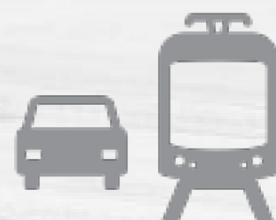




CONTRACTS AND LEASES





Airport Use Agreements

Airline Use Agreements

- Financial terms, revenue sharing, all fees and shared costs
- Includes insurance requirements
- Future airport development and costs
- Defines terminal leasehold space and gate allocations and space change process
- Defines use of facilities, prohibitions, and future goals (i.e. electric GSE, green programs)
- Defines maintenance responsibilities (Matrix)

Airline Use Agreements (cont.)



- Typically arduous negotiations involving senior level staff.
- Usually long term. Ten years and longer.
- Usually negotiated with the lead airline based on market share
- Very beneficial to employ outside legal counsel to assist.

Operating Agreements



- These include operating agreements for affiliates and other passenger carriers not signatory to the Airline Use Agreement.
- These are typically set up perpetually on a month-to-month basis.
- Describes all fees, insurance, and bonding.
- Does not contain leased space or dedicated gates (provided by a signatory airline).

Cargo Operating Agreements



- Similar to Operating Agreements for passenger carriers.
- Outlines certain specific fees for cargo operators if applicable (Insurance, Fees, etc.).
- Defines specific operating areas.

There are a variety that are common in the airport environment.

- Facilities Lease Agreement
- Space Lease within a Facility
- Ground Lease
- Concession Leases
- FBO Leases
- Corporate Hangar Leases
- Cargo Facility Agreements
- Third Party Development Agreements (outside counsel helpful)
- Standard Hangar Agreements
- Land Leases (grazing, storage)

Contract and Lease Terms



- Business terms decided by you and your team
- Standard indemnities provided by your legal counsel
- Insurance requirements provided by your Risk Manager
- Well defined Uses and Privileges clause
- Grant Assurances as determined by the DOT/FAA
- DBE and MBE language as required by DOT/FAA
- Link to Rules and Regulations
- Clear verifiable registration with your state

Lease with Federal Entities



- Common airport interactions are with the TSA, FAA, CBP, BLM, and the GSA
- Additional agencies may include the National Weather Service, FBI, ATF, US Marshall Service, Secret Service, Army CoE, and the EPA
-
- Every US Government department or subdivision uses different and sometimes conflicting terms
- The problems with “General Conditions” and other “Required Clauses”
- The “Not Applicable” argument
- The representative you deal with is critical.

I am happy to share our document templates and best practices
at any time.

Thank you!

Cole Hobbs
Airport Contracts and Procurement Manager
Salt Lake City Department of Airports

cole.hobbs@slcgov.com
(801) 575-2984