, non-leased areas or 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. 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 paragraph 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 any type of vehicle, 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. 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 _____ (____) hangar consisting of _____ (_____) s.f. as shown on Exhibit A. In the event that Lessee proposes any changes to the size of the building 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 ramp necessary to connect its Premises to Airport taxilane. Lessee shall be required to construct connecting ramp to taxilane from property line to adjacent property line. Lessee shall be responsible for all costs associated with the construction including, but not limited to the building or structure, 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 (1/10th) 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, one (1) complete set 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 Article 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 State and/or local requirements related to 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 option, 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. 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 the building(s) 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 any non-leased area or on the leased Premises. 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 which includes any reference to Lessee's relationship with Felts Field, 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 terms and conditions as specified in this Agreement 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. 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. DEFAULT

If Lessee should, after notice, fail to remedy any default (A) in the payment of any sum due under this Agreement for ten (10) days after written notice from Airport specifying the default or (B) in the keeping of any other term, covenant or condition herein with all reasonable dispatch after written notice from Airport specifying the default, not exceeding thirty (30) days, then at its option, in addition to and not exclusive of any other remedy, Airport may have by

operation of law, without any further demand or notice, enter the Premises and evict all persons therefrom, using all necessary force to do so, and either (AA) declare this Agreement at an end, in which event Lessee shall immediately pay Airport a sum of money equal to the amount, if any, by which the then cash value of the rent reserved hereunder for the balance of the term of this Agreement exceeds the then cash reasonable rental value of the Premises for the balance of said term, or (BB) without terminating this Agreement, may re-let the Premises, or any part thereof, as the agent and for the account of Lessee, upon such terms and conditions as Airport may deem advisable. In the event the Airport re-lets the Premises, Lessee shall be obligated to pay, in addition to the deficiencies in the lease rent and the re-letting rent amount, all necessary renovation and alteration costs and expenses, reasonable attorney's fees and real estate commissions. Said necessary renovations and alterations, reasonable attorney's fees, and real estate commissions paid shall be deemed additional rent due and owing by Lessee. The Airport shall apply all rent collected upon re-letting toward payment of all sums due or to become due to the Airport. Thereafter, if the rent collected upon re-letting is insufficient to pay the original rent and the additional rent due and owing as described above, the Airport may, at any time during the Agreement, but in no event later than six (6) years, bring an action in the Superior Court of the County of Spokane for any deficiencies due and owing to the Airport as a result of Lessee's default under the terms and conditions of this Agreement.

42. 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.

43. 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.

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 option 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. HOLDOVER POSSESSION OF PREMISES BY LESSEE

Any holding over at the expiration or termination of the term of this Agreement, for any reason and with or without the consent of the Airport, shall constitute a tenancy from month to month. The month to month tenancy shall be subject to all other terms and conditions of this Agreement, with the exception of rates, charges and fees, which amounts shall be determined solely by the Airport. Receipt by the Airport of rates, charges and fees during such month to month tenancy shall not constitute a renewal of the 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: _____



Request for Proposals – Aeronautical Land for Lease

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

Attached are the current Covenants, Conditions & Restrictions as adopted by the Spokane Airport Board on June 29, 2017.

October 20, 2019

Felts Field Airport

COVENANTS, CONDITIONS AND
RESTRICTIONS

CC&Rs

FOR AIRCRAFT STORAGE
HANGARS AND USE OF PROPERTY
AT FELTS FIELD AIRPORT

Felts Field Airport

**COVENANTS, CONDITIONS AND RESTRICTIONS
(CC&Rs)**

For Aircraft Storage Hangars
and Use of Property
at Felts Field Airport

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FELTS FIELD AIRPORT COVENANTS, CONDITIONS AND RESTRICTIONS

PART 1 - GENERAL

- A. The purpose of developing these Covenants, Conditions and Restrictions (“CC&Rs”) with development guidelines is to encourage specific uses of Felts Field Airport (“Airport”) property and provide guidance for activities or development in specific areas. It is further intended that this document shall provide guidance to control the height, size and location of structures and buildings on parcels, and assure conformance with the CC&Rs.

Permitted activities should be compatible with surrounding uses, should not create potential hazards, and should not cause adverse environmental impacts. All activities and development on Airport property shall be consistent with the Airport Layout Plan (“ALP”)

B. DEVELOPMENT CONTROL

Airport staff will review each submitted proposal or application prior to the Airport entering into a lease for Airport property. Whenever possible, Airport staff will participate in pre-development conferences for the proposed development.

Airport staff will, to the extent possible, assist prospective developers and make recommendations to the Airport concerning each lease application. The Airport 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 two (2) 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:

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.

Approved uses are those that have been reviewed and approved by Airport staff and have the written approval of the Airport CEO or designee.

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.

Premises - A portion of Airport property including a parcel of land, a tenant-owned or Airport-owned building or both land and building, 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 on the Airport designated for buildings or specific uses.

Vehicle Access Roads/Streets - Areas 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, shall be conducted by a qualified structural engineer, mutually agreed to by both parties; 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 Airport CEO, or designee, 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 Airport CEO, or designee, 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 Airport CEO, or designee. 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 Airport CEO 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 Airport may hold periodic public meetings for the purpose of reviewing these CC&Rs to determine adequacy and relevancy.

PART 2 - AIRPORT DEVELOPMENT STANDARDS

A. PURPOSE

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

B. PLAN REVIEW

Airport Staff shall review all plans and specifications for construction of ramps, hangars, other buildings or facilities submitted pursuant to these Standards and shall submit a written recommendation to the Airport CEO. The Airport CEO shall review and approve, reject or require modifications to the plans and specifications submitted.

C. APPLICABILITY

No ramp, hangars, 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 Airport CEO.

D. STANDARD FOR REVIEW

For any development proposal, the potential impact to adjacent Airport facilities will be taken into consideration. Airport facilities include runways and related approaches, taxiways, taxilanes, ramp areas, and existing buildings. No building proposal can be approved until an airspace study is completed by the Federal Aviation Administration. Airport staff will assist the proposer with submittal of FAA Form 7460-1 to the Federal Aviation Administration (hereinafter referred to as "FAA").

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, taxilanes or runways.
2. There shall be access for aircraft to the hangar.
3. A hangar shall, at a minimum, be sized for the type of aircraft and proposed use in accordance with the Minimum Standards for Commercial Aeronautical Activities and Aircraft Fueling on Felts Field Airport (hereinafter "Minimum Standards"). Access to the hangar shall be in conformance with the posted limitations of the taxilanes.
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. Appropriate action shall be taken to protect instrument and visual operations at the Airport. Steps shall be taken to clear and protect Airport operations by removing, lowering, relocating, and marking all lighting hazards including shading or adjusting lighting to prevent glare and installation of obstruction lighting as instructed by the Airport. Proposer shall not install any permanent or temporary improvements or equipment that would be defined as an aeronautical obstruction in violation of FAR Part 77 or TERPs.
5. No noise, odors, vibration, smoke, dust, fumes or gases which adversely impact other activities on the Airport shall be generated on the proposed development.
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. Any proposed development shall be consistent with the approved ALP.
8. There shall be adherence to Airport design standards (Advisory Circular 150/5300-13 or equivalent) published by the 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 approval:

1. **Pavements.** Asphalt pavements shall conform to WSDOT Commercial Mix or FAA P-401/403 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. Pavement constructed by lessees outside leased areas becomes the property of the Airport upon completion. The Airport shall be responsible for maintenance of such pavement. Pavement constructed within leased areas remains 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 the equivalent 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 and other buildings shall have concrete floors which 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 to Airport Staff, 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, taxilanes, 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 pathways.
 - l. All exterior contours and types of surfaces and construction materials of all buildings and pavements.
2. Engineering/architectural plans and information 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 building(s).
 - e. Other applicable engineering/architectural plans for the proposed development.
 - f. Upon Airport written 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 and rules and regulations established by the Airport. The applicant shall supply financial statements and letters of credit as may be required by the Airport.

H. FEES

1. As a condition of the application process, a non-refundable fee of \$1,000.00 shall be submitted with each development proposal, payable to Spokane Airport. This fee will be used to offset costs incurred by the Airport during the review process and prior to approval of the proposed development and associated lease or operating agreement. If no action is taken by the applicant after receiving Airport approval for the proposed development within six (6) months from filing the development application, said application shall expire. If applicant has not entered into a lease agreement and does not proceed with the approved development within three (3) months of receiving Airport approval, said approval shall be withdrawn.
2. The applicant may receive one extension to its application for up to three (3) months, by requesting such extension in writing. An additional non-refundable \$500.00 fee will be required unless applicant can establish that the proposed development was delayed by others not under the applicant's control.

I. PROCEDURE

Upon receiving the specified fees, the Airport CEO, or designee, 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 response of the Airport CEO shall approve, approve with stipulations, or deny the proposed development based on the development standards outlined above.
3. Action taken hereunder shall be in writing. If the Airport CEO denies the proposed development, the basis for such denial shall be specified in reasonable detail. A notification shall be sent to the applicant by courier service and/or email or similar means to confirm delivery of such notification.

J. ACTION

The determination of the Airport CEO shall be final. Request for appeal shall be filed with the Airport CEO, in writing, within ten (10) business days after the Airport CEO's decision is received via courier service and/or email by the applicant.

K. APPROVED PLANS AND SPECIFICATIONS

The applicant shall submit to the Airport CEO, or designee, 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, taxilane, driveway, hangar or other type of building or facility, the applicant shall provide the following to Airport Staff:

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 CompensationAs required by law.
 - b. Employer's Liability Minimum\$1,000,000 per occurrence.
 - c. Commercial General Liability
for Bodily Injury and Property DamageMinimum \$1,000,000 Combined
Single Limit.

The liability policies shall contain agreement by the insurer to insure and indemnify the contractor and subcontractor(s) against any and all claims, actions, judgments or demands for damages arising on account of construction of the applicant's development. The contractor's and subcontractor(s) liability insurance policies shall name Spokane Airport, Spokane Airport Board, the City and County of Spokane, their elected and appointed officials, agents and employees as additional insureds.

3. Where applicable, the contractor's liability insurance shall include 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.
4. Provide waiver of subrogation of all policies.
5. At the completion of construction of the development, the applicant shall submit a lien waiver from the contractor and two (2) complete set of "as-built" record drawings of the development; one (1) set on electronic media of the improvements as constructed and a copy of the Certificate of Occupancy issued by the applicable approving agency.

PART 3 – 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 require the provision of safety and firefighting devices in accordance with Federal, State, and Local regulations. The appropriate fire district and agencies shall be notified of all such activities or storage.

B. FLAMMABLE AND/OR EXPLOSIVE MATERIALS

The storage and handling of flammable and/or explosive materials not normally associated with the operation of aircraft or amateur construction of aircraft shall not be permitted without the express written permission of Airport Staff and other authorities having jurisdiction. An applicant shall obtain written approval seventy-two (72) hours prior to using such materials at the 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 leased premises nor shall any vibration produced exceed 0.002g peak measured at or beyond the leased premises 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/cm ² :
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. EMISSIONS

Emissions of any kind will not be discharged from any source which exceeds applicable Federal Regulations and State of Washington Department of Ecology Standards. No business or operation shall discharge from any building or site any toxic materials; odors or waste which are detrimental to the public health, or airborne particulate matter.

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 emitted at the leased premises (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 Staff 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. Lessee agrees to indemnify the Spokane Airport, 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 government with jurisdiction over sewerage.

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 CEO or designee.

L. NUISANCES

No portion of the property shall be used in such a manner as to create a nuisance to adjacent sites. For the purpose of this article a nuisance is described as but not limited to any activity or use that is unpleasant, obnoxious, or otherwise interferes with the use and enjoyment of adjacent sites.

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 these CC&Rs. 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 lessee or tenant.

O. EXTERIOR LIGHTING

1. 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.
2. Light standards will be uniform and will not exceed 30 feet in height.
3. Exterior lighting will comply with 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 performance 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 will not, in any way, interfere with the safe, efficient operation of the Airport.

R. UTILITIES

Each applicant, lessee, tenant or occupant is responsible for payment of all charges and expenses associated with water, sewer, electrical, telephonic, or any other utility service related to leased area.

PART 4- SITE DEVELOPMENT GUIDELINES

A. Two (2) 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 vehicle access roads/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 unless otherwise identified by FAA through an approved Modification of Airport

Standards. Where applicable, current FAA airport design standards will determine minimum distances from aircraft movement areas and parking surfaces.

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

Local municipalities have established various height zones for the Airport Overlay Zones. Specific height limitations for each permitted use or establishment will conform to the requirements of the Airport, in accordance with the Airport Overlay Zones and 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

1. All signs shall be installed in accordance with applicable federal, state, local and Airport. All designs and plans for signs, graphics, or murals shall be submitted to the Airport CEO, or designee, for architectural, design, and operational review prior to construction. The Airport CEO, or designee, 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:
 - a. 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.
 - b. All signs, graphics or murals shall at all times be maintained in a presentable condition.
 - c. 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.
 - d. A sign advertising the sale or lease of the building, or portion thereof, shall be permitted. Signs shall not exceed a maximum area of twelve (12) square feet and signage locations are subject to Airport CEO, or designee, approval.

D. STORAGE AREAS

Outdoor storage is permitted only in FBO or Corporate 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.

E. REFUSE COLLECTION AREA

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

F. 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

G. DRAINAGE

1. Each plan submitted for approval should incorporate storm water runoff facilities to mitigate the potential for groundwater degradation. Each site plan will incorporate areas 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.
2. 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.
3. All storm water run-off from ramps and parking areas shall receive primary treatment and disposal through grassy swales, in compliance with federal, state, and local regulations. Engineered site plans shall have acreage to provide primary treatment for the first one-half (1/2) inch of storm water run-off generated from paved or impervious ramps and parking surfaces.

PART 5 – BUILDING REGULATIONS**A. ZONING ORDINANCES**

Except as provided for herein or by interlocal agreement, applicable local municipalities building and zoning ordinances shall apply.

B. FINAL APPROVAL BY AIRPORT

Final approval of the compatibility of any proposed construction on the Airport shall remain with the Airport CEO. Construction shall not commence before the Airport CEO, has granted final approval.

PART 6 - TYPE OF CONSTRUCTION

A. BUILDING MATERIALS

Types of materials shall comply with PART 2, Development Standards, Section E., Paragraph 2, herein. Siding materials, if used, shall be kept neatly painted. Any variations from the development standards outlined herein shall require advance written authorization from the Airport CEO, or designee.

Architectural Treatment - Building walls should be the dominant architectural element; roofs should be secondary. Building colors shall be muted, predominantly in earth tone shades. Colors for roofing materials shall not create glare towards moving aircraft and ATC operations.

B. PERMANENT BUILDINGS

All hangars or other buildings shall be fully enclosed, permanent structures.

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 CEO

The type of building construction proposed shall be subject to the written approval of the Airport CEO, or designee. Request for appeal shall be filed with the Airport CEO, in writing, within ten (10) business days after the Airport CEO's decision is received via courier service and/or email by the applicant.

PART 7 - HANGAR USES AND RESTRICTIONS

A. Hangars located on Airport property must be used for an aeronautical purpose, or be available for use for an aeronautical purpose, unless otherwise approved by the Airport CEO. Use for an aeronautical purpose includes the following:

1. Storage of active aircraft.
2. Final assembly of aircraft under construction.
3. Non-commercial construction of amateur-built or kit-built aircraft.
4. Maintenance, repair, or refurbishment of aircraft, but not the indefinite storage of non-operational aircraft.

5. Storage of aircraft handling equipment (e.g. towbars, glider tow equipment, workbenches, and tools and materials used in the servicing, maintenance, repair or outfitting of aircraft).

Provided the hangar is used primarily for aeronautical purposes, non-aeronautical items may be stored in the hangar provided such items do not interfere with the aeronautical use of the hangar.

B. The following uses, actions or items are specifically prohibited in a hangar:

1. Storage of combustible or other hazardous materials except as outlined under requirements of Part 3, Section B, above.
2. Storage or presence of any item(s) that impedes the movement of the aircraft in and out of the hangar or impedes access to aircraft or other aeronautical contents of the hangar.
3. Storage or presence of any item(s) that displaces the aeronautical contents of the hangar; provided, however, a vehicle parked at the hangar while the vehicle owner is using the aircraft will not be considered to displace the aircraft.
4. Storage or presence of any item(s) that are used for the conduct of a non-aeronautical business or municipal agency function from the hangar (including storage of inventory).
5. Any source of power or electricity to the hangar that is not permanent wiring, including but not limited to extension cords.
6. Alteration of the structure without first obtaining written permission from the Airport CEO, or designee.
7. Fueling inside the hangar.
8. Operating the aircraft engine inside the hangar.
9. Use of the hangar for a residence. The FAA differentiates between a typical pilot resting facility or aircrew quarters versus a hangar residence or hangar home. The former are designed to be used for overnight and/or resting periods for aircrew, and not as a permanent or even temporary residence.
10. Subleasing the hangar without first obtaining written permission from the Airport CEO, or designee.
11. Conducting any business or commercial activities in the hangar, such as charter, rental, instructional services or any other business related purpose whether aviation or non-aviation related without first obtaining written permission from the Airport CEO, or designee.
12. Discharging or releasing in or around the hangar any flammable, combustible liquids, petroleum waste, paint products, chemicals or hazardous wastes or products upon sidewalks, streets, drainage areas, sewer or the ground.
13. The discharge of a firearm on Airport property.

14. Any storage, use, action or the presence of any item in violation of these CC&Rs, the Minimum Standards or rules and regulations established by the Airport, lease provisions, building codes, or applicable federal, state or local law.

C. PARKING

Each storage hangar operator should provide off-street parking to accommodate all parking needs for the site without obstructing Airport taxiways, taxilanes and fire lanes.

D. LANDSCAPING

Generally, landscaping is not required for storage hangar sites. However, undeveloped areas that are owned or are under lease agreement, shall be maintained in a weed-free condition by the lessee. As a minimum, dry land grasses shall be planted on unpaved leased areas.

The Spokane Airport Board hereby adopts these Felts Field Airport Covenants, Conditions and Restrictions for Aircraft Storage Hangars and Use of Property at Felts Field Airport on this 29th day of June, 2017.

SPOKANE AIRPORT BOARD



Lawrence J. Krauter
Chief Executive Officer