

City of Shelby

Manual of Airport Rules and Regulations and Minimum Commercial Operator Standards for the Shelby-Cleveland County Regional Airport



Adopted January 7, 2008

RESOLUTION NO. 3-2008

A RESOLUTION REVISING AND UPDATING THE RULES AND REGULATIONS AND
MINIMUM COMMERCIAL OPERATOR STANDARDS AT THE
SHELBY-CLEVELAND COUNTY REGIONAL AIRPORT

WHEREAS, the City of Shelby has heretofore established rules and regulations for the Shelby-Cleveland County Regional Airport and now finds it advisable to update and revise said rules and regulations; and,

WHEREAS, an updated version of the City's manual has been drafted and reviewed by staff and the Airport Advisory Board, and same is now recommended for approval; and,

WHEREAS, City Council now desires to accept and approve said manual for the purpose of providing for the effective and efficient use of the City's airport;

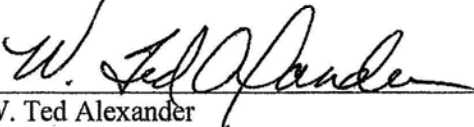
NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SHELBY, NORTH CAROLINA:

Section 1. The City's updated and revised manual of rules and regulations dated January 2008 and entitled, "Manual of Airport Rules and Regulations and Minimum Commercial Operator Standards for the Shelby-Cleveland County Regional Airport", is hereby accepted and approved.

Section 2. The City Manager is hereby authorized and directed to cause the provisions of this manual to be implemented and enforced for the operation of the Shelby-Cleveland County Regional Airport.

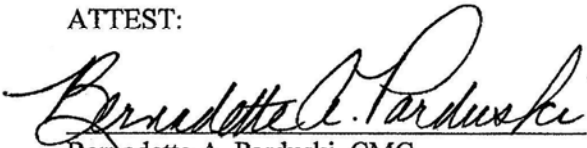
Section 3. This resolution shall become effective upon its adoption and approval.

Adopted and approved this the 7th day of January A. D. 2008.



W. Ted Alexander
Mayor

ATTEST:



Bernadette A. Parduski, CMC
City Clerk

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AIRPORT LEASES/AGREEMENTS/PERMITS

Property Lease and Hangar Erection Permit	6 Pages
Property Lease and Fuel Facilities Installation Permit	5 Pages
Tie-Down Space Lease Agreement	2 Pages
Agreement for Airport Hangar Construction and Operation	6 Pages
Conveyance and Assignment of Interest in Airport Hangar Facility	
Improvements to Real Property	3 Pages
Standard Commercial Operator Lease Agreement	11 Pages
Management Agreement	2 Pages
"Through the Fence" Operations Agreement	4 Pages
Service Permit Agreement	4 Pages

1 – GENERAL

1.1 DEFINITIONS:

- A. Aircraft – "Aircraft" shall mean any contrivance now known or hereafter invented, used or designed for navigation of or flight in air.
- B. Air Operations Area – "Air Operations Area (AOA)" is defined as an area used or intended to be used for landing, takeoff, or surface maneuvering of aircraft.
- C. Air Taxi (Commuter) – Aircraft operated by the holder of an Air Taxi (or Commuter) Operating Certificate which authorizes the carriage of passengers, mail or cargo for revenue in accordance with FAR Parts 135 and/or 121, on either a scheduled or unscheduled basis.
- D. Airport – Shall mean the Shelby–Cleveland County Regional Airport and includes all property and improvements within the boundary lines of any airport operated or controlled by the City of Shelby, except when otherwise specifically noted.
- E. Airport Employees – "Airport Employees" shall mean bonafide employees of the City of Shelby and their officers, members, and employees and any Fixed Base Operator and their employees.
- F. Airport Manager – The officer or representative designated by the City of Shelby to have immediate charge of the airport and such representative's assistant managers, and if not designated, will be the City Manager.
- G. Apron – A defined area, on a land airport, intended to accommodate aircraft for purposes of loading or unloading passengers or cargo, refueling, parking or maintenance.
- H. Cargo (Air) – Any property carried on an aircraft other than mail, stores, and baggage.
- I. City of Shelby – Shelby City Council and/or its designated airport manager, agents, employees, representatives, as appropriate to context.
- J. Commercial Operator – An individual or firm operating at the airport and providing aviation services such as maintenance, storage, ground and flight instructions, rentals, or sales, or a person who, for compensation or hire, engages in the carriage by aircraft in air commerce of persons or property. Where it is doubtful that an operation is for "compensation or hire," the test applied is whether the carriage by air is merely incidental to the person's other business or is, in itself, an enterprise for profit.
- K. FAA – The Federal Aviation Administration.

- L. Fixed Base Operator – "Fixed Base Operator" shall be any person who shall have entered into a written lease or agreement with the City of Shelby for the use of any building, shop or hangar, or for the site upon which such a building might be erected, and who, by further agreement, guarantees to provide on the airport and serve the public with all of the following minimum facilities:
 - a. Aircraft storage
 - b. FAA approved domestic repair station
 - c. Student training
 - d. Demonstration and sale of aircraft
 - e. Aircraft rental
 - f. Charter–Air Taxi

The term "Limited Fixed Base Operator" shall mean any person who shall have entered into a written lease or agreement with the City of Shelby to provide any one or more, but not all services of an aviation nature defined for "Fixed Base Operator." All activities provided by a "Limited Fixed Base Operator" shall meet all established standards for that activity or combination of activities.

- M. Instructor – "Instructor" means any individual giving for compensation, or offering to give for compensation, instruction in the operation, construction, repair or maintenance of aircraft, aircraft power plants and accessories, including the repair, packaging and maintenance of parachutes.
- N. Leases – Fixed Base Operator (FBO), Limited Fixed Base Operator (LFBO), or commercial operator as defined hereinabove.
- O. Pattern – The configuration or form of a flight path flown by an aircraft, or prescribed to be flown, as in making an approach to a landing. At the Shelby–Cleveland County Regional Airport the current published patterns are:

Arrivals – Runway – 5 Left Hand
Runway – 23 Left Hand

Departures – Runway – 5 Left Hand
Runway – 23 Left Hand

- P. Person – Any individual, partnership, group, corporation or other entity created or authorized by statutory authority or duly authorized representative thereof.
- Q. Public Airport Facilities
 - 1. The phrase "Public Airport Facilities" as used in these regulations means the following facilities as they are from time to time provided and made available by the City of Shelby for public use by aircraft operators:

- a. Public runways for the purpose of the landing and the taking-off of aircraft.
 - b. Public taxiways for the purpose of the ground movement of aircraft.
 - c. Public aircraft parking space for the purpose of parking and storing aircraft; for the purpose of loading and unloading passengers, baggage, freight, mail and other cargo upon and from aircraft; for the purpose of performing operations incidental to the immediate preparation of aircraft for departure such as inspection, cleaning, and fueling; for the purpose of making minor and emergency repairs to aircraft; and for the purpose of parking mobile equipment actively used in connection with the foregoing.
 - d. Any other space, facilities or services provided by the City of Shelby for public use by aircraft operations at the airport.
 - e. Public access to the ramp for the primary purpose of loading and unloading passengers and their baggage, and the loading and unloading of mail and freight.
- R. Ramp – A defined area, on a land airport, intended to accommodate aircraft for purposes of loading or unloading passengers or cargo, refueling, parking, or maintenance.
 - S. Refueling Trucks – "Refueling Trucks" shall mean any motor vehicle used for the transporting, handling or dispensing of aviation fuel, oils, and lubricants.
 - T. Terminal Area – The area used or intended to be used for such facilities as terminal and cargo buildings, gates, hangars, shops, other service buildings, automobile parking, airport motels, restaurants, garages, and automobile service; and an area provided for parking and positioning of aircraft in the vicinity of the terminal building for loading and unloading.
 - U. Vehicle – Every device by which any person or property is or may be transported or drawn upon a roadway, including bicycles.

1.1.1:

These definitions shall not supersede any definitions contained in contractual agreements with the City of Shelby .

1.2 SCOPE:

- A. All users of and persons on the Airport shall be governed by these regulations and the directions of the City of Shelby or its designated representative. These regulations are subject to change by the City of Shelby at any time

based upon experience, need, and operating conditions and the legislative discretion of the Shelby City Council

- B. The use of the Airport or any of its facilities in any manner shall create an obligation on the part of the user thereof to obey all the regulations herein provided and adopted by the City of Shelby.

The privilege of using the Airport and its facilities shall be conditioned on that the user accepts full responsibility and risk by the use thereof, and the user will release and hold harmless and indemnify the City of Shelby, its officers, employees or agents from any liability or loss resulting from such use, as well as claims of third persons using the airport.

The privilege of using the airport shall be upon the further condition that any person or persons, desiring to use the same as a Commercial Operator, Fixed Base Operator or Limited Fixed Base Operator, shall furnish a policy of indemnity against personal injury and property damage in such reasonable sum as the City of Shelby shall require, all said insurance to name the City of Shelby, and its officers, employees and personnel, as co-insured, and the policy shall also contain a section stating that the City of Shelby shall be informed, in writing, by the insurance carrier not less than thirty (30) days prior to cancellation or change in the coverage of the required insurance.

- C. Any person violating any of the airport rules and regulations may be punished as provided by law or ordinance or, in the discretion of the City of Shelby, may be deprived of the use of the airport facilities for such period of time as may be appropriate.
- D. These regulations are not intended to amend, modify or supersede any provision of Federal, State, or local law, or any specific contractual agreement of the City of Shelby with which they may conflict; provided, however, that these regulations shall, insofar as possible, be interpreted so that no such conflict shall exist.
- E. If any portion of these regulations shall be invalid or unenforceable, all other portions shall remain in effect and be construed to achieve the purposes hereof.
- F. Any proposed changes in these regulations shall be posted by the City of Shelby in a public area at the Airport for a period of ten (10) days prior to the closing date for comments concerning such changes. During this period comments on the proposed changes may be submitted by the general public in writing to the City of Shelby. The closing date for comments shall also be posted. After review of comments by the City of Shelby, revisions may be made and the final draft of the proposed changes will be published. Copies of the final proposed changes will be posted at the airport and provided to all holders of a copy of this manual. Failure to comply with this section shall not invalidate any other of these regulations.

- G. No person shall engage in any business or commercial operation of any nature whatsoever on, or with access to the Airport except with the approval of the City of Shelby , and under such terms and conditions, as may be prescribed including, but not limited to, City of Shelby business licenses and ordinances.
- H. The soliciting of business, fares, alms, or funds for any purpose on the Airport without the permission of the City of Shelby is prohibited.
- I. No individual, business, partnership, corporation or other legal entity shall construct erect or modify any building, sign, structure or existing facility on airport property without specific permission and approval of the City of Shelby.

1.3 PENALTIES:

The City of Shelby may remove or eject from the airport premises any person who knowingly and willfully violates any regulation or instruction issued by the City of Shelby may deny the use of the Airport to such person if the City of Shelby determines that such denial is necessary under the circumstances, and may take such other measures as may be permitted by law, to enforce Airport regulations and maintain the City of Shelby's control of the Airport.

1.4 LOST ARTICLES:

All lost articles shall be turned into the Airport Manager's office by the finders. Any such articles not claimed within sixty (60) days shall be disposed of as determined by the City of Shelby.

1.5 LIABILITY:

The City of Shelby assumes no responsibility for loss, injury or damage to persons or property by reason of fire, theft, vandalism, wind, flood, earthquake, collision, strikes, or acts of God or of the public enemy, nor does it assume any liability for injury to persons while on the Airport or while using the facilities of same, or for property damage.

1.6 ACCIDENT REPORTS:

All persons involved in any accident involving personal injury, aircraft or automobile or other property damage, occurring in the Airport, shall make a full report to the Airport Manager or the City's designated representative as soon after the accident as possible, and in any event within 24 hours after such occurrence. Contact Airport Manager at (704) 487-1161 with the report. See also section 3.5 for additional and Federal requirements.-

1.7 GROUND TRANSPORTATION:

No carrier for hire shall load or unload passengers at the Airport at any place other than that designated by the Airport Manager.

1.8 BUILDING REQUIREMENTS & GROUND RENTAL:

Any person desiring to erect or construct any building or related facility on the airport shall be required to submit plans and specifications for the same (4 copies of each) to the City of Shelby for distribution and consideration. The plans shall also include a general layout, drawn to scale, showing the desired amount of ground actually required for the operation of such building or facility in addition to the portion of the property to be occupied by the building or facility proper. Doors on all buildings shall be self-contained. No projection for the suspension or carrying of doors shall be permitted beyond the building line as established by the City of Shelby. All buildings erected upon or facilities installed at the airport shall conform to the requirements of the City of Shelby, and the building codes of the State of North Carolina and the City of Shelby, and be approved by the City of Shelby. Prior to the commencement of any construction, all licenses and permits must be obtained.

When plans have been approved by the City of Shelby, a lease may then be entered into under the terms agreed upon by the parties.

1.9 RESTRICTED AREA; GENERAL:

All areas of the airport, except those areas open to the public, are restricted and no person shall enter upon such restricted areas except;

- (1) Lessees of airport property and their agents or employees;
- (2) Authorized representatives of the FAA and the North Carolina Division of Aviation;
- (3) Passengers under appropriate supervision, entering the Air Operations Area for the purpose of enplaning and deplaning;
- (4) Business representatives in the conduct or pursuit of their business with the lessees of airport property;
- (5) Aircraft Owners or Renters and/or their authorized representatives; and,
- (6) Authorized representatives/employees of the City of Shelby.

2 – VEHICLES

2.1 LICENSING AND REGULATION:

- A. No person shall operate a motorized vehicle of any kind upon the Airport without a valid Operator's License for such vehicle.
- B. No person shall operate any motor vehicle in the Air Operations Area without having first registered same with, and having received permission from the Airport Manager, other than those authorized under 1.9.

2.2 RULES OF OPERATION:

- A. No person shall operate a motor vehicle of any kind on the Airport in a manner likely to endanger persons or property or in a reckless or negligent manner or in excess of the speed limits prescribed by the City of Shelby, and in no event in excess of 10 miles per hour in ramp, apron, aircraft parking, and hangar areas.
- B. Pedestrians and aircraft shall, at all times, have right-of-way over vehicular traffic. All vehicles shall pass to the rear of taxiing aircraft.
- C. No persons operating a motor vehicle on the Airport shall fail to give proper signals, or fail to observe the directions of posted traffic signs, if such signs are present.
- D. No person under the influence of alcohol or debilitating drugs shall operate a motor vehicle or aircraft upon or above the Airport.
- E. No person shall operate on the Airport any motor vehicle which is overloaded or carrying a greater number of passengers than that for which the vehicle was designed. No person shall ride on the running board, stand up in the body of moving vehicles or ride on the outside of the body of a vehicle, or with arms or legs protruding from the body of motor vehicles.
- F. No vehicle shall be operated on the Airport if it is so constructed, equipped or loaded as to endanger persons or property.
- G. No person shall operate any type of motor vehicle without exhausts protected by screens or baffles to prevent the escape of sparks or the propagation of flame.
- H. When parking adjacent to a runway, all vehicles must park parallel to the runway and at a distance equal to the hold lines outside of the runway lights, unless such runway is officially closed by the Airport Manager, or airport maintenance requirements dictate otherwise.

- I. Gasoline tenders(refueling trucks), if used, will at no time be blocked or so positioned as to prevent a rapid removal of such tender.

2.3 RADIO EQUIPMENT:

- A. The installation of two-way radios does not permit the operation of vehicles on the Airport without prior permission from the Airport Manager.
- B. No person shall operate any radio equipment in any aircraft when such aircraft is being refueled, or when such aircraft is in a hangar except when radio maintenance is being performed on the aircraft.

2.4 EMERGENCY:

In the event of emergencies on the Airport, 911 should be called and the Airport Manager should be notified.

2.5 REPAIR OF MOTOR VEHICLES:

No person shall clean or make any repairs to motor vehicles anywhere on the Airport other than in designated shop areas, or as approved by the Airport Manager, except those minor repairs necessary to remove such motor vehicles from the Airport; nor shall any person move, interfere, or tamper with any motor vehicle, or put in motion the engine, or take, or use any motor vehicle part, instrument, or tool thereof, without the permission of the City of Shelby or satisfactory evidence of the right to do so duly presented to the City of Shelby.

2.6 PARKING:

- A. No person shall park a motor vehicle, for loading, unloading or any other purpose, on the Airport other than in the areas specifically established for parking and in the manner prescribed by signs, lines or other visible means. No person shall abandon any motor vehicle on the Airport. No person shall park a motor vehicle in an area requiring payment for parking thereon without paying the required parking fee; nor in a manner so as to obstruct roadways; nor in aircraft parking areas.
- B. The City of Shelby and its Airport Manager shall have the authority to tow or otherwise move motor vehicles which are parked by their owners or operators on the Airport in violation of these regulations, at the operator's expense and without liability for damage which may result in the course of such moving.
- C. Lessees of hangars and their passengers may park their vehicles in their respective hangars while aircraft of the Lessees are in use. No vehicle may be left in hangars for a period in excess of 24 hours unless such aircraft is in use.

3 – AIRCRAFT OPERATION

3.1 AERONAUTICAL ACTIVITIES:

- A. All aeronautical activities at this Airport and in the air space above this Airport shall be conducted in conformity with current regulations and directives, and/or advisories of the Federal Aviation Administration to the extent applicable.
- B. No fixed wing or rotary wing aircraft shall be allowed to operate at the Shelby–Cleveland County Regional Airport unless said aircraft has a current FAA Airworthiness Certificate (unless operated as a public or governmental aircraft) and is operated by a licensed pilot or student pilot holding a valid medical certificate, except aircraft being taxied or ferried by a licensed A & E mechanic.
- C. All aircraft and operators shall comply with all applicable Federal Regulations, as may be amended, including but not limited to:

Federal Aviation Regulations:

- Part 61–Certification: Pilots & Flight Instructors
- Part 67–Medical Standards & Certification
- Part 91–General Operating & Flight Rules
- Part 93–Special Air Traffic Rules & Airport Traffic Patterns
- Part 135–Air Taxi Operators & Commercial Operators
- Part 137–Agricultural Aircraft Operators
- Part 141–Pilot Schools
- Part 145–Repair Stations

National Transportation Safety Board Regulations:

- Part 830–Rules Pertaining to the Notification & Reporting of Aircraft Accidents or Incidents and Overdue Aircraft, and Preservation of Aircraft Wreckage, Mail, Cargo, and Records.

- D. The Shelby–Cleveland County Regional Airport Terminal Building will be open for public use from 8:00 a.m. in the morning until 5:00 p.m. each and every day, unless otherwise designated by the City of Shelby.

3.2 REGISTRATION:

The owners of all aircraft based on the Airport will register their aircraft Airport Manager prior to beginning operation. Any change in the ownership will require a change in registration within 30 days following such change.

3.3 PROHIBITING LANDINGS & TAKE-OFFS:

The Airport Manager or designated representative of the City of Shelby may prohibit aircraft landing and taking off at any time and under any circumstances when such official deems such landings/take-offs likely to endanger persons or property, except for emergency landings. Further, the Airport Manager may delay or restrict any flight or other operation at the airport when any rules or regulations contained herein are violated in any manner.

3.4 PAYMENT:

Payment for use of Airport facilities, storage, repairs, supplies, or other services rendered at the Airport shall be made before flight unless satisfactory credit arrangements have been made with the Airport Manager or the City's Lessee which is directly responsible for furnishing the commodity or service rendered.

3.5 ACCIDENTS:

- A. Persons involved in aircraft accidents occurring on the Airport causing personal injury or property damage shall make a full report thereof to the Airport Manager as soon after the accident as possible, which report shall include their name and address. In the event that such person is unable to do so, the owner of the aircraft or his agent shall make such report. When a written report of an accident is required by Federal Aviation Regulations, and/or National Transportation Safety Board Regulations, a copy of such report shall also be simultaneously submitted to the Airport Manager.
- B. In the event of an accident, the aircraft owner, through the Airport Manager, may, in compliance with FAR's and other governmental regulations, move damaged aircraft from the landing areas, ramps, aprons, or other areas at the expense of the aircraft owner and without liability to the City of Shelby for damage resulting from such moving.
- C. Airport property damaged or destroyed by an accident or otherwise shall be paid for by parties responsible.
- D. All aircraft accidents shall be reported to the FAA by in accordance with all FAA and NTSB regulations.

3.6 NON-AIRWORTHY AIRCRAFT:

- A. All non-airworthy and/or otherwise disabled aircraft and parts thereof on the Airport shall be promptly removed from Airport Operations Areas by the aircraft owner.
- B. If any person refuses to move said aircraft or part thereof as directed by the Airport Manager said aircraft or part may be removed by the Airport Manager at the owner's or operator's expense, and without liability to the City of or

contractors for damage which may result in the course of, or after such moving.

3.7 REFUSAL OF AIRPORT USE:

The Airport Manager may delay any flight or other operations at the Airport for any reason it believes justifiable. The Airport Manager may also prohibit the use of the Airport or any part thereof for any purpose by an individual or group.

3.8 CLOSING OF FIELD:

In the event the Airport Manager believes Airport conditions to be unsafe for landings or take-offs, it shall be within the Airport Manager's authority to have issued a NOTAM closing the Airport or any part thereof.

3.9 REPAIRING OF AIRCRAFT:

The performance of aircraft and engine repair and maintenance is considered to be a commercial operation regulated by the City of Shelby except where such services or repairs are performed by the aircraft owner or its permanent employees. The City of Shelby reserves the right to designate reasonable areas where such aircraft owners may perform services on their own aircraft. If such areas are designated, the City of Shelby may prohibit the performance of such services in tie-down and/or hangar areas and prescribe rules for the use of such aircraft maintenance areas.

3.10 ENGINE RUN-UP:

- A. Aircraft shall not perform run-up or prolonged engine test operations in any area that would result in a hazard or nuisance to other aircraft, persons, or property.
- B. Such run-ups will be performed only in areas designated by the Airport Manager.

3.11 PARKING OF AIRCRAFT:

- A. No person shall park aircraft in any area on the Airport other than that prescribed by the Airport Manager.
- B. At the direction of the Airport Manager, the operator, owner, or pilot of any illegally parked aircraft on the airport shall move the aircraft to a legally designated parking area on the airport. If the operator refuses to comply with the directions, the Airport Manager may tow the aircraft to such place, at the operator's expense and without liability to the City of Shelby for damage that may result from such moving.

3.12 DEMONSTRATION:

No flight or ground demonstrations involving unusual or aerobatic maneuvers shall be conducted on or in the vicinity of the Airport without the express written approval of Airport Manager. All such activity shall require indemnifying the City of Shelby, its employees, or agents and shall name as co-insured the City of Shelby, its employees or agents on required liability and property damage insurance as outlined in Section 10.1G.

3.13 LIGHTING FACILITY DAMAGE:

Any person damaging any light or fixture by operation of an aircraft, or otherwise, shall report such damage to the Airport Manager immediately and shall be fully responsible for any costs required to repair or replace the damaged facility.

3.14 CATEGORIES OF AIRCRAFT FOR OPERATIONS:

Final determination as to proper category designation of any aircraft or operation shall rest with the Airport Manager. Charges as shown in Section 8 shall be determined according to the following classifications:

A. Private

1. Privately owned aircraft will be operated non-commercially by owner or owners.
2. Private aircraft may be used by persons other than the owner provided that it is not rented or leased by the owner for a profit.
3. Company and corporation owned aircraft that are operated for the free transportation of their and other personnel and/or products are classified as private aircraft and are subject to the definitions as listed under (2) above.
4. Club aircraft must be owned and operated by a non-profit partnership or non-profit North Carolina statutory entity, and each club member must be a bona fide owner of a part of the aircraft or a share, in the said entity. The club may not derive greater revenue from the use of its aircraft than the amount necessary for the operations, maintenance, and replacement of its aircraft and will file and keep up to date with the Airport Manager a list of membership. At any time the Airport Manager has a reason to believe a club or club aircraft is being so operated that it falls under the "commercial" classification hereunder, it shall so notify such club, and if they fail to remedy conditions complained of, the Airport Manager shall reclassify the aircraft. The City of Shelby shall have authority to deny the use of a club classification to any group.

B. Commercial Aircraft use:

1. For rental, hire or charter.
 2. Student instruction and its kindred occupations for profit or hire.
 3. Any aircraft used for commercial purposes and not otherwise covered in these regulations.
- C. Air Taxi (Commuters)
1. Contract: All Federally certified Air Taxis or Commuters holding a contract with the City of Shelby for airport usage, whether scheduled or not.
 2. Non-Contract: All Air Taxis or Commuters not covered in Section 3.14 (c) (1) above, whether scheduled or not.
- D. Public
1. All aircraft publicly owned/operated whether by Federal, State or Local governmental entity.

3.15 OTHER:

- A. No person shall start or run any engine in aircraft unless a licensed person is in the aircraft attending the engine controls. Blocks shall always be placed in front of the wheels before starting the engine or engines unless the aircraft is provided with adequate parking brakes.
- B. No person or persons, except currently licensed airmen, duly authorized personnel, passengers going to or from aircraft, or persons being personally conducted by airport attendants shall be permitted to enter the landing area proper, taxi space, or aprons. However, this does not give any person or persons so excepted the privilege of unrestricted use of the airport. These privileges are confined to the necessary use of these spaces in connection with flights, inspections, and routine duties.

3.16 LANDING AND TAKE-OFF:

- A. In all cases, take-offs and landings over populated areas shall be kept at a minimum in the interest of public safety and convenience.
- B. Prior authorization is required before air ships, dirigibles, motorless aircraft, or aircraft with a total gross weight in excess of 60,000 pounds, dual wheel, or FAA Certified Air Carriers, land or take off at the Airport. (The Airport is NOT certificated under 14 CFR Part 139, and no ARFF protection is provided).
- C. All take-offs and landings shall be confined to the runways and all movement of aircraft shall be confined to the hard surface areas, except as specifically authorized by the Airport Manager.

D. Additional traffic rules are as follows:

1. Landings and take-offs shall be made on the runway subject to the wind direction.
2. Unless otherwise authorized by the Airport Manager, aircraft will start their initial take-off from the runway end.
3. No landing or take-off shall be made except at a safe distance from buildings and other aircraft.
4. Aircraft entering the traffic pattern shall exercise caution and courtesy so as not to cause aircraft already in the pattern to deviate from their course.
5. Rotary aircraft shall conform to the pattern described herein for light aircraft, and shall not be operated within 200 feet of any area where unsecured light aircraft are parked or operating.
6. Unless an emergency situation exists, aircraft are expected to utilize prescribed traffic patterns.
7. Simulated engine-out procedures and practice (Multi-engine aircraft) are forbidden within the traffic pattern and approach area, unless notice is given immediately prior to execution of such maneuver and continually during the maneuver by Radio.
8. No turn shall be made after take-off until the departure runway end has been reached and the aircraft is within 300 feet of pattern altitude. Aircraft shall climb to the appropriate traffic pattern altitude as soon as possible.

E. Taxi rules are as follows:

1. No person shall taxi an aircraft until he has ascertained by visual inspection of the area that there will be no danger of collision with any person or object in the immediate area.
2. Aircraft shall be taxied at a safe and reasonable speed with due respect for other aircraft, persons, or property.
3. Aircraft not equipped with brakes shall have an attendant at a wing when the aircraft is taxied near buildings or other aircraft.
4. Aircraft awaiting take-off shall stop at the taxiway or stub taxiway hold lines for the runway in use and in a position so as to have a direct view of aircraft approaching for landing, and shall ascertain that the way is clear prior to entering the active runway.

5. Aircraft taxiing shall conform to the designated taxi patterns.
6. Landings and take-offs will not be permitted on the taxiways.
7. Engine checks and run-ups prior to take-off will be performed behind the taxiway hold lines.
8. Except for public displays of aviation flight specifically authorized by the Airport Manager to be conducted under responsible auspices and control, no person shall operate an aircraft in a careless or reckless manner so as to endanger the life or property of others by buzzing, diving or low altitude flying, or aerobatic maneuvers in the vicinity of the Airport.

3.17 FLIGHT INSTRUCTION:

No person or firm shall engage in commercial flight instruction at the airport unless prior to giving such instruction he has registered and submitted for inspection, his current flight instructor's certificate with the Airport Manager and has filed with the City a certificate of insurance, said insurance to be for the protection of the City of Shelby, employees, the instructor and student.

3.18 OUTSIDE SERVICES:

No person or firm shall employ the services of a certificated airframe and power plant mechanic or authorized inspector or flight instructor at the Shelby-Cleveland County Regional Airport unless such mechanic, inspector or flight instructor is in the permanent employ of said person or firm, or is in the employ of a Fixed Base Operator holding a current operating agreement with the City of Shelby, or as may be approved in Section 8.3.

4 – FIRE REGULATIONS

- 4.1 Smoking or lighting of an open flame is prohibited at places with posted signs, within 100 feet of any aircraft and within 100 feet of hangars, fuel trucks, fuel loading stations, or tank farms.
- 4.2 No person shall start an open fire any place on the airport without permission of the Airport Manager.
- 4.3 No person shall use flammable volatile liquids having a flash point of less than 1100 degrees Fahrenheit in the cleaning of aircraft, aircraft engines, propellers, appliances, or for any other purpose, unless such operations are conducted in open air, or in a room specifically set aside for that purpose, which room must be properly fire-proofed and equipped with adequate and readily accessible fire extinguishing apparatus.
- 4.4 No person shall store material or equipment, use inflammable liquids or gases, or allow their premises to become in such condition so as to violate, in any manner, the fire code in force in the area of the airport; provided, that such materials may be kept in an aircraft in the proper receptacles installed in the aircraft for such purpose, or in rooms or areas specifically approved for such storage by the Airport Manager, or in Underwriter's Laboratories (UL) approved safety cans.

The storage of paint thinners, fuels or other such volatile materials in hangars is prohibited.
- 4.5 Lessees of all hangars and buildings shall provide approved fire extinguishers and equipment, and they shall be kept in operating condition and inspected at least every twelve months by personnel approved by the Fire Marshall.
- 4.6 Lessees shall provide suitable metal receptacles with self-closing covers for the storage of waste, rags, and other rubbish. All used waste and rags or other rubbish shall be removed by the lessees at least once each week. Lessees may contract with other agencies or persons for removal of this material, subject to approval of the Airport Manager. If, after warning by the Airport Manager, the area is not cleaned, cleaning will be arranged by the Airport and billed to the Lessee or person.
- 4.7 The procedures and precautions outlined in the criteria of the National Fire Protection Association (NFPA Pamphlet #410D, Safeguarding Aircraft Cleaning, Painting and Paint Removal, and NFPA Pamphlet #410F, Aircraft Cabin Cleaning and Refurbishing Operations), shall be adhered to in all cleaning, painting and refurbishing operations using flammable fluids, including the storage of such fluids.

5 – FUELING OPERATIONS

5.1 FUELING AND DEFUELING OF AIRCRAFT:

- A. All aviation fuels and oils for sale on airport property will be dispensed only as authorized by the City of Shelby. No other company, group or individual will be allowed to transport, store, fuel or otherwise introduce petroleum products to the airport property without the express permission of the City of Shelby, and then only in the areas designated by the City of Shelby and which meet all operational and safety procedures and requirements.
- B. No MOGAS (automotive fuel) will be brought onto airport property for the purpose of transferring such fuels to any aircraft which is on airport property and not OWNED by the person dispensing of such fuel. All use of MOGAS will be in accordance with all applicable FAA and industry guidelines and regulations.
- C. No fuel storage and/or dispensing equipment shall be installed or used at the airport without the prior written approval of the City of Shelby. All such equipment shall be kept in a safe and non-leaking condition. The use of any surface equipment such as skid tanks, or other such devices is expressly prohibited.
- D. No aircraft shall be fueled or de-fueled while the engine is running, or being warmed by applications of exterior heat, or while such aircraft is in a hangar or enclosed space.
- E. No aircraft shall be fueled or de-fueled within 50 feet of a hangar, or building.
- F. Smoking or lighting of an open flame shall be prohibited within 100 feet of any fueling operation.
- G. No person shall operate any radio transmitter or receiver, or switch electrical appliances off or on in an aircraft during its refueling or de-fueling.
- H. During refueling the aircraft and the fueling dispensing apparatus shall both be grounded to a point or points of zero electrical potential.
- I. No person shall use any material during fueling or de-fueling of aircraft which is likely to cause a spark or be a source of ignition.
- J. Adequate fire extinguishers shall be within ready reach of all persons engaged in fueling or de-fueling aircraft.
- K. Fueling hoses and equipment shall be maintained in a safe, sound and non-leaking condition and shall be approved by National Board of Fire Underwriters in all respects and parts.

- L. All hoses, funnels, and appurtenances used in fueling and de-fueling operations shall be equipped with a grounding device to prevent ignition of volatile liquids.
- M. No aircraft shall be fueled or de-fueled while passengers are on board the aircraft.
- N. Persons engaged in the fueling and draining of aircraft fuel shall exercise care to prevent overflow of fuel. Persons responsible will take proper measures to remove any volatile liquid when it is spilled.

5.2 SELF FUEL:

- A. The City of Shelby may enter into an agreement with any private or Commercial Operator providing a service to the public for the purpose of that operator fueling his own aircraft. The following applies to any activity where this privilege is extended:
 - 1. The City of Shelby will negotiate a lease with the owners of the Operation which will provide space for the self fueling operations.
 - 2. All self fuel operations will be from facilities on airport property which meet all installation and safety criteria of the Federal Aviation Administration, North Carolina Division of Aviation, National Fire Protection Association, the American Petroleum Institute and the local fire marshal.
 - 3. Prior to any executed agreement, the City of Shelby will review all plans and specifications for such installations, and may take any action it may deem appropriate for determining whether or not such installation is in keeping with the spirit of these Rules and Regulations for the purpose of protecting the public's safety and welfare, and the City of Shelby's obligation to ensure, to the extent reasonable, that such is protected. The City of Shelby will issue a permit for the installation of such facilities once the plans and specifications are approved by the City of Shelby.
- B. All installations approved by the City of Shelby will be serviced, operated and tended ONLY by the owner of the operation or their direct employees and will be for the purpose of servicing only aircraft owned by that operation. No third parties will be allowed on the airfield for the purpose of dispensing fuel in any manner what-so-ever without the express written permission of the City of Shelby.
- C. All fuel brought on to the Airport will be subject to a fuel flowage or permit fee to be negotiated with the City of Shelby, and paid at the time the fuel is brought onto the Airport.

- D. Any operator electing to self fuel their aircraft will carry appropriate liability and product insurance in amounts agreeable to the City of Shelby and further will have the City of Shelby, its members, officers and employees as named insured on any policies required by virtue of any agreements entered into by those provisions.
- E. A copy of any policy issued for this insurance will be filed with the City of Shelby and will contain a provision to notify the City of Shelby at least 30 days in advance of any cancellation or substantial modification of any coverage provisions.
- F. Upon giving or receiving notice of the termination of any lease executed under these provisions, the lessee will abide by the terms of such lease immediately. If the installation is abandoned, the City of Shelby will have the right, at its option, to either assume ownership of the improvements or have them removed at the lessees expense.

5.3 STORAGE IN APRON AREA:

Gasoline, oil, and solvent drums or receptacles shall not be stored on apron and ramp areas, unless otherwise approved by the Airport Manager. Any material of this type that is kept in subject areas will be kept enclosed and covered in a housing of a design and type that meets the approval of the Airport Manager.

5.4 LIQUID DISPOSAL:

No fuels, oil, dopes, paints, solvents or acids shall be disposed of or dumped in drains, basins or ditches or elsewhere on the Airport.

5.5 COMPRESSED GASES:

No cylinder or flask of compressed flammable, corrosive or noxious gases shall be stored in hangars.

5.6 EXPLOSIVES AND OTHER DANGEROUS ARTICLES:

No person shall store, keep, handle, use, dispense or transport at, in or upon the airport any Class A or Class B explosives (as defined in the Interstate Commerce Regulations for transportation of explosives and other dangerous articles), dynamite, nitroglycerine, black powder, fireworks, firearms and ammunition, blasting caps or other explosives, gasoline, alcohol, ether, liquid shellac, kerosene, turpentine, formaldehyde, or other flammable or combustible liquids, ammonium nitrate, sodium chlorate, wet hemp, powdered metallic magnesium, nitrocellulose film, peroxides, or other easily inflammable solids or other corrosive liquids, prussic acid, phosgene, arsenic, carbonic acid, potassium cyanide, tear gas, lewisite or any Class A poison (as defined in the Interstate Commerce Regulations for transportation of explosives and other dangerous articles), or any other poisonous substances, liquids or gases, any

compressed gas, or any radioactive article, substance or material, at such time or place or in such manner or condition as to endanger unreasonably or as to be likely to endanger unreasonably persons or property, and which has not been approved by the Airport Manager.

6 – HAZARDOUS CARGO

6.1 AIRCRAFT CARRYING OR SUSPECTED OF CARRYING EXPLOSIVES:

- A. Landing or taxiing aircraft:
 - 1. Persons having knowledge of an aircraft carrying or suspected of carrying explosive materials will so advise the Airport Manager.
 - 2. Aircraft having passengers aboard will unload passengers on the outer extremities of the Airport Terminal ramp and then immediately be moved to the taxiway hold line adjacent to the Runway. (Only engines affecting unloading of passengers should be shut off to enable subsequent moving of aircraft with a minimum of delay).
- B. Inspection: Inspection of the aircraft and subsequent declaration of safety or contamination shall be the responsibility of the aircraft owner, pilot or its authorized agent, and shall be accomplished immediately after parking and evacuation.

7 – GENERAL REQUIREMENTS

7.1 PRESERVATION OF PROPERTY:

No person shall destroy, injure, deface or disturb in any way any building, sign, equipment, marker, or other structure, tree, flower, lawn or other property on the Airport; nor alter, make additions to, or erect, any building or sign or make any excavations on the Airport without prior approval of the Airport Manager; nor willfully abandon any personal property on the Airport.

7.2 INTERFERING OR TAMPERING WITH AIRCRAFT:

No person shall interfere or tamper with any aircraft or put in motion the engine of such aircraft, aircraft parts, instruments or tools, without permission of the owner or by specific direction of the Airport Manager.

7.3 RESTRICTED AREAS:

No person shall enter upon the field area, utilities and service rooms or areas, or other areas as may be designated restricted, except:

- A. Lessees of the City of Shelby and their employees assigned to duty therein.
- B. Authorized members or employees of the City of Shelby, or persons authorized by them.
- C. Passengers, under appropriate supervision, entering the apron for the purpose of embarkation and debarkation.

7.4 PASSENGER ACCESS AND AREAS:

It shall be the sole responsibility of the Fixed Base Operators or others as may be designated by the City of Shelby, as appropriate, to see that all gate chains, doors, and other public safeguards are continually and conscientiously used in a manner so to protect all persons.

7.5 USE OF ROADS AND WALKS:

- A. No person shall travel on the Airport other than the roads, walks or places provided for the particular class of traffic.
- B. No person shall occupy the roads or walks in such a manner as to hinder or obstruct their proper use.

7.6 ANIMALS:

No person shall enter the Terminal Building of the Airport with a dog or other animal (without the express permission of the Management) except; (1) seeing-eye dogs, or (2) dogs or other animals which are to be transported by air and are restrained by leash or properly confined, (3) law enforcement dogs.

7.7 SOLICITATION:

No person shall solicit funds for any purpose, and no signs or advertisements may be posted at the airport without permission of the Airport Manager. Any signs or solicitations for which permission is granted will fully comply with ordinances of the City of Shelby for solicitations and signage.

7.8 USE OF SHOP AREAS:

All shops, garages, equipment and facilities are expressly for the conduct of the owner's or lessee's business and operations. No persons other than employees of the City of Shelby, or its lessees shall make use of these facilities without individual and specific permission of the City of Shelby or such lessee.

7.9 OPEN FLAME OPERATIONS:

No person shall conduct any open-flame operations in any hangar, or on the Airport unless specifically authorized by the Airport Manager.

7.10 SMOKING:

No person shall smoke on the Airport apron, in any hangar, service station area, gasoline storage area, or in any building, room, or place on the Airport.

7.11 TRASH CONTAINERS:

No person shall keep uncovered trash containers in any area. No vehicle used for hauling trash, dirt, or any other materials shall be operated on the Airport unless such vehicle is constructed so as to prevent the contents thereof from blowing, dropping, sifting, leaking, or otherwise escaping there from. Areas to be used for trash, garbage or recycling containers shall be designated by the Airport Manager and no other areas shall be used. Such areas shall be kept clean and sanitary at all times.

7.12 FLOOR CARE:

All lessees on the Airport shall keep the floors of the hangars, hangar areas and Terminal apron and ramp areas, leased by them respectively, or used in their operations, clean and clear of oil, grease and other materials or stains except as may be provided to the contrary in any specific leases or contracts.

7.13 STORAGE OF EQUIPMENT:

No lessee or lessee on the Airport shall store or stack material or equipment in such manner as to constitute a hazard to personnel or property.

7.14 EQUIPMENT AND MISCELLANEOUS IN APRON AREA:

All ramp equipment shall be parked and kept in a neat and orderly manner. No receptacles, chests, cases or housings shall remain on the apron or ramp except as specifically approved by the City of Shelby.

7.15 MAINTENANCE:

All lessees shall maintain their leased property in such condition of repair, cleanliness, and general maintenance as shall be acceptable to the City of Shelby and in accordance with their individual lease agreements.

7.16 DAMAGES:

Lessees, lessees, or other persons granted access to the airport shall be fully responsible for all damages to buildings, equipment, real property and appurtenances in the ownership or custody of the City of Shelby, its lessees, or others caused by negligence, abuse, or carelessness on the part of their employees, agents, customers, visitors, suppliers, or persons with whom they may do business.

7.17 WASTE MATERIALS:

Garbage, refuse and other waste material shall be placed in receptacles provided for such purpose.

7.18 METERING:

Every lessee shall obtain from an appropriate source, individual telephone service and a meter for the purpose of accurately measuring natural gas, water, sewer and electrical power used by that lessee, unless other specific agreements are made with the City of Shelby.

7.19 PAYMENT OF CHARGES:

- A. All bills are payable upon presentation unless otherwise noted therein.
- B. All percentages or income charges are payable within ten days of the end of the period in which the income was received unless otherwise agreed in writing.

7.20 DEFAULT OF OBLIGATIONS:

When any lessee, user, or other person(s) granted access to the airport is formally notified that he is in default of any written or implied obligation to the City of Shelby, whether it be for breach of performance or service covenants or non-payment, he shall thereafter be billed for all losses of revenue, expenses incurred to re-establish performance or service, reasonable attorney fees and other costs, unless the lessee, user, or grantee files with the City of Shelby within ten days of receipt of the formal notification a statement that corrective or preventive measures have been initiated and will diligently be carried to completion. If the promises contained in the statement are not fulfilled within 30 days, the lessee, user, or grantee will be considered in absolute default and appropriate lawful steps for collection shall be taken by the City of Shelby.

7.21 USE OF LAW ENFORCEMENT AGENCIES:

In the event that situations arise that are beyond the capability of the Airport Manager to deal with in any manner, the City of Shelby Police, and/or the Cleveland County Sheriff shall be called upon for assistance and action as may be necessary. the City of Shelby expressly grants permission to the City of Shelby Police and the Cleveland County Sheriff's Department to enter the premises and to enforce the Rules and Regulations contained herein and as may be adopted by the City of Shelby.

7.22 REFUSAL TO COMPLY:

Any person or persons who shall refuse to comply with these applicable Rules and Regulations, after proper request to so do by the Airport Manager, shall be requested to leave the Airport, and in the event of his or their failure to comply with a proper request to leave the airport premises he or they shall be regarded as a trespasser(s).

8 – SCHEDULE OF CHARGES – AIRCRAFT

8.1 COMMERCIAL OPERATIONS:

- A. No aircraft, aviation organization or person (including "through the fence" operations), shall engage in any commercial operation of any type at the Airport unless prior permission is obtained from, and assessed fees paid to the City of Shelby. Such permission and fees, in lieu of a contract as provided for in 8.1 (B), shall be on an each and every time basis with the fee being as determined by the City of Shelby and in addition to the landing fees then in effect under 8.1 (C).
- B. The City of Shelby, at its discretion, may enter into separate contracts with any commercial operation [as defined in 1.1 and 3.14 (B) and (C)] on the Shelby-Cleveland County Regional Airport.
- C. By resolution, the City of Shelby may adopt a fee schedule to be applied for landings by any commercial operation not having a contract with the City of Shelby as provided above, which fee schedule shall be posted in a conspicuous place at the Airport Terminal Building, or at the office of the Airport Manager. Commercial operators shall pay a fee for each landing at the Airport in accordance with any fee schedule then in effect.
- D. Landing fees for private or business (non-commercial) users may be established by the City from time to time.
- E. The Airport Manager may detain any aircraft for nonpayment of any charges due.

8.2 GOVERNMENT (PUBLIC) AIRCRAFT:

Aircraft owned by Federal, State, or Municipal Governments are exempt from both landing and parking fees. This shall not, however, obviate the payment of field use charges by the Military, if in effect.

8.3 SPECIAL SERVICES:

- A. The City of Shelby may grant written permission and negotiate a fee for a specific commercial operators, such as specialized mechanics, to enter the airport for the purpose of repairing or maintaining an aircraft or equipment which is beyond the capability of any Fixed Base Operator or Limited Fixed Base Operator located on the airport. This privilege will be on a case-by-case basis and will require a separate agreement and fee for each activity.
- B. Any permission granted by the City of Shelby under this clause will not be construed as allowing reoccurring entry to the premises for the purpose of

providing services. The permission granted will be only for a specific purpose and specific period.

8.4 EFFECTIVE DATES:

- A. For all lessees, operators and users of the Shelby–Cleveland County Regional Airport, the effective date of Sections 1 through 11 will coincide with the date these regulations are adopted by the City of Shelby.
- B. Any future lessees who enter into an agreement with the City of Shelby after the effective date of these Rules and Regulations will be subject to these Regulations as of the effective date of their agreement with the City of Shelby.

9 – PROCEDURES FOR RECEIVING AND PROCESSING APPLICATIONS

9.1 Any applicant wishing to establish commercial operations on the airport shall be furnished a copy of the minimum standards, attached hereinafter as Section 10, and shall make application in writing to the City of Shelby, setting forth in detail the following:

- A. The name and address of the applicant;
- B. The proposed land use, facility and/or activity sought;
- C. The names and the qualifications of the personnel to be involved in conducting such activity;
- D. The financial responsibility and technical ability of the applicant and operator to carry out the activity sought;
- E. The tools, equipment, services and inventory, if any, proposed to be furnished in connection with such activity;
- F. The requested or proposed date for commencement of the activity and the term of conducting the same;
- G. The estimated cost of any structure or facility to be furnished, the proposed specifications for same, and the means or method of financing such construction or acquisition of facilities.

9.2 Upon the filing of such an application with the City of Shelby, it shall be considered at the next scheduled meeting. If no meeting is scheduled within forty-five (45) days from the filing of such application, a meeting shall be called for considering same and notice thereof given to the applicant.

Upon consideration of the application, the City of Shelby shall determine whether or not the applicant meets the standards and qualifications as herein established and whether or not such application should be granted in whole or in part.

9.3 Upon approval of any such application in principle, the City of Shelby shall cause to be prepared a suitable lease or contract agreement setting forth the terms and conditions under which the commercial operation shall be conducted.

9.4 Any rejected application shall be returned to the applicant within ten (10) days of the rejection with a written explanation of the reasons for rejection.

9.5 The final agreement as drafted shall be subject to review and approval of the City of Shelby, the Federal Aviation Administration and the North Carolina Division of Aviation before becoming a contractual obligation or agreement of the parties..

10 – MINIMUM STANDARDS FOR COMMERCIAL OPERATIONS, FIXED BASE OPERATORS OR LIMITED FIXED BASE OPERATORS

10.1 GENERAL:

- A. Unless waived by the City of Shelby, the following minimum standards shall apply to all operations.
- B. All operations at the airport shall be full-time, progressive business enterprises, with a manned office facility at the Airport during reasonable business hours. No commercial operator shall be allowed to operate on the airport without a fully executed lease agreement with the City of Shelby. Any operation defined in Section 1.1.L, or any operator whose principal place of business is located other than the Shelby–Cleveland County Regional Airport and who further has a valid contract with another airport sponsor shall not be required to maintain office facilities at the airport.
- C. Operators extended the privilege of providing self fueling services shall also be required to meet the minimum standards listed in Section 5.
- D. No persons or fixed base operators other than the operators qualifying under (C) will be permitted to dispense aviation petroleum products. All other operators may engage in such other aeronautical services as they may qualify themselves for in accordance with these regulations and their lease agreements.
- E. The City of Shelby shall determine substantial conformance to the standards for all operators.
- F. All operators must show financial solvency and business ability to the satisfaction of the City of Shelby.
- G. The minimum liability insurance which a fixed base operator shall carry including general liability, product liability, and premise liability, as appropriate is \$1,000,000.00 . Hangar keepers insurance carried by the operator will be decided on between the City of Shelby and the operator but in no case will be less than \$1,000,000.00 . All policies required by virtue of this section will name as co-insured, the City of Shelby, its officers, members, employees and contractors, and will contain a provision which will require the insurance carrier to notify the City of Shelby at least thirty (30) days prior to any cancellation, or major change in coverage.
- H. All operators will be required to furnish the City of Shelby a performance bond commensurate with any construction required or proposed by the Lessee under the minimum standards of service to be performed.

- I. All construction authorized herein shall be in accordance with design and construction standards and building codes and/or ordinances established by the State of North Carolina, the City of Shelby, the County of Cleveland and approved by the City of Shelby, the North Carolina Division of Aviation, and the Federal Aviation Administration.
- J. Land available for commercial type operations is a valuable and limited commodity. It is the policy of the City of Shelby that no land areas or building space in excess of present and foreseeable requirements will be leased to any operator. Additional areas will be made available to operators on the basis of need and availability.

10.2 FUEL AND OIL:

All aeronautical operators engaged in self fueling of aircraft at the airport shall be subject to a fuel flowage fee, which shall be established by the City of Shelby. Persons conducting such activities on the airport shall be required to provide:

- A. Hard surface ramp space accessible by taxiway with electric pumps and appropriate tank storage, or approved mobile fueler;
- B. In conducting refueling operations, every operator shall install and use adequate grounding facilities at fueling locations to eliminate the hazards of static electricity and shall provide approved types of fire extinguishers or other equipment commensurate with the hazard involved in refueling and servicing aircraft;
- C. Meet all other requirements as set forth in Section 5.

10.3 AIRCRAFT MAINTENANCE AND REPAIR:

All persons operating aircraft engine and accessory maintenance facilities shall provide:

- A. Sufficient hangar space to house any aircraft upon which such service is being performed;
- B. Suitable storage space for aircraft awaiting maintenance or delivery after repair and maintenance have been completed;
- C. Adequate shop space to house the equipment and adequate equipment and machine tools, jacks, lifts and testing equipment to perform overhauls as required for FAA certification and repair of parts not needing replacement on all single engine land and light multi-engine land general aviation aircraft;
- D. At least one FAA certified air frame and engine mechanic available during reasonable business hours;

- E. Facilities for washing and cleaning aircraft which are approved by DNR and EPA.
- F. Screening from public view, for all non-airworthy aircraft;
- G. Separately partitionable space with adequate exhaust fans meeting all local, state and federal regulations and fire protection for spray painting if this type work is performed;
- H. Appropriate plans, permits, insurance (as may be required by Federal, State and Local laws) regarding the handling and removal of hazardous materials;
- I. Appropriate insurance as outlined in 10.1.G.

10.4 FLIGHT TRAINING:

All persons conducting flight training activities for compensation shall provide:

- A. At least one full-time, properly certificated flight instructor for single-engine land airplanes;
- B. At least one dual equipped single engine land aircraft properly equipped and maintained for flight instruction and such additional types of aircraft as may be required to give flight instruction of the kind advertised;
- C. Adequate classroom space with proper rest room and seating facilities. A part of the required facilities, with the consent of the City of Shelby, may be located off airport property;
- D. Adequate mock-ups, pictures, slides, film strips or other visual aids necessary to provide proper ground school instruction;
- E. Properly certificated instructor providing regularly scheduled ground school instructions sufficient to enable students to pass the FAA written examinations;
- F. Continuing ability to meet certification requirements of the FAA for the flight training proposed;
- G. Appropriate Insurance as outlined in 10.1.G.

10.5 CHARTER:

Persons operating charter service shall provide:

- A. Passenger lounge, rest room and telephone facilities as appropriate;

- B. Adequate table, desk or counter for checking in passengers, handling ticketing or fare collection, and handling of luggage;
- C. Properly certificated suitable aircraft with properly certificated and qualified operating crew available for service when not otherwise engaged in such service. Such crew and aircraft shall be available upon call within one hour's notice;
- D. Appropriate Insurance as outlined in 10.1.G.

10.6 AIRCRAFT RENTAL AND SALES:

Persons conducting aircraft rental and sales activity shall provide:

- A. Suitable office space for consummating sales and/or rentals and the keeping of the proper records in connection therewith;
- B. Hangar or other storage space for at least one aircraft to be used for sales or rental;
- C. For rental, at least one airworthy aircraft suitably maintained and certificated;
- D. Adequate facilities for servicing and repairing the aircraft or satisfactory arrangements with other operators for such service and repair;
- E. During reasonable business hours, a properly certificated pilot capable of demonstrating new aircraft for sale or for checking out rental aircraft;
- F. The minimum stock of readily expendable spare parts, or adequate arrangements for securing spare parts required for the type of aircraft and models sold;
- G. Current up-to-date specifications and price lists for types and models of new aircraft sold;
- H. Proper check lists and operating manuals on all aircraft rented and adequate parts catalogues and service manuals on new aircraft sold;
- I. Appropriate Insurance as outlined in Section 10.1.G.

10.7 MISCELLANEOUS OPERATIONS:

Miscellaneous operations such as radio and instrument repairs, aerial advertising, and other activities not hereinbefore provided for may be conducted by any person, firm or corporation that is duly licensed, equipped and certified by the appropriate agency and upon application to and approval of the City of Shelby. Reasonable terms and conditions for the privilege of engaging in these various services will be established by the City of Shelby commensurate with the nature and scope of the activities involved.

10.8 HANGAR SPACE:

Hangar space, office and lounge space, aircraft parking area and other such required facilities will be considered with the more restrictive requirements where an operator offers multiple services such that facility requirements will be reasonable.

10.9 MINIMUM STANDARDS:

Hangars:

Storage Hangars ("T" Type) – minimum 1,100 square feet

Storage Hangars (Conventional) – minimum 1,600 square feet

Maintenance Hangars – minimum 3,600 square feet

Office Space:

Sufficient to meet all National, State and Local building codes for the numbers of persons using and occupying the structure.

Floors:

Concrete or asphalt capable of supporting design load for largest aircraft expected to use facility.

Doors:

Self-contained and in accordance with National, State and Local building codes.

Plans:

All construction plans must be approved by the City of Shelby, the FAA, and the North Carolina Division of Aviation prior to construction.

All buildings will be of metal, brick or masonry construction and fire-proofed in accordance with National, State and Local codes, and generally match the architectural specifications of the City, if any.

10.10 AIRCRAFT PARKING APRONS:

Aircraft parking aprons shall be constructed according to plans and specifications approved by the City of Shelby. Areas of aircraft parking apron may be required for operators handling aviation petroleum products, and aircraft repair.

10.11 SERVICES:

All services shall be provided on a fair, equal, and not unjustly discriminatory basis to all users of the airport. The prices charged for each unit of service shall be fair, reasonable, and not unjustly discriminatory; provided, that the operator may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar type price reductions to volume purchasers.

10.12 OPERATOR:

The operator shall provide his services in accordance with the provisions of Title VI of the Civil Rights Act of 1964 (P.L. 88-352), as amended. Accordingly, no person shall be denied equal services on the grounds of race, color, sex, or national origin.

11 – SPECIAL AIRPORT USES

- 11.1 The City of Shelby obligates itself to operate the airport for the use and benefit of the public and to keep the airport open to the various types, kinds, and classes of aeronautical use for which the airport facility is designed and intended to serve.
- 11.2 The City of Shelby has established these rules to be met by all users so as to provide for the safe and efficient use of the airport and to otherwise protect the safety of persons and property both on the ground and in the air.
- 11.3 It is understood that the landing area facilities are primarily intended for the use of powered aircraft whose weights are not in excess of the published strengths of the paved surfaces concerned.
- 11.4 No operations involving parachuting and other unusual and special classes of activities will be permitted on the airport without the prior written approval of the Airport Manager.
- 11.5 No operations involving unlicensed or unregistered aircraft will be permitted on the airport without prior approval of the Airport Manager.
- 11.6 Persons seeking to conduct crop dusting or spraying of agricultural chemicals shall be required to satisfy the City of Shelby that:
- (A) Suitable arrangements have been provided for the safe storage and containment of noxious chemical materials; no poisonous or inflammable materials shall be kept or stored in close proximity to other facility installations at the airport.
 - (B) The operator shall have available properly certificated aircraft suitably equipped for the agricultural operation undertaken.
 - (C) No crop dusting operation shall be conducted on the principal public use apron or ramp of the airport. Adequate operational space shall be assigned by the Airport Manager, if available.
 - (D) All operations will be in accordance with all appropriate Federal Aviation Regulations, and other Federal, State and Local Regulations concerning the handling of pesticides and other noxious substances.
- 11.7 Considering the obligation of the City of Shelby to keep the airport open to the public for aeronautical purposes, the airport facilities will not be used for non--aviation events which conflict with its aeronautical use.

ADOPTED: CITY OF SHELBY, NORTH CAROLINA

BY: _____

TITLE: _____

DATE: _____

Airport Leases/Agreements/Permits

**SHELBY-CLEVELAND COUNTY REGIONAL AIRPORT
PROPERTY LEASE AND HANGAR ERECTION PERMIT**

This Lease and Permit, executed this _____ day of _____, 20_____, by and between the City of Shelby (hereinafter called "Lessor") and _____ (hereinafter called "Lessee").

WITNESSETH:

The Lessor hereby gives to Lessee permission to erect and maintain one hangar, for the storage of one or more airplanes, at that certain location upon the Shelby-Cleveland County Regional Airport designated as Location No. _____ as shown on Plat No. _____, dated _____, 20_____, on file in the City of Shelby Community Development Department, which Plat is hereby incorporated herein by reference, and which Plat is attached hereto marked "Exhibit A", and more particularly described as follows:

Lessor hereby leases said property to the Lessee and Lessee accepts such property from the Lessor subject to the following terms, covenants, conditions and agreements.

1. This Lease and Permit shall take effect on the ____ day of _____, 20_____, and unless it shall terminate sooner as provided herein, the said term shall extend for a period 25 years. It is understood and agreed that either the Lessor or Lessee may terminate this Lease and Permit at any time by giving to the other party hereto ninety (90) days prior written notice of its intention to terminate same.
2. Lessee shall pay to the Lessor for the privileges herein granted, the sum of _____ (\$_____) per month, payable monthly on or before the fifth day of each month to the Office of the Lessor.
Ground Lease Amount = \$_____ **per month**
3. If Lessee shall fail to pay any installment of rent as the same shall become due and payable hereunder or fails promptly to keep and perform any other covenants or conditions of this Lease Agreement and shall remain in default thereof for a period of ten (10) days after written notice of said default given by Lessor to Lessee, then in that event, this lease shall be deemed terminated.
4. This lease in every sense shall be without cost to the Lessor for the development, maintenance and improvements of the demised premises. It shall be the sole responsibility of the Lessee to keep, maintain, repair and operate the entirety of the demised premises and all improvements and facilities placed thereon at Lessee's sole

cost and expense. Any deviation from the plans and specifications filed with the Lessor shall require written approval of the Lessor.

5. Upon termination of this lease, the hangar constructed on said premises becomes the property of the Lessor. The Lessor may, at its option, require the Lessee to remove such hangar erected by him. In the event the Lessee does not remove said hangar within the time specified by the Lessor, the Lessor may have the hangar removed at the Lessee's expense.
6. It is understood and agreed that Lessor may, in connection with the future development of said Airport, require the space hereinabove referred to which is designated on said Exhibit A, for permanent buildings and/or other development, and in such case Lessee shall within ninety (90) days after receiving written notice so to do from the Lessor, remove said hangar to another location at said Airport as is designated in writing by the Lessor.
7. Whenever Lessee shall remove his hangar from the location hereinabove described, either upon the termination of this Lease and Permit, or at the request of the Lessor to another location at said Airport, Lessee shall forthwith restore the surface of the ground where the hangar had previously been located, to a condition satisfactory to the Lessor.
8. Lessee shall conform to all the requirements of applicable Federal, State and local statutes and regulations, and shall secure such permits and licenses as may be duly required by any such laws, ordinances and regulations, and shall conform in all respects to such rules and regulations as may be promulgated by the Lessor.
9. Lessee shall keep said hangar and premises neat, clean and orderly at all times, and shall comply with all Airport Rules and Regulations now in force or hereinafter adopted.
10. Except for pre-flight, Lessee shall perform no repairs in such area; provided however that Lessee may make repairs by Lessee in such area, which are permitted by Part 43 of the Federal Aviation Regulations.
11. Lessee shall pay all taxes which may be levied or assessed upon the hangar and upon any aircraft or other property kept therein promptly when due.

12. Lessee shall not assign or transfer this Lease and Permit or any interests, rights or privileges created therein without the express written consent of the Lessor.
13. Lessee assumes the risk of loss or damage to the hangar and its contents, whether from windstorm, fire, earthquake or any other causes whatsoever.
14. It is agreed that the demised premises are accepted in their "as is" condition and that upon execution of this lease, Lessor assumes no further responsibility as to the condition of the demised premises nor shall it assume responsibility for the maintenance, upkeep or repairs which might become necessary to keep the premises in a safe and serviceable condition.

Lessor shall, however, maintain all public roads on the Airport giving access to the leased premises in good and adequate condition for use by cars and trucks and shall maintain free access to the leased premises over said roads at all times. There shall be no responsibility of the Lessor to maintain any roads or paved areas inside the leased premises or to do anything thereon. Lessor reserves the right to relocate any and all existing roadways on the Airport provided, however, the Lessor always maintains reasonable access to the leased premises by adequate roadways.

15. Lessee shall maintain in full force and effect for the period covered by this Lease and Permit, bodily injury, including death there from, property damage and product liability insurance with an insurance carrier satisfactory to the Lessor. This liability insurance shall include, but shall not be limited to, protection against claims arising from bodily and personal injury, including death resulting there from, and damage to property, resulting from any act or occurrence happening on, in or about the premises which are the subject of this Lease and permit, and/or resulting from the Lessee's operations hereunder.

The amounts of such insurance shall not be less than the following:
personal liability insurance \$1,000,000; property damage
insurance \$1,000,000.

All such insurance is subject to the following provisions:

- (a) It must cover complete contractual liability and personal injury as well as bodily injury.
- (b) In all such insurance the word "Accident" shall be replaced by the word "Occurrence".

- (c) It shall contain a provision requiring the insurance carrier to give the Lessor thirty (30) days prior written notice of any cancellation of such insurance, or any reduction in coverage, or any other major change in such insurance.
 - (d) It must include airport liability insurance, including occurrence property damage; and it must also include hangar keepers insurance where applicable in the judgement of the Lessor.
 - (e) It must name the Lessor and its officers, agents and employees as additional named insured, and must provide benefits coverage to the Lessor as its interest shall appear at the time of any claim or loss.
 - (f) It shall stipulate that such insurance will operate as the primary insurance and that no other insurance carried by the Lessor or other named insured will be called upon to contribute to a loss covered there under.
 - (g) Lessee shall not do any act pursuant hereto until after Lessee has filed with the Lessor a copy of each insurance policy and a certificate of insurance certifying that Lessee has obtained and is maintaining the insurance required hereunder.
 - (h) Any failure by Lessee to maintaining the required insurance shall be sufficient cause for termination by Lessor of this Lease and Permit.
 - (i) Approval of such insurance by the Lessor shall not relieve or decrease the extent to which Lessee may be held responsible for payment of damages resulting from its operation.
16. Any and all notices to be given under this Lease and Permit may be served by enclosing the same in a sealed envelope and directed to the other party at its address and deposited in the mail as first class mail with postage thereon prepaid. When given, said notice shall be effective from the date of mailing. Unless otherwise provided in writing by the parties hereto, the address of the Lessor is:
- _____
- The address of the Lessee is: _____.
17. Lessee shall defend, indemnify and save harmless the Lessor and its officers, agents and employees, from and against any and all claims, demands, damages, costs, expenses, liability, causes of action and judgments, arising in any manner out of the performance of the

provisions hereof, including but not limited to any act or omission to act on the part of the Lessee or its agents or employees or independent contractors directly responsible to Lessee.

18. This Lease and Permit shall be binding on the assigns, transferees, heirs, executors, successors and trustees of the parties hereto.
19. No waiver by Lessor of any failure by Lessee to comply with any term or condition of this Lease and Permit, shall be or shall be construed to be a waiver by Lessor of any other failure by Lessee to comply with any term or condition of the Lease and Permit.
20. In the use of the aircraft stored pursuant to this Lease and Permit, Lessee shall not hire out such aircraft or the Lessee for commercial operations without an Agreement from the Lessor.
21. Lessee shall not commit or suffer to be committed on said premises, any waste, nuisance, or unlawful act.

IN WITNESS WHEREOF, the parties hereto have duly authorized the execution of this Agreement and have hereto affixed their official hands and seals in duplicate originals, one of which is retained by each of the parties, the day and year first above written.

THE CITY OF SHELBY, NORTH CAROLINA

BY: _____
_____, Mayor

ATTEST:

(Corporate Seal)

_____, City Clerk

APPROVED AS TO FORM BY

_____, Shelby City Attorney

BUILDER

STATE OF NORTH CAROLINA

COUNTY OF CLEVELAND

I, _____, a Notary Public for the said County and State, do certify that before me personally appeared _____, Mayor of the City of Shelby, North Carolina, who being by me duly sworn, says that he is the Mayor, and _____ is the Clerk to the City of Shelby, North Carolina, the municipal corporation described in and which executed the foregoing Agreement; that the Seal affixed to the foregoing instrument is the common seal of said municipal corporation; that the said Mayor and Clerk subscribed their names thereto, and said common seal was affixed, all by order of the City Council of the City of Shelby, North Carolina, and that said instrument is the act and deed of said municipal corporation. **WITNESS** my hand and official seal, this _____ day of _____, 20_____.

Notary Public

My Commission Expires: _____

(SEAL)

STATE OF NORTH CAROLINA

COUNTY OF CLEVELAND

I, _____, a Notary Public for the said County and State, do certify that before me personally appeared _____, who being by me duly sworn, says that he has read the foregoing Agreement and has subscribed his name thereto.

WITNESS my hand and official seal, this _____ day of _____, 20_____.

Notary Public

My Commission Expires: _____

(SEAL)

**SHELBY-CLEVELAND COUNTY REGIONAL AIRPORT
PROPERTY LEASE AND FUEL FACILITIES INSTALLATION PERMIT**

This Property Lease and Fuel Facilities Installation Permit, executed this day of _____, 20____, by and between the City of Shelby (Hereinafter called "Lessor") and _____, (hereinafter called "Lessee").

WITNESSETH:

Lessor hereby gives to Lessee permission to install and maintain Aviation Fueling Facilities for the express purpose of the Lessee fueling his own aircraft with his own equipment and employees at that certain location upon the Shelby-Cleveland County Regional Airport designated as Location No. ____ as shown on Plat No. _____, dated _____20____, on file in the Office of the Airport Manager, which Plat is hereby incorporated herein by reference, and which Plat is attached hereto marked "Exhibit A", and which location is more particularly as follows:

This Lease and Fuel Facilities Installation Permit is subject to the following terms, covenants, conditions and agreements to be kept, performed and observed by the Lessee/Permittee.

1. This Property Lease and Fuel Facilities Installation Permit shall take effect on the _____ day of _____, 2____, and shall continue thereafter until terminated as herein provided. It is understood and agreed that either the Lessor or Lessee may terminate the Lease and Permit at any time by giving to the other party hereto thirty (30) days prior written notice of its intention to terminate same.
2. Lessee shall pay to the Lessor for the privileges herein granted:
 - (1) the sum of _____ (\$____) per gallon of fuel delivered, payable at the time of delivery to said facilities, to the Office of the Lessor and;
 - (2) _____per square foot of space leased per year, payable in 12 equal monthly payments to be paid on the 1st day of each month to the office of the Lessor.
3. If Lessee shall fail to pay any installment of rent as the same shall become due and payable hereunder or fails promptly to keep and perform any other covenants or conditions of this Lease Agreement and shall remain in default thereof for a period of ten (10) days after

written notice of said default by Lessor to Lessee, then in that event, this Lease shall be deemed terminated.

4. Lessee shall conform to all applicable requirements of Section 5 of the Shelby–Cleveland County Regional Airport Rules and Regulations which are made a part of this permit by reference.
5. This lease in every sense shall be without cost to the Lessor for the development, maintenance and improvements of the demised premises. It shall be the sole responsibility of the Lessee to keep, maintain, repair and operate the entirety of the demised premises and all improvements and facilities placed thereon at lessee's sole cost and expense. Any deviation from the plans and specifications filed with the Lessor shall require the written approval of the Lessor.
6. At the termination of this lease, any facilities installed or constructed on the demised premises becomes the property of the Lessor. The Lessor may, at its option require the Lessee to remove such facilities from the premises within _____ () days after the termination of this Lease and Permit, provided that if the facilities are not so removed within said time after the termination hereof, the Lessor may have the facilities removed at the Lessee's expense.
7. It is understood and agreed that Lessor may, in connection with the future development of said Airport, require the space hereinabove referred to which is designated on said Exhibit A, for permanent buildings and/or other development, and in such case Permittee shall within ____ () days from and after receiving written notice to do so from the Lessor, remove said facilities to another location at said Airport as is designated in writing by the Lessor.
8. Whenever Lessee shall remove its facilities from the location hereinabove described, either upon the termination of this Lease and Permit, or at the request of the Lessor to another location at said Airport, Lessee shall forthwith restore the surface of the ground where the facilities had previously been located, to a condition satisfactory to the Lessor.
9. Lessee shall conform to all the requirements of applicable federal, state and local statutes and regulation, and shall secure such permits and licenses as may be duly required by any such laws, ordinances and regulations, and shall conform in all respects to such rules and regulations as may be promulgated by the Lessor.

10. Lessee shall keep said facilities and premises neat, clean and orderly at all times, and shall comply with all Airport Rules and Regulations now in force or hereinafter adopted.
11. Lessee shall pay all taxes which may be levied or assessed upon the facilities and upon any fuels or other property kept therein promptly when due.
12. Lessee shall not assign or transfer the Permit or any interest, rights or privileges created therein and shall not sub-let the demised premises or any portion thereof.
13. Lessee assumes the risk of loss or damage to the facilities and its contents, whether from windstorm, fire, earthquake or any other causes whatsoever.
14. It is agreed that the demised sites are accepted in their "as is" condition and that upon execution of this lease, Lessor assumes no further responsibility as to the condition of the demised premises nor shall it assume responsibility for the maintenance, upkeep or repairs which might become necessary to keep the premises in a safe and serviceable condition.

Lessor shall, however, maintain all public roads on the Airport giving access to the leased premises in good and adequate condition for use by cars and trucks and shall maintain free access to the leased premises over said roads at all times. There shall be no responsibility of the lessor to maintain any road or drive upon the leased premises and the Lessor reserves the right to relocate any and all existing roadways on the Airport provided, however, reasonable access to the leased premises by adequate roadways are always maintained by the Airport.

15. Lessee shall maintain in full force and effect for the period covered by this Lease and Permit, bodily injury, personal injury, including death therefrom and property damage insurance with an insurance carrier satisfactory to the Lessor. This liability insurance shall include, but shall not be limited to, protection against claims arising from bodily and personal injury, including death resulting therefrom, and damage to property, resulting from any act or occurrence happening on, in or about the premises which are the subject of this Property Lease and Fuel Facilities Installation Permit, and/or resulting from the Lessee's operation hereunder.

The amounts of such insurance shall not be less than the following: Public liability insurance, _____; property damage insurance, _____ product liability _____.

All such insurance is subject to the following provisions:

- (a) It must cover complete contractual liability and personal injury as well as bodily injury.
- (b) In all such insurance the work "Accident" shall be replaced by the work "Occurrence".
- (c) It shall contain a provision requiring the insurance carrier to give the Lessor thirty (30) days prior written notice of an cancellation of such insurance, or any reduction in coverage, or any other major change in such insurance.
- (d) It must include airport liability insurance, including occurrence property damage.
- (e) It must name the Lessor and its officers, agents and employees as named insured.
- (f) It shall stipulate that such insurance will operate as the primary insurance and that no other insurance carried by the Lessor or other named insured will be called upon to contribute to a loss covered thereunder.
- (g) Lessee shall not do any act pursuant hereto until after Lessee has filed with the Lessor a copy of each insurance policy and a certificate of insurance certifying that Lessee has obtained and is maintaining the insurance required hereunder.
- (h) Any failure by Lessee to maintain the required insurance shall be sufficient cause for termination by Lessor of this Property Lease and Fuel Facilities Installation Permit.
- (i) Approval of such insurance by the Lessor shall not relieve or decrease the extent to which Lessee may be held responsible for payment of damages resulting from its operation.

16. Any and all notices to be given under this Lease and Permit may be served by enclosing the same in a sealed envelope and directed to the other party at its address and deposited in the mail as first class mail

with postage thereon prepaid. When given, said notice shall be effective from the date of mailing. Unless otherwise provided in writing by the parties hereto, the address of the Lessor is: _____ . The address of the Lessee is: _____ .

17. Lessee shall defend, indemnify and save harmless the Lessor and its officers, agents and employees, from and against any and all claims, demands, damages, costs, expenses, liability, causes of action and judgments, arising in any manner out of this Fuel Facilities Installation Permit or occasioned by the Performance or attempted performance of the provisions hereof, including but not limited to any act or omission to act on the part of the Permittee or its agents or employees or independent contractors directly responsible to Permittee.
18. This Lease and Permit shall be binding on the assigns, transferees, heirs, executors, successors and trustees of the parties hereto.
19. No waiver by Lessor of any failure by Lessee to comply with any term or condition of this Lease and Permit, shall be or shall be construed to be a waiver by Lessor of any other failure by Lessee to comply with any term or condition of the Property lease and Hangar Erection Permit.
20. In the use of the fuel stored pursuant to this Fuel Facilities Installation Permit, Permittee shall not sell or distribute in any manner what-so-ever, fuel to any aircraft not owned by the Lessee.
21. The Lessee shall not allow any third party to deliver or distribute fuel in any manner what-so-ever on airport property.
22. Lessee shall not commit or suffer to be committed on said premises, any waste, nuisance, or unlawful act.

IN WITNESS WHEREOF, the Lessor has executed this Property Lease and Fuel Facilities Installation Permit on the day and year first hereinabove set forth.

LESSOR

By:

I, _____, the Lessee named in the foregoing Property Lease and Fuel Facilities Installation Permit, hereby certify that I have read the foregoing Property Lease and Fuel Facilities Permit and am familiar with all the terms and conditions thereof, and I hereby accept the same and agree to be bound by all the terms and conditions thereof.

Dated this ____ day of _____, 20____.

LESSEE

By:

**SHELBY-CLEVELAND COUNTY REGIONAL AIRPORT
TIE-DOWN SPACE LEASE AGREEMENT**

This agreement entered into this _____ day of _____ 20____, by and between the City of Shelby, herein called Lessor, and _____, herein called Lessee.

The following terms and conditions shall govern the rental by Lessor of tie-down space to Lessee:

1. Term: This agreement shall commence on _____ and remain in effect for a period of one month. Thereafter this agreement shall continue in effect from month to month, being automatically renewed after each month unless 30 days written notice is given by either party that the agreement should not be renewed.
2. Rent: Lessee shall pay, as rent for the use of the described Tie-down area, the amount of _____ per month, payable in advance on the first day of each month. Rent may be changed from time to time by Lessor upon 30 days written notice to Lessee.
3. Premises: The premises lease shall be that tie-down space located on Lessor's premises at the Shelby-Cleveland County Regional Airport, and designated as Tie-down space #_____, together with reasonably necessary rights of access across Lessor's adjoining area.
4. Liabilities: Lessor hereby disclaims any and all liability for damage to the aircraft while parked on the ramp, except for such damage as may be caused by movement or handling of the aircraft by Lessor's employees, unless Lessee participates in any way or gives instructions to Lessor's representative in any way. Lessor shall provide, for the purpose of securing the aircraft on its tie-down spot, whenever feasible, assistance in securing the aircraft, however, it is hereby expressly agreed that Lessee shall have the final responsibility for securing the aircraft. Lessor shall not be liable for any damage or loss caused by or related to improper or inadequate securing of the aircraft.
5. Use of Premises: The space hereby leased is to be used for the sole purpose of parking one aircraft owned or leased by Lessee. Lessor shall be informed of the specific aircraft using the parking space and no change will be made without the approval of Lessor. No maintenance of any kind will be conducted on the tie-down space other than is specifically authorized

by Lessor. In no event shall any maintenance be conducted that involves the draining of any fluids, or that involves the services of an aircraft mechanic other than an employee of Lessee performing in the course of his duties as such an employee.

Lessee specifically agrees that no commercial aviation activities will be conducted on or from this premises without express approval of Lessor. This includes but is not limited to – rental of aircraft, charter, leasing, flight instruction, aerial survey/photography work, etc.

6. Sublease/Assignment: The space hereby leased will not be subleased by Lessee, nor will this lease be assigned without the express approval of the Lessor. Parking of aircraft not belonging to, or leased by Lessee shall be construed as a sublease and unless approved by the Lessor shall be grounds for termination of this lease.

7. Termination: This agreement may be terminated by either party upon 30 days written notice of non-renewal as provided for in Paragraph 1 above. In addition, Lessor may terminate this agreement during the course of monthly term subject to paragraph 1 above, upon the occurrence of any of the following which shall constitute a breach of this lease agreement by Lessee:
 - Rent is not paid by the 20th of any month.

 - Lessee has failed to comply with any condition of this lease and has not reasonably corrected the deficiency upon notice by Lessor. In the event of such breach, Lessor shall notify Lessee of termination in writing.

LESSOR:

By: _____
City of Shelby

LESSEE:

NORTH CAROLINA

**AGREEMENT FOR AIRPORT HANGAR
CONSTRUCTION AND OPERATION**

CLEVELAND COUNTY

THIS AGREEMENT, entered into this the _____ day of _____, _____, by and between **THE CITY OF SHELBY**, a North Carolina municipal corporation (hereinafter referred to as "**Shelby**"), Party of the First Part, and _____, (hereinafter referred to as "**Builder**"), Party of the Second Part;

WITNESSETH :

That for and in consideration of the mutual promises, covenants and expenditures of funds as described hereinbelow, the parties hereby agree as follows:

1. **PURPOSE.** The purpose of this agreement is to provide for the construction, ownership, operation, maintenance and disposition of a new _____' x _____' (_____ square feet) aircraft hangar facility to be located upon property of Shelby which is currently known as and occupied by the "Shelby-Cleveland County Regional Airport".

2. **CONSTRUCTION.**

(a) **Funding.** All costs of any kind related to the construction of the hangar facility and all accessory improvements to it which may be incurred as a part of the initial construction shall be paid solely by the Builder without temporary or permanent financial contribution by Shelby. Upon the completion of construction, Builder will promptly provide to Shelby a written summary and certification of the total cost of the construction of the facilities as of their completion. Such certification shall be used as the basis for any subsequent pro-ration of Builder's term of use of the said facilities prior to the expiration of the agreed term of usage as provided in paragraph 8 hereinbelow.

(b) **Location.** The hangar facility and any adjacent improvements planned in connection with it shall be located upon Shelby's airport property at a site containing not less than 5760 square feet and located generally southwest of Shelby's existing terminal building at a specific site designated in accordance with Shelby's most recent airport layout master plan. The configuration of the construction site shall be as shown upon the layout sketch attached hereto and incorporated herein as **Exhibit A** by this reference.

(c) **Adjacent accessory space.** Shelby agrees to incorporate into the specific area to be used by the Builder for the hangar facility, a sufficient area of property adjacent to it so that the aircraft of the users of the hangar may be properly parked outside during stacking and unstacking of hangared aircraft.

(d) **Construction standards.** The hangar building to be constructed by the Builder pursuant to this agreement shall be constructed to standards not less than those provided for such construction by the State of North Carolina, the Federal Aviation Administration, the City of Shelby and its Airport Commission, the State of North Carolina and the City of Shelby Building Codes and the City of Shelby's current airport layout plan. The construction of the hangar facility, when completed, shall be consistent with design characteristics of its existing airport structures and facilities and shall at all times meet or exceed the provisions of the "Minimum Standards Of Construction For Airport Hangars – Shelby-Cleveland County Regional Airport", except for the minimum square footage of floor space, a copy of which is attached hereto as **Exhibit B** and incorporated herein in by this reference.

(e) Builder shall begin construction of the hangar within six (6) months of the date of this Agreement and shall complete construction of the said hangar within eighteen (18) months following

the date of execution of this Agreement. Completion shall constitute the issuance of a Certificate of Occupancy for the hangar so constructed.

3. **OWNERSHIP OF COMPLETED HANGAR FACILITY.** Upon completion of the hangar facility and accessories as approved by Shelby, and before any occupancy of such facility, the Builder will promptly execute and deliver to Shelby all necessary instruments required to transfer to Shelby the complete ownership of said facilities. Shelby will affirmatively accept title to and ownership of the said hangar facility and all other improvements constructed by the Builder upon Shelby's real property at the designated site not more than fourteen (14) days following the date upon which Shelby has issued a "Certificate of Occupancy" as to said facility after completion of its construction. Shelby's acquisition of ownership shall be solely in consideration of the covenants and terms provided herein, and will be without cost or financial obligation to Shelby.

4. **USE OF FACILITIES**

(a) **Use by Builder.** From and after the transfer of the ownership of the completed hangar facility to the City of Shelby, Builder shall be allowed the exclusive use and possession of the said hangar and its adjacent accessory improvements for a period of twenty-five (25) consecutive years without payment of rental or other cost for such use. During said period, Builder and his assignees, contractees, lessees, agents, permittees, invitees and other parties authorized by him may use said hangar facility for the general storage and protection of private aircraft and related parts and equipment and for other lawful non-commercial purposes related to private aviation. No other use of the said facility may be made without the prior specific permission of Shelby.

(b) **Use after expiration of contract term.** Upon the expiration of the aforesaid twenty-five (25) year term of the Builder's use as provided next above, the full use, control and possession of the aforesaid hangar facility shall revert exclusively to the City of Shelby and all rights to the use thereof by the Builder or his permittees shall cease, subject only to agreements for extended rental pursuant to sub-section (c) next below.

(c) **Rental after expiration of contract term.** Not less than six (6) months prior to the expiration of the aforesaid contract term, Shelby will present a proposal to the Builder and/or other groups or parties who have used the aforesaid facility by arrangement with the Builder in months recently prior to the expiration of said term, and will seek to achieve a lease or other use agreement with said parties for their continued use of all or some portion of the said facility under terms deemed appropriate by Shelby at that time.

(d) **Temporary loss of use during term.** In the event of a temporary loss of the use of the aforesaid hangar facility and/or any of its appurtenant improvements by reason of a casualty loss to the said facility or by reason of damage to or the loss of use of any other portion or facility of Shelby's total municipal airport property and operation, such loss of use shall not suspend the running of the term of this agreement in any manner and shall not create in the Builder a claim for reimbursement, extension of the contract term or other benefits or accommodations of any kind.

5. **INSURANCE.**

(a) **Casualty Insurance.** Shelby will carry fire, extended casualty coverage and such other physical damage coverage upon the hangar facilities as it may deem prudent, and shall at all times maintain such coverage so long as it may operate a municipal airport facility during the period of twenty-five (25) years following its acquisition of ownership of the said facilities.

(b) **Cost of insurance.** Builder will, within thirty (30) days of receipt of a statement for the premium costs thereof, reimburse the City in full for all costs attributable to maintenance of the fire and extended casualty insurance coverage upon the hangar facility.

(c) **Casualty insurance claims proceeds.** In the event of a casualty loss involving the facility during the initial twenty-five (25) year term, Shelby agrees to apply all proceeds which it may receive from the aforesaid casualty and extended insurance coverage to the costs of repair or replacement of the facility.

(d) **Liability.** Shelby will provide liability insurance coverage on the aforesaid hangar facilities and accessory improvements in such amount and of such type as it may deem proper and will bear the sole expense thereof. The Builder shall at all times maintain liability insurance coverage on the aforesaid hangar facility and the use thereof by associates, assignees, lessees, contractees, invitees, permittees and any other parties using the facilities by its permission. The total cost of the provision of such insurance by the Builder shall be borne alone by the Builder. All such liability insurance policies provided by the Builder shall designate the City of Shelby, by name, as an additional insured, and certification of such coverage shall be provided to Shelby at the time of the transfer of the ownership of said facility to Shelby and immediately upon each successive renewal, revision or modification of such coverage. Such liability coverage as maintained by the Builder shall at all times contain liability benefit limits of not less than One Million (\$1,000,000.00) Dollars per occurrence as to any individual claim and not less than One Million (\$1,000,000.00) Dollars in the aggregate as to multiple claims from any one claim incident.

(e) **Personal property.** The Builder shall provide, at his option, such casualty and/or other insurance as he may from time to time deem necessary or prudent as to any aircraft, vehicles, equipment or other personal property of any type which he or any party using or occupying the facility with his permission shall deem advisable. Any and all such insurance so provided shall be at the sole cost and expense of the party providing it, or as otherwise agreed by or among such parties. Shelby shall be in no way responsible for providing any insurance upon, or for any damage to, any personal property of any kind located in or about the hangar facility during the Builder's term of use and possession of the facility pursuant to this agreement.

6. **MAINTENANCE.**

(a) **General maintenance.** During the term during which the hangar facility shall be subject to the use and possession of the Builder or his authorized user(s), Builder shall, at his sole costs, provide all necessary and proper maintenance to the said facility and all appurtenant improvements. Builder agrees to maintain the said facility and improvements in the same condition as that in which he delivered ownership to Shelby, reasonable wear and tear and normal obsolescence excepted.

(b) **Laborers/Materialmen's Liens.** Builder agrees to allow no lien to be filed upon the premises as a result of alleged or actual non-payment of any expenses relating to the repair, maintenance or improvement of the aforesaid facility and, should such a lien be filed, Builder will promptly take the necessary steps to resolve or remove such lien and the claim thereof within seven (7) days after the service of notice of such claim of lien upon the Builder or within seven (7) days following notice of the existence of such a claim of lien provided to the Builder by Shelby, whichever shall first occur.

(c) **Failure to remove or resolve Lien.** In the event that any such Claim of Lien is filed upon the said property and not so removed or resolved by the Builder as aforesaid, Shelby may take any necessary action to satisfy or remove such Claim of Lien, and Builder shall fully reimburse Shelby for any costs thereof within seven (7) days following its receipt of notice from Shelby of the costs of such removal. In the event that such costs are not paid in full as aforesaid, Shelby shall have the right to terminate the use of said facility by the Builder after providing not less than thirty (30) days notice of such termination to the Builder and, as reasonably possible, after providing similar notice to the owners or parties in possession and control of any and all aircraft then stored or situated in or upon the hangar facility at the time of such notice.

7. **ALTERATIONS, IMPROVEMENTS.** During the term of the Builder's right to use and possession of the facility, Builder shall make no alterations, additions or improvements to the hangar facility or appurtenant improvements without the specific advance permission of Shelby. Any and all such

improvements, modifications, alterations or additions shall, upon their completion, become the sole and absolute property of Shelby, in fee simple, and shall be fully subject to the provisions of this agreement.

8. **CONTINUITY OF AIRPORT OPERATIONS.**

(a) **Continuance, Notice.** Shelby cannot and does not guarantee to the Builder that it will intend or be able to continue to operate the Shelby-Cleveland County Regional Airport as such for the entire period of twenty-five (25) years following its acceptance of the aforesaid hangar facility for ownership under this agreement. Shelby does, however, represent to the Builder that, at the present time, it has no plans to discontinue the present use of the Shelby-Cleveland County Regional Airport facility, and foresees no circumstance or condition which would, in its opinion, make it probable that it would be unable or reasonably unwilling to continue the operation of such facility in its generally present form for the duration of the said contractual period. In the event, however, that Shelby should hereafter find it necessary or prudent in its legislative discretion, to discontinue the use of the said airport facility as a local or regional municipal airport or to otherwise substantially alter the beneficial nature of its use as to the owners and operators of private aircraft, Shelby will provide as much advance notice as reasonably possible to the Builder of such impending alteration or discontinuance.

(b) **Reimbursement of investment in hangar facilities.** Upon such closure of the said facility or such major alteration in its use which, in the City's sole discretion shall deprive the Builder, or his assigns of substantially all of the beneficial use of the hangar facility, Shelby will return to the Builder, or his successors or assigns, a sum of money based upon and determined by a pro-ration of the previously stipulated cost of construction of the said hangar facility and appurtenant improvements as amortized over the aforesaid twenty-five year period of anticipated use by the Builder or his assigns. Said pro-ration shall be at the rate of Four (4%) Percent of the aforesaid total cost for each year of the twenty-five year period as to which the Builder is deprived of continued and anticipated use of the said facility. In the event of such a closure or alteration during a calendar year, said pro-ration shall be by calendar quarters as necessary, which shall each be attributable to 1.00% of said cost. Any sums which may become due to the Builder from Shelby by reason of such closure or modification of its airport facility shall be paid by Shelby in full in a lump sum within one hundred and eighty (180) days following the effective date of Shelby's discontinuance or substantial diminution of the Builder's use of the hangar facilities. Payment of such reimbursement by Shelby shall not be secured by collateral property and shall bear no interest prior to payment.

9. **LIABILITY, HOLD HARMLESS.** The Builder acknowledges the known and obvious risks which are inherent in the operation by Shelby of an airport facility open to the public and to his operation of an airport hangar facility and its accessory improvements. Accordingly, the Builder hereby knowingly assumes all such known or obvious risks of mental and physical injury, including death, and the risk of damage to or destruction of aircraft, vehicles and personal property which might occur as a result of said operations. Further, the Builder, and all parties using the aforesaid hangar facilities and appurtenant improvements which are the subject of this agreement, agree to hold Shelby harmless from any costs, expense, liability, cause of action, damages or other financial detriment of any kind, including costs of settlement or defense, arising from any claim of any type against Shelby or any of its agents or employees resulting in any manner from the Builder's use of the aforesaid facilities pursuant to this contract. Builder agrees to inform any and all of its lessees or assigns of the provisions of this agreement relating to its aforesaid pledge to hold Shelby harmless from liability or financial detriment arising out of this agreement. The Builder further agrees to require all parties which are not principals (such as its lessees, invitees, permittees, guests, contractees and other parties using or coming upon the aforesaid facilities with its knowledge and permission or with the knowledge and permission of any of its members or principals) to execute a written acknowledgment of assumption of risks and waiver of rights to assert claims of liability against Shelby to the same extent as undertaken by the Builder by the provisions hereinabove.

10. **ASSIGNMENT.** Builder shall not assign, convey, lease, sub-let or otherwise alienate any interest in this agreement or any rights arising from it to any other party at anytime hereafter without

the express knowledge and advance consent of Shelby and then, if consented to, only under the terms and conditions imposed by Shelby in connection therewith.

11. **BREACH/TERMINATION.** In the event that the Builder, his heirs, successors or assigns should hereafter abandon the use of any part of the said hangar or their performance under this Agreement, or otherwise become unidentifiable, then Shelby may give written notice to all last known successors or assigns thereof at their last known addresses and to all parties who are known (or can through reasonable diligence become known) to own property in or upon the aforesaid hangar facility, that this agreement will terminate within ninety (90) days after the provision of such notice. Such notice shall be deemed to have been provided when said notices are mailed by Certified Mail to the last known addresses of all parties to this agreement or to the last known addresses of the last known participants of the Builder. Upon the expiration of said notice, this contract shall be deemed terminated and any further rights to the use or possession of the aforesaid hangar facility by any party other than the City of Shelby shall be deemed to have been terminated with prejudice.

12. **FORCE MAJEUER.** Neither party will be held responsible for any breach of this agreement which is caused by forces beyond the control of the party.

13. **ENTIRE AGREEMENT.** This document contains the entire agreement and understanding between and among each and all of the parties hereto; and there are no verbal or other written terms of any kind, other than the applicable provisions of the General Statutes of North Carolina, regulations promulgated pursuant to such statutes, the terms of Shelby's Federal Grant Agreements, U. S. Department of Transportation FAA regulations and the codes and regulations specifically mentioned or incorporated herein, which are part of this agreement or which in any way alter or modify it.

14. **BINDING AGREEMENT.** This Agreement shall be and remain binding on all of the heirs, successors, personal representatives and assigns of the Builders.

15. **AMENDMENTS.** This Agreement may be amended or supplemented only by a written document executed by both parties under proper authority and dated and attached to this agreement.

IN WITNESS WHEREOF, the parties hereto have duly authorized the execution of this Agreement and have hereto affixed their official hands and seals in duplicate originals, one of which is retained by each of the parties, the day and year first above written.

THE CITY OF SHELBY, NORTH CAROLINA

BY:

Mayor

ATTEST:

(Corporate Seal)

City Clerk

DRAFTED AND APPROVED AS TO FORM BY

Shelby City Attorney

BUILDER

STATE OF NORTH CAROLINA

COUNTY OF CLEVELAND

I, _____, a Notary Public for the said County and State, do certify that before me personally appeared _____, Mayor of the City of Shelby, North Carolina, who being by me duly sworn, says that he is the Mayor, and _____ is the Clerk to the City of Shelby, North Carolina, the municipal corporation described in and which executed the forgoing Agreement; that the Seal affixed to the foregoing instrument is the common seal of said municipal corporation; that the said Mayor and Clerk subscribed their names thereto, and said common seal was affixed, all by order of the City Council of the City of Shelby, North Carolina, and that said instrument is the act and deed of said municipal corporation. **WITNESS** my hand and official seal, this _____ day of _____, 20_____.

Notary Public

My Commission Expires: _____

(SEAL)

STATE OF NORTH CAROLINA

COUNTY OF CLEVELAND

I, _____, a Notary Public for the said County and State, do certify that before me personally appeared _____, who being by me duly sworn, says that he has read the foregoing Agreement and has subscribed his name thereto.

WITNESS my hand and official seal, this _____ day of _____, 20_____.

Notary Public

My Commission Expires: _____

(SEAL)

NORTH CAROLINA

CLEVELAND COUNTY

**CONVEYANCE AND ASSIGNMENT OF INTEREST IN AIRPORT
HANGAR FACILITY IMPROVEMENTS TO REAL PROPERTY**

PURSUANT TO the terms of Paragraph Three and other pertinent provisions of that certain contractual agreement between **THE CITY OF SHELBY**, a North Carolina municipal corporation, and _____, an individual party, dated _____, _____ has completed construction of an airport hangar structure upon real property owned solely by the City of Shelby at the City of Shelby's municipal airport. Pursuant to the aforesaid contractual provisions, _____ hereby conveys, transfers, assigns and forever releases to the City of Shelby all of his right, title, ownership and interest of any kind in and to the said completed aircraft hangar structure and affirms that said structure is now, by the previous and present intent of both parties, permanently affixed to the real property of the City of Shelby and has become an integral and inseparable part and improvement thereof.

_____ has retained no specific or implied ownership interest of any kind in and to the said aircraft hangar structure but does, however, specifically retain all rights to the use of said facility as contained and described in Paragraph Four of the aforesaid contractual agreement and further retains all alternative and contingent rights to potential reimbursement of his investment in said aircraft hangar structure and facilities pursuant to the terms and contingencies described in Paragraph Nine of the said contractual agreement relating to continuity of airport operations by the City of Shelby.

All rights and obligations of both the City of Shelby and _____ as contained in the said contractual agreement of _____, _____, between said parties which have not been heretofore fully satisfied and completed shall survive this conveyance and transfer of ownership interest by _____ and such rights and obligations of each of the respective parties shall hereafter remain in full force and effect according to the stated terms of the said agreement.

_____ covenants to the City of Shelby that he has the full and unencumbered right to transfer and assign to it the full and complete ownership interest in the said aircraft hangar structure herein assigned and conveyed and _____ further covenants that the said improvements hereby transferred are free and clear of any and all liens or encumbrances by any party whatsoever and that he will, upon the request of the City of Shelby warrant and defend the title and ownership interest herein transferred to the City of Shelby against the lawful claims of any parties whatsoever which may challenge, impair or encumber the

full and complete ownership by the City of Shelby of the said aircraft hangar facilities and improvements hereby conveyed and assigned.

IN WITNESS WHEREOF, _____ has affixed his hand and seal to this Conveyance and Assignment of Interest. The City of Shelby, by the signature of its Mayor and Clerk hereby accepts on behalf of the City of Shelby the foregoing conveyance and assignment to it by _____ of the aircraft hangar facility improvements as described herein and in the contractual agreement of _____, _____ and confirms its rights and obligations as to said improvements and as to _____ as contained in said contractual agreement and ratifies that said agreement remains binding upon it and survives this transfer and assignment of the ownership of said improvements.

IN WITNESS WHEREOF, the City of Shelby has caused this instrument to be signed by its Mayor and attested by its Clerk pursuant to the action and authority of the Shelby City Council as will appear of record in the Official Minutes of said body.

(SEAL)

THE CITY OF SHELBY, NORTH CAROLINA

BY: _____
Mayor

ATTEST:

City Clerk

(Corporate Seal)

NORTH CAROLINA

CLEVELAND COUNTY

I, a Notary Public of the County and State aforesaid, certify that _____ personally appeared before this day and acknowledged the due execution of the foregoing Conveyance and Assignment of Interest. **Witness** my hand and official seal this the _____ day of _____, 20.

My Commission Expires: _____

Notary Public

NORTH CAROLINA

CLEVELAND COUNTY

I, a Notary Public of the County and State aforesaid, certify that _____ personally came before me this day and acknowledged that (he/she) is the Clerk of The City of Shelby, a North Carolina municipal corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its Mayor, sealed with its corporate seal and attested by (him/her) as its Clerk. **Witness** my hand and official seal this the _____ day of _____, 20 .

My Commission Expires: _____

Notary Public

The foregoing certificate(s) of _____, Notary(ies) Public for said County and State, is/are certified to be correct. This instrument and this certificate are duly registered at the date and time and in the Book and Page shown on the first page hereof.

Register of Deeds Cleveland County, NC

BY: _____
Deputy/Assistant Register of Deeds

**SHELBY-CLEVELAND COUNTY REGIONAL AIRPORT
STANDARD COMMERCIAL OPERATOR LEASE AGREEMENT**

THIS LEASE, LICENSE AND AGREEMENT, made this _____ day of _____, 20____, between the City of Shelby and hereinafter referred to as the "Owner," party of the first part; and _____, hereinafter referred to as the "Lessee," party of the second part.

WHEREAS, the Owner is the proprietor of an Airport with improvements thereon, which is located in the City of Shelby, North Carolina and, _____(Lessee).

WHEREAS, the Lessee desires to lease a portion of said Airport premises and improvements for the uses and purposes hereinafter mentioned, said portion to be leased being a certain part of said Airport lying and being in the City of Shelby, North Carolina, hereinafter described. NOW, THEREFORE,

WITNESSETH:

That the City, for and in consideration of the rents hereinafter reserved and agreed to be paid and in consideration of the promises and covenants of the part of the Lessee hereinafter set forth and enumerated, has given and granted the licenses and privileges hereinafter specified and demised and leased the lands and improvements hereinafter described to Lessee for the purpose of conducting the business of a _____ and for no other purpose, upon the terms and conditions hereinafter set out, that is to say:

(Insert a verbal description of leased property once all parties agree)

ARTICLE I.

Area Leased and Rights Granted

THE OWNER GRANTS TO THE LESSEE:

- 1.1 **DESCRIPTION OF LEASED PREMISES.** The lands and improvements herein leased are those designated on the attached map, Exhibit "A", which is made a part of this Contract. It is understood and agreed by and between the parties hereto that said lands and improvements are leased for aeronautical purposes only.
- 1.2 **SALE OF AVIATION GASOLINE.** The non exclusive right on the Airport to sell aviation gasoline and other aviation fuels to locally based and transient aircraft owned and operated by private individuals, firms, corporations and by governmental authorities, all airlines both scheduled and nonscheduled.
- 1.3 **SALE OF MOTOR OILS AND LUBRICANTS.** The non exclusive right on the Airport to sell aviation motor oils and lubricants to locally based and transient aircraft owned and operated by private individuals, firms, corporations, and by governmental authorities, all airlines both scheduled and nonscheduled.
- 1.4 **RAMP SERVICE.** The non exclusive right to contract with scheduled and nonscheduled airlines and with locally based and transient aircraft for ramp service, including but in no way limited to cleaning, parking, fueling, lubricating and otherwise servicing airplanes.
- 1.5 **TIE DOWN SERVICE.** The non exclusive right to conduct a tie-down service for locally based and transient aircraft, in those areas on the Airport as designated by the City.

- 1.6 SALES AND SALES OFFICES. The non exclusive right to maintain sales offices for the sales of, and to sell, trade and deal in new and used aircraft, aircraft engines, aircraft propellers, aircraft frames, radios, accessories, equipment and items used in and convenient for aerial navigation or communication.
- 1.7 FLIGHT SCHOOLS - CHARTER SERVICES. The non exclusive right to establish and operate flight schools for training aircraft pilots, to operate charter flights, to operate a commercial flight and aircraft for hire service, to operate an air taxi, sight-seeing, aerial photography and any other commercial flight activity.
- 1.8 MAINTENANCE FACILITIES. The non exclusive right to establish and maintain complete maintenance and repair facilities for the repair of aircraft engines, aircraft frames, radios, accessories, propellers, equipment and items used in, and convenient for any and all aircraft operation of same.
- 1.9 OTHER SERVICES. The non exclusive right to conduct any other and additional activities usually and customarily engaged in by a commercial operation at an airport, and for no other purpose, except those services for which the City maintains exclusive rights, if any.
- 1.10 INGRESS AND EGRESS. The right to ingress and egress from the demised premises over roads established on the Airport in common with others.
- 1.11 SIGNS. The right to place signs in and around the premises leased to the Tenant and the airport terminal building for the purpose of advertising the Lessee's business, with the City reserving the right to approve such signs and locations of signs.
- 1.12 COMMON FACILITIES. The right, in common with others, to use the public portion of the Airport, the ramp, parking areas, taxiways, runways, and a telephone, public address system, and intercommunication system, if any, for aeronautical purpose and no other purposes, subject to the general rules of the City, the North Carolina Division of Aviation and the Federal Aviation Administration.
- 1.13 REMOVAL OF TRADE FIXTURES. The right to remove at or before the termination of this lease any fixtures, machinery, or other equipment purchased and erected or obtained by the Lessee, provided the same may be removed without damage to the premises and that the premises are restored to as good condition as they were prior to removal, fair wear and tear excepted.
- 1.14 CHARGES FOR SERVICES. The right to make all reasonable and necessary charges usual and customary in the operation of an airport for services rendered.
- 1.15 RIGHTS NONEXCLUSIVE. It is expressly understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of exclusive rights within the meaning of Section 308 (a) of the Federal Aviation Act of 1958, as amended.
- 1.16 THE CITY OF SHELBY MAY GRANT OTHER LEASES. The terms and conditions of this agreement shall not prevent the City from executing leases with other Fixed Base Operators as well as the United States Army, United States Air Force, United States Navy or any other Federal agency pertaining to governmental flying in use of said Airport.
- 1.17 RIGHTS OF FAA OR OTHER AGENCIES. It is agreed and understood between the parties that during the term of this agreement or any renewal thereof, the Federal Aviation Administration or any other Federal or State agency shall be permitted to enter said premises and to make any improvements to or on said Airport.
- 1.18 APPROVAL OF OWNERS. Tenant must first obtain the approval of the City before making any major alterations, additions or improvements to or on the leased premises.
- 1.19 OTHER RESTRICTIONS ON TENANT. Tenant shall not enter into any transaction which would deprive the City of any of the rights and powers necessary to perform all covenants of Grant Agreements or other obligations which may arise under other types of agreements.

- 1.20 ACCEPTANCE OF PREMISES. It is agreed that the demised sites are accepted in their "as is" condition and that upon execution of this lease, Lessor assumes no further responsibility as to the condition of the demised premises nor shall it assume responsibility for the maintenance, upkeep or repairs or construction which might become necessary to keep the premises in a safe and serviceable condition.

Lessor shall, however, maintain all public roads on the Airport giving access to the leased premises in good and adequate condition for use by cars and trucks and shall maintain free access to the leased premises over said roads at all times. There shall be no responsibility to maintain any road or drive upon the leased premises nor to do anything thereon. Lessor reserves the right to relocate any and all existing roadways on the Airport, provided, however, reasonable access to the leased premises by adequate roadways are always maintained by the City.

- 1.21 NET LEASE. This lease in every sense shall be without cost to the Lessor for the development, maintenance and improvements of the demised premises. It shall be the sole responsibility of the Lessee to keep, maintain, repair and operate the entirety of the demised premises and all improvements and facilities placed thereon at Lessee's sole cost and expense.

ARTICLE II.

Term

- 2.1 The term of this lease and agreement shall begin on _____, and unless it shall terminate sooner as herein provided, the said term shall extend for ____ years.

ARTICLE III.

Rental

The Lessee agrees to pay the City for the premises, rights, licenses, and privileges herein granted, the following rental:

- 3.1 GENERAL. For the ground area herein demised, Lessee shall pay to Lessor a fixed annual rental, which said annual rental shall be payable at the rate of one-twelfth (1/12) thereof per month. Said payments to be made on or before the 1st day of each and every month hereafter in the amount hereinafter set forth; in addition, for the commercial aviation privileges, uses and rights herein granted, Lessee shall pay to Lessor certain percentage rentals and fees as hereinafter specifically set forth which will be due and payable as specified herein.
- 3.2 RENT. For the term of this Lease, the Lessee agrees to pay the City annually:
- (a) \$____ per square foot of unimproved lands;
 - (b) \$____ per square foot of improved lands;
 - (c) \$____ per square foot of buildings or structures;
 - (d) ____% of gross retail sales (excluding aircraft parts, accessories and electronic equipment sold to other authorized distributors, and electronic equipment installed on new aircraft for sale, or aircraft sales);
 - (e) ____% of gross sales of aircraft parts accessories and electronic equipment to other authorized distributors and electronic equipment installed on new aircraft for sale;

- (f) _____% of gross sales of aircraft if, for the term of this lease, such aircraft sales account for 80% or more of the Lessee's annual gross business;
- (g) \$_____ per landing for commercial aircraft weighing less than 12,500 pounds max gross weight and \$_____ per 1,000 pounds of weight per landing for aircraft weighing in excess of 12,500 pounds max gross weight;
- (h) Minimum rental for the demised premises shall in no case be less than \$_____ per year.
- 3.3 **RESERVATION.** The City reserves unto itself the right to charge any supplier of oils, gasoline, turbine fuel and lubricants, a fee for all products delivered to the Airport.
- 3.4 **PAYMENTS.** Minimum rental as stated in paragraph 3.1 above is payable in advance on the first day of each month. If the books of the Lessee and its sublessee indicated that additional rental is due under the above percentage terms for any month, then the Lessee shall pay such additional amount within thirty (30) days after the end of the period month. Should the amount due not be paid by such date, it shall be subject to interest at the rate of two percentage points above the current prime interest rate per annum. Payment of rent shall be made to the City of Shelby and/or to such persons as the City shall in writing direct.
- 3.5 **REPORTS AND RECORDS.** The Tenant shall provide the City with monthly reports of gross revenues for the period involved and date due of each report being the same as those set forth in paragraph 3.1 above applying to the payment of percentages. The books of the Lessee and/or sublessee (if applicable) shall be subject to inspections by the City at any time. However, this provision does not in any way relieve the Lessee of the obligation to pay such rentals and other sums due by the appropriate dates according to the terms of this lease. Additionally, Lessee shall submit promptly after the end of each fiscal year a certified statement of gross receipts prepared by an independent accounting firm. In the event the Lessee fails to submit this statement within three (3) months after year end, the City shall have the right to conduct such an audit at Lessee's expense.

In the event that any dispute may arise as to gross sales, rents and charges for services, it is expressly agreed between the parties hereto that the amount claimed due by the City shall be paid, and, upon such payment, the dispute shall be submitted to a recognized Certified Public Accountant, agreeable to both parties, and such Accountant shall determine the rights of the parties hereunder conforming to standard accounting procedures. The fees due such Accountant for such determination shall be paid by the unsuccessful party, or, in the event the determination is partly the favor of one party and partly in favor of the other, shall be paid by each of the parties in proportion to the extent of the determination against them.

In the event that the parties do not agree upon an Accountant within thirty (30) days after either has given the other notice of desire for such procedure, an Accountant shall be selected as follows: The party desiring to submit the controversy to an Accountant shall, within ten (10) days after such thirty (30) day period, request the Society of Certified Public Accountants to furnish a list of five (5) Certified Public Accountants doing business in the area. Upon receipt of such list, the party shall thereupon cross one name from the list and submit it to the other party to this Lease, who shall have the right to delete one name from the list. The list shall then be returned to the original party, who shall have the right to delete a third name. The name remaining on the list following this methodology shall be the Accountant selected to make the determination under this paragraph. In the event such Accountant determines that the amounts due are unpaid or overpaid, adjustment shall be made within fifteen (15) days after such determination.

This method of settling disputes shall also be used in the event there is any question of the accounting practices of the Lessee or Sublessee (if applicable).

ARTICLE IV.

Licenses, Fees and Taxes

4.1 The Lessee agrees to pay, when due, all licenses, fees and taxes charged, assessed or levied by any governmental authority. The failure to pay any tax, license or fee, the validity of which shall be contested in good faith, shall not be interpreted as a violation of this covenant until such contest shall have been abandoned, or resolved by the courts and the time for objection or appeal has expired.

ARTICLE V.

Insurance and Maintenance

5.1 **MAINTENANCE.** Tenant shall maintain the improvements on the premises herein demised in good repair, and in a neat and orderly condition, during the term hereof. In the event of any failure to do so, the City may perform such maintenance or repairs, and the cost thereof, together with interest at the rate of two percentage points above the current prime interest rate from the date paid by City shall be collectible as additional rent. Lessee shall not use the premises in any manner which will increase the risk of fire over and above the risk which is normal for the contemplated use of the premises. At the termination of Lessee's occupancy of said premises the Lessee shall return the premises to the City in good order, ordinary wear and tear or other casualty, not due to Lessee's fault or neglect of Lessee's subleases, tenants, customers, agents suppliers or employees, excepted.

5.2 **TIE DOWN AREAS.** The Lessee agrees to maintain the tie down areas to be in use in the area demised to the Lessee. Any additional tie down areas designated by the City for use by the Lessee shall be maintained by the Lessee.

5.3 **COMMON AREAS.** Lessee recognizes that other tenants now and hereafter may occupy other portions of the terminal and/or field and will have the right to use the ramps and driveways serving their areas, and agrees that it will so conduct its operations as not to interfere with or injure such tenants' quiet enjoyment of their leases.

5.4 **FIRE INSURANCE.** Lessee shall procure from a company authorized to do business in the State of North Carolina and keep in force fire insurance on its leasehold improvements in an amount not less than one hundred (100) percent of the replacement value of said improvements and shall furnish Lessor with evidence that such coverage has been procured and is being maintained, and will contain a clause requiring that the City be notified thirty (30) days prior to any changes in coverage.

The proceeds of any such insurance, paid on account of fire, explosion or like perils, shall be used to defray the cost of repairing, restoring or reconstructing said improvements, as necessary. In the case of destruction by fire or other casualties, ground rentals and minimum rentals shall be waived during the period of reconstruction, but in no event for more than one hundred twenty (120) days.

5.5 **INDEMNIFICATION.** Lessor shall stand indemnified by the Lessee as herein provided. It is expressly understood and agreed that Lessee is and shall be deemed to be an independent contractor and operator responsible to all parties for its respective acts or omissions and that Lessor shall in no way be responsible therefore. In the use of the Airport, in the erection or construction of any improvements thereon, and in the exercise or enjoyment of the privileges herein granted, Lessee shall indemnify and save harmless the Lessor from any and all losses that may proximately result to the Lessor because of any negligence on the part of the Lessee, and shall indemnify Lessor against any and all mechanic's and material men's liens or any other types of liens imposed upon the premises demised hereunder.

5.6 **LIABILITY INSURANCE.** The Lessee agrees to procure and maintain in force applicable insurance coverage providing for the payment of any judgment against the City and/or any of its officers, members, or employees arising out of the use of the leased premises or arising from any activities of the Lessee at the Shelby-Cleveland County Regional Airport in the sum of:

<u>Type</u>	<u>Amount</u>
Passenger, Aircraft, Public, and Product Liability	\$

A certificate of Insurance from all insurance companies with a clause providing for a thirty (30) day Notice of Cancellation or alteration in each policy must be deposited with the City.

All such insurance is subject to the following provisions:

- (a) It must cover complete contractual liability and personal injury as well as bodily injury.
- (b) In all such insurance the word "Accident shall be replaced by the word "Occurrence".
- (c) It shall contain a provision requiring the insurance carrier to give the City thirty (30) days prior written notice of any cancellation of such insurance, or any reduction in coverage, or any other major change in such insurance.
- (d) It must include airport liability insurance, including occurrence property damage; and it must also include hangar keepers insurance, where applicable in the judgment of the City.
- (e) In order to provide indemnification from liability created by acts of Lessee, it is agreed that the policies or certificates of liability insurance shall name as additional insured the City of Shelby, the Airport Commission, its officers, agents and its employees.

It is mutually agreed that the amount of the insurance coverage required above shall be reviewed and may be adjusted annually during the term of this lease. The amount of the coverage shall be adjusted upward to accord with the upward movement of Consumer Price Index (C.P.I.) and may be adjusted downward if the Lessee so desires to accord with the downward movement of the C.P.I. The movement of C.P.I. shall be determined by comparing said index each December with said index of the proceeding December.

ARTICLE VI.

Covenants of and Services by Lessee

The Lessee covenants and agrees to render and perform the following services for the benefit of the public at the Shelby-Cleveland County Regional Airport and to maintain the following standards of performance and to meet all requirements of the City and other regulatory agencies:

- 6.1 OFFICES. To maintain a general office located on the demised premises for the general transaction of business, at all reasonable hours.
- 6.2 FLIGHT SCHOOLS - RENTALS - CHARTER SERVICE. To provide adequate flight instructions with qualified instructors and adequate aircraft for training aircraft pilots; to provide suitable and adequate aircraft for rental to qualified pilots; to provide adequate charter service.
- 6.3 SALES OFFICE. To maintain a sales office for the sale of, and to sell, trade, and deal in new and used aircraft, aircraft engines, aircraft propellers, aircraft frames, radios, accessories, equipment, and items used in and convenient for aerial navigation or communications.
- 6.4 MAINTENANCE. To establish and provide reasonably adequate maintenance facilities for based and transient aircraft.
- 6.5 RELEASE. Notwithstanding other or inconsistent provisions of this lease, the City shall not be liable for, and is hereby released from, all liability to the Lessee, to Lessee's insurance carrier, or to anyone claiming under or through the Lessee, for any loss or damage whatsoever to the property or effects of the Lessee resulting from

fire, or from the discharge of water or other substance from pipes, sprinklers, conduits, containers, or appurtenances thereof or fixtures thereto, or from any damage resulting from the discharge of electric current, regardless of cause or origin, specifically the negligence of the City, its co-sponsors, its agents, employees or guests.

- 6.6 POLICE THE PREMISES. The Lessee shall at all times keep its leased Airport premises clean and free from rubbish, in neat and presentable manner.

ARTICLE VII.

Rules and Regulations

- 7.1 The Lessee agrees to observe, obey and conform to all laws, ordinances, rules and regulations lawfully now in effect or hereafter adopted for the general operation of the Airport and its facilities located thereat, or for the conduct of the persons thereon, by any local, state or federal legal authority having jurisdiction thereof.

ARTICLE VIII.

Utility Service

- 8.1 UTILITY SERVICE. The Lessee agrees to make arrangements for, and will provide at its own expense, heating, light, water and power not specifically supplied by the City. In the event Lessee fails to pay any utility bills when due, the City may, at its option, pay the same, and collect all amounts so disbursed from Lessee as additional rent, said additional rent to include interest at the rate of two percentage points above the current prime interest rate per annum from the date paid by the City. It is agreed that the Lessee may, at its own expense and subject to approval of the plans by the City, install such heating devices, sprinkler systems, etc., as it deems necessary.

ARTICLE IX.

Subletting and Assignment

- 9.1 The Lessee agrees not to assign or sublet in whole or in part without the written consent of the City which consent shall not be unreasonably withheld. The City reserves the right to charge any such lessee or sublessee for the privilege of doing business on the field.

All subleases shall be subject to all the terms of this lease unless otherwise agreed to in writing by both parties.

ARTICLE X.

Miscellaneous

- 10.1 TAXES. The City is exempt from taxation. Lessee agrees to pay any taxes which may be properly assessed against it or its property located on the Airport or arising out of business done at the Airport.
- 10.2 CHANGE OF CONTROL. The Lessee recognizes the City's interest in providing proper service for the users of the Airport, and agrees that the City shall be notified in advance of any proposed change in control of Lessee. Such new controlling interest shall be subject to acceptance by the City, which acceptance shall not be unreasonably withheld.

ARTICLE XI.

Default and Termination

11.1 **TERMINATION.** This lease shall terminate at the end of the full term hereof and Lessee shall have no further right of interest in any of the lands or improvements hereby demised, except as provided in Article XII.

11.2 **CANCELLATION BY LESSEE.** This lease shall be subject to cancellation by Lessee after the happening of one or more of the following events:

- (1) The permanent abandonment of the Airport as an air transportation facility.
- (2) The lawful assumption by the United States Government, or any authorized agency, thereof, of the operation control or use of the Airport, or any substantial part or parts thereof, in such a manner as substantially to restrict Lessee for a period of at least ninety (90) days from operating thereon.
- (3) Issuance by any court of competent jurisdiction of any injunction in any way preventing or restraining the use of the Airport, and the remaining in force of such injunction for a period of at least ninety (90) days.
- (4) The default by Lessor in the performance of any covenant or agreement herein required to be performed by Lessor and the failure of Lessor to remedy such default for a period of sixty (60) days after receipt from Lessee of written notice, by registered mail, to remedy the same.

Lessee may exercise such right of termination by written notice delivered by registered mail to Lessor at any time after the lapse of the applicable periods of time and this lease shall terminate as of that date. Rental due hereunder shall be payable only to the date of said termination; and Lessee shall be eligible for liquidated damages in accordance with Article XII, Paragraph 12.2.

11.3 **CANCELLATION BY LESSOR.** This lease shall be subject to cancellation by Lessor in the event Lessee shall:

- (1) Be in arrears in the payment of the whole or any part of the amounts agreed upon hereunder for a period of ten (10) days after the time such payments become due;
- (2) File a voluntary petition in bankruptcy;
- (3) Make a general assignment for the benefit of creditors;
- (4) Abandon the demised premises;
- (5) Discontinue commercial aviation operations;
- (6) Fail to replace any improvements which have been destroyed by fire, explosions, etc., within six (6) months from the date of such destruction;
- (7) Be in default in the performance of any of the covenants and conditions required herein (except rental payments) to be kept and performed by Lessee, and such default continues for a period of thirty (30) days after receipt of written notice from Lessor of said default.

In any of aforesaid events, Lessor may take immediate possession of the demised premises and remove Lessee's effects, forcibly if necessary, without being deemed guilty of trespassing. Upon said entry this lease shall terminate. Any rental due hereunder shall be payable to said date of termination.

Failure of Lessor to declare this lease terminated upon the default of Lessee for any of the reasons set out shall not operate to bar or destroy the right of Lessor to declare this lease null and void by reason of any subsequent violation of the terms of this lease.

- 11.4 WAIVER. No waiver of default by the City of any of the terms, covenants or conditions hereof to be performed, kept and observed by Lessee shall be construed to be a waiver of any subsequent default. The acceptance of rental or the performance of all or any part of this lease agreement by the City for or during any period or periods after a default of any of the terms, covenants and conditions herein contained to be performed, kept and observed by Lessee, shall not be deemed a waiver of any right on the part of the City to cancel this lease agreement for a subsequent breach thereof.
- 11.5 SUSPENSION OF LEASE. During the time of war or national emergency, Lessor shall have the right to lease the landing area or any part thereof to the United States Government for military use. If any such lease is executed, any provisions of this instrument which are inconsistent with the provisions of the lease to the Government shall be suspended, provided that the term of this lease shall be extended by the amount of the period of suspension.

ARTICLE XII

Rights Upon Termination

- 12.1 GENERAL. At the termination of this lease for any reason except as outlined in Paragraph 12.2, below, Lessor shall be entitled and may require to have the land demised herein returned to it, clear of all improvements above ground level which have been constructed by Lessee; provided, however, that Lessee may have ninety (90) days after termination in which finally to remove any such improvements, and provided that such occupancy for purposes of removal shall be subject to rentals due hereunder. If Lessee fails to remove said improvements, they may thereafter be removed by Lessor at Lessee's expense.

Lessor may, at its option, take title to said improvements in lieu of removal by or for Lessee.

- 12.2 LIQUIDATED DAMAGES. In the event this lease is canceled because of the failure of Lessor to perform its obligations, as outlined in Article XI, Paragraph 11.2, Lessor shall pay to Lessee liquidated damages as follows:

- (1) Said liquidated damages shall be the depreciated value of fixed improvements, plus a premium of two (2%) percent per year of said depreciated value for the unexpired term of the lease.
- (2) Said depreciated value shall be computed for twenty (20) years, based on actual original cost of the improvements placed on the demised premises.
- (3) Actual original cost shall be verified by actual bills and receipts pertaining to original construction and shall be approved in writing by Lessor, when construction is completed.

Upon payment by Lessor to Lessee of said liquidated damages, all such improvements shall become the sole property of the Lessor. Lessee may, at its option, remove said fixed improvements in lieu of accepting said depreciated value. In that event, the premium of two (2%) percent, as aforesaid, shall be payable to Lessee by the Lessor.

- 12.3 PERSONAL PROPERTY. Title to personal property shall at all times during the term of this lease remain in Lessee. Upon termination of this lease for any cause, Lessee shall remove said personal property, from the demised premises within thirty (30) days after said termination. If Lessee fails to remove said personal property, said property may thereafter be removed by Lessor at Lessee's expense.

ARTICLE XIII

Governmental Agreements

13.1 The City or Designated Representative hereby advises Lessee that the City or Designated Representative represents that it intends from time to time hereafter, to enter into agreements with the United States Government and North Carolina State Government Agencies in respect to the application for funds for improvements to be made at said Airport, as required by pertinent statutes, rules and regulations of respective and duly constituted, competent governmental authority having jurisdiction thereof. This lease is expressly made subject to all of said agreements now existing or hereafter to be made.

ARTICLE XIV.

Miscellaneous

14.1 **INSPECTION BY the City of Shelby.** The City or Designated Representative may enter upon the premises hereby leased by Lessee hereunder at reasonable times for any purpose necessary, incidental to or connected with the performance of its obligation hereunder, or for the purpose of inspection.

14.2 **NOTICES.** All notices, consents and approvals required or authorized by this lease agreement to be given by or on behalf of either party to the other shall be in writing and signed by a duly designated representative of the party by or on whose behalf they are given, and shall be deemed given when delivered to the party receiving the same, or at the time a registered letter, properly addressed and postage prepaid is delivered.

Notices to the City shall be addressed to it and delivered at the office of the either by hand or by registered mail, postage prepaid, or at such place as the City may hereafter designate by notice to the Lessee in writing.

Notices to the Lessee shall be addressed to it and delivered to either by hand or by registered mail, postage prepaid, or at such place as the Lessee may hereafter designate by notice to the City in writing.

14.3 **AGREEMENT AGAINST DISCRIMINATION.** The Lessee in the operation and use of the facilities hereby leased on the Shelby-Cleveland County Regional Airport covenants and agrees that it will not on the grounds of race, color, sex, or national origin discriminate or permit discrimination against any person or group of persons in any manner prohibited by Part 15 of the Federal Aviation Regulations. Lessee hereby grants to the City the right to take such action within (30) days written notice, as the United States Government may direct to enforce the above nondiscrimination covenant.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed by their duly authorized officers, in duplicate, as of the day and year first above written.

By: _____
Chairman

ATTEST: _____
Secretary

By: _____
President

ATTEST: _____
Secretary

(Corporate Seal)

NORTH CAROLINA

CITY OF SHELBY

I, _____, a Notary Public in and for said City and State, do hereby certify that _____ personally came before me this day and acknowledged that he is _____ of _____ a corporation, and that, by authority duly given, and as the act of the corporation, the foregoing instrument was signed in its name by its _____, Chairman and attested by himself as its _____.

My commission expires _____.

Witness my hand and notarial seal, this the _____ day of _____ 20_____.

Notary Public

(SEAL)

NORTH CAROLINA

CITY OF SHELBY

I, _____, a Notary Public in and for said City and State, do hereby certify that _____ personally came before me this day and acknowledge that he is _____, of _____ a corporation, and that, by authority duly given, and as the act of the corporation, the foregoing instrument was signed in its name by its _____, _____, sealed with its corporate seal, and attested by himself as its _____, _____.

My commission expires _____.

Witness my hand and notarial seal, this the _____ day of _____ 20_____.

Notary Public

(SEAL)

STATE OF NORTH CAROLINA

MANAGEMENT AGREEMENT

CITY OF SHELBY

THIS AGREEMENT MADE AND ENTERED into this _____ day of _____, 20____, by and between the City of Shelby, hereinafter referred to as "OWNER", and _____, hereinafter referred to as "MANAGER,"

WITNESSETH:

WHEREAS, the OWNER desires _____ to act as resident agent of the OWNER in the day-to-day operation of the airport;

NOW, THEREFORE, for the mutual consideration hereinafter stated, the Owner authorizes _____, hereinafter referred to as the "MANAGER", to act as Manager of the Shelby-Cleveland County Regional Airport. As compensation for acting as Airport Manager, the OWNER will compensate the MANAGER to total sum of \$ _____ per month provided that the MANAGER agrees to the following terms and conditions, to-wit:

- (1) The MANAGER agrees to operate the airport; in accordance with the obligation of the OWNER to the State of North Carolina and/or Federal Government under any existing or future Grant Agreements or Surplus Property Deeds outstanding at the time of execution of the agreement; or any outstanding Section 23 or Section 16 deeds, if the airport is not also subject to either a grant agreement or surplus property deed. In furtherance of this general covenant, but without limiting its general applicability, the MANAGER specifically agrees to operate the airport for the use and benefit of the public; to make available all airport facilities and services to the public on fair and reasonable terms and without discrimination; and to provide space on the airport, to the extent available, and to grant rights and privileges for use of the landing area facilities of the airport to all qualified persons, firms and corporations desiring to conduct aeronautical operations on the airport.
- (2) It is specifically understood and agreed that nothing herein contained shall be construed as granting or authorizing the granting of an exclusive right within the meaning of Section 308 (a) of the Federal Aviation Act.
- (3) The OWNER reserves the right to take any action it considers necessary to protect the aerial approaches of the airport against obstruction, together with the right to prevent the OPERATOR or MANAGER from erecting, or permitting to be erected, any building or other structures on the airport which, in the opinion of the OWNER, would limit the usefulness of the airport or constitute a hazard to aircraft.
- (4) The OWNER reserves the right to develop or improve the airport as it sees fit, regardless of the desires or views of the MANAGER, and without the interference or hindrance on the part of the MANAGER.
- (5) This Agreement shall be subordinate to the provisions of any existing or future agreement entered into between the OWNER and the State of North Carolina and/or the United States to obtain aid for the improvement or operation and maintenance of the airport.
- (6) The OWNER, upon written notification thereof, reserves the right to terminate the services of the MANAGER, and the MANAGER, upon written notification thereof, reserves the right to resign, either effective upon notice.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed the day and year first above written.

The City of Shelby

(CORPORATE SEAL)

BY: _____

ATTEST: _____

WITNESS:

MANAGER

(SEAL)

BY: _____

ATTEST: _____

WITNESS:

"THROUGH THE FENCE" OPERATIONS AGREEMENT

INTRODUCTION

"Through the fence" operations should be approached cautiously and deliberately to ensure that the City does not relinquish its right of control of the Airport. Any provision which would violate any grant agreement assurance, such as FAA's standard assurance Number 5, "Preserving Rights and Powers" would place the City in danger of being declared in "non-compliance," which means that the loss of Federal funds is possible. Several provisions in such an agreement which the FAA has determined to be "mandatory" are:

- the City must maintain the right to restrict access, should the need arise;
- the City must require the adherence to airport rules and regulations, as currently adopted or as may be adopted;
- the City is to require the accrual of certain financial benefits to the City (e.g. fuel flowage fees and/or access fees);
- the proposed operation must assure to the City that allowing the "through the fence" operation will in no way restrict future airport development.

STATE OF NORTH CAROLINA

CITY OF SHELBY

AIRPORT ACCESS LEASE AND PERMIT

THIS AGREEMENT is made and entered into this _____ day of _____, 20_____, by and between _____ (Referred to as the LESSEE), and the City of Shelby (referred to as the LESSOR).

STATEMENT OF PURPOSE

WHEREAS the LESSOR is the owner of the real property on which is located the Shelby-Cleveland County Regional Airport (hereinafter referred to as the AIRPORT), and the LESSEE is or will become the owner of real property which adjoins the AIRPORT. The LESSEE desires to acquire from the LESSOR an access easement for the purpose of moving aircraft from the LESSEE's said real property to the runways, taxiways, and apron of the AIRPORT. The LESSOR has agreed to convey an access easement to the LESSEE provided the LESSEE agrees to comply with the terms and conditions hereinafter set forth regarding the LESSEE's use of the LESSOR's property.

AGREEMENT

NOW, THEREFORE, in consideration of the premises and the mutual covenants hereinafter set forth, the parties hereto agree as follows:

1. **EASEMENT.** Subject to the terms and conditions hereinafter set forth, LESSOR hereby grants and conveys unto LESSEE, its successors and assigns, an exclusive easement for constructing, locating and maintaining an accessway for aircraft to and from LESSEE's property and the runway and taxiways of the AIRPORT to use such runway and taxiways for takeoffs, landings and ground maneuvering of their aircraft, said easement to be for a term of _____ (___) years, renewable with the consent of the parties hereto, their successors and assigns, which consent shall not be unreasonably or arbitrarily withheld. The proposed location of such access easement is shown on the site plan labeled Exhibit "A" attached hereto and made a part hereof. LESSEE shall have the right, at its expense, to grade the real property located in the vicinity of the access easement and to construct paving within the access easement as necessary in order to provide a paved accessway from LESSEE's property that physically joins or connects to the existing paved taxiway on the AIRPORT shown on the site plan attached hereto as Exhibit "A". Any such construction shall be performed in a workmanlike manner, will be of a quality at least as good as the quality of the existing paved areas of the AIRPORT with which the accessway is to join or connect, and at the sole expense of the LESSEE. LESSOR agrees that upon the request of LESSEE, LESSOR and LESSEE shall enter into a separate easement agreement in a form suitable for recording in the Office of the Register of Deeds of the City of Shelby, North Carolina, which instrument shall more particularly describe the location, terms and conditions of the access easement described herein.
2. **CONDITIONS OF USE.** LESSEE agrees that the use by LESSEE, its successors or assigns of the LESSEE's property and the access easement described herein shall be subject to the following terms and conditions:
 - A. LESSEE will abide by all ordinances, rules and regulations now in effect or hereafter adopted by the LESSOR or the duly appointed representative of LESSOR relating to the operation and regulation of the AIRPORT.
 - B. In the event of a violation of any ordinance, rule or regulation relating to the operation and regulation of the AIRPORT by LESSEE, its successors or assigns, LESSOR shall give LESSEE written notice thereof and LESSEE shall have 10 working days following receipt of said written notice within which to cure such violation. If any such violation is not cured within 10 days, LESSOR shall have the right to suspend or terminate LESSEE's right to the use of the access easement hereinabove

described until such violation is cured. Notwithstanding the foregoing, in the event a violation of any ordinance, rule or regulation by LESSEE, its successors or assigns, creates an emergency situation or constitutes an eminent danger or hazard to the use and operation of the AIRPORT, LESSOR shall have the right to immediately take such measures as may be reasonably necessary to cure such violation and/or to immediately suspend LESSEE's right to the use of the access easement herein described.

- C. LESSEE shall provide and designate a protected aircraft area on LESSEE's property, as shown and designated on the site plan attached as Exhibit "B", shall provide signage on LESSEE's property designating such protected aircraft area, shall provide a fence between such protected aircraft area and areas used by automobiles, shall regulate the use of said protected aircraft area, and shall adopt and enforce rules and regulations relating to the use thereof.
- D. LESSEE shall provide on LESSEE's property, facilities for aircraft storage within the area shown and designated on the site plan attached as Exhibit "B".
- E. For so long as the AIRPORT utilizes navigational and directional landing assistance systems, LESSEE agrees that no structures or buildings shall be erected or located on LESSEE's property within 750 feet from the centerline of the runway on the AIRPORT, and that LESSEE will comply with such other restrictions on the location or height of structures or other buildings on LESSEE's property due to the use of any existing or proposed navigational and directional landing assistance systems by the AIRPORT.
- F. LESSEE agrees to pay LESSOR a fee equal to \$_____ per gallon of aviation fuel pumped or supplied directly to aircraft on LESSEE's property by LESSEE, its successors or assigns; it being understood, however, that the fee set forth herein is intended to be the fee uniformly imposed on all parties by LESSOR for the pumping or sale of aviation fuel at or near the AIRPORT, and LESSOR agrees that should a lesser fee be charged other parties by LESSOR for the pumping or sale of aviation fuel at or near the AIRPORT, the fee to be paid by LESSEE under the terms of this paragraph shall be reduced to such lower fee. The fee payable hereunder shall be reviewed every year and shall be adjusted in accordance with the then generally existing fee structure.
- G. LESSEE further agrees to pay LESSOR an access fee for the use of the easement herein granted in the amount of \$_____ per annum, payable annually, in advance, the first payment being due as of _____, 20___. The fee payable hereunder shall be reviewed every year, and shall be adjusted in accordance with the then prevailing general conditions and uses of the easement and the AIRPORT.
- H. LESSEE shall notify the appropriate officials of the Federal Aviation Administration by the proper FAA notice form of LESSEE's plans and intent to commence construction prior to commencing the construction of any structures or buildings within the building restriction area described in sub-paragraph (5) above.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals as of the date first above written.

ATTEST:

LESSEE

DATE

DATE

ATTEST:

LESSOR

DATE

DATE

CITY OF SHELBY

STATE OF NORTH CAROLINA

SERVICE PERMIT AGREEMENT

This PERMIT made and entered into by and among City of Shelby, North Carolina, the (Owner), a body corporate and politic of the State of North Carolina and _____, a corporation organized and existing under the laws of the State of North Carolina (Permittee).

WITNESSETH:

WHEREAS, Owner desires to enter into approved agreement with Permittee for the use of certain Airport premises; and

WHEREAS, the Owner and Permittee are mutually desirous of entering into an Agreement for the use and provision of certain services at the Airport.

NOW, THEREFORE, for and in consideration of the respective promises and mutual agreements made by the parties hereto hereinafter set forth, it is mutually agreed as follows:

1. Owner hereby grants to the Permittee, and the Permittee hereby accepts from the Owner for the term herein stated and subject to all the terms and conditions herein contained, the privilege of providing aviation services as herein defined.
2. Term.
 - 2.1 This Permit shall become effective on _____, 20____, and shall terminate on _____, 20 ____, unless terminated sooner as hereinafter provided.
3. Operations/Uses.
 - 3.1 Permittee shall operate for the uses granted hereunder for the accommodation of the public using the Airport at such times and in such manner as the Owner may reasonably prescribe. This Permit shall be for the following described uses/operations:

(Insert uses/operations here)
 - 3.2 Permittee expressly agrees, as part of the consideration for this Permit, to comply with either terms and conditions of the underlying Airport rules and regulations/minimum standards, the terms of which are incorporated herein by express reference.
4. Required Approvals
 - 4.1 The Permittee, at its sole cost and expense, shall obtain and maintain in full force and effect of the Term, all permits, licenses, certificates and approvals for all governmental authorities as are, or may from time to time, be required for the lawful operation of this Permit.
5. No Lease

5.1 It is expressly understood and agreed that no building structure, equipment or space is leased to the Permittee.

6. Assignability

6.1 Permittee shall not assign, mortgage or transfer this Permit, or any interest herein without obtaining the prior written consent of the Owner, it being intention of the Owner to grant this Permit solely and exclusively to the Permittee.

7. Right Access and Inspection

7.1 Permittee shall allow the Owner to enter any space assigned to the Permittee at all reasonable times for the purpose of observing, monitoring, reviewing and/or inspecting any aspect of Permittee's operations hereunder.

8. Risk of Operations

8.1 Permittee assumes all risks in the operation of this Permit and shall comply with all federal, state, city and local laws, rules, regulations affecting Permittee's Airport Operations including, but not limited to, the space assigned to the Permittee, if any.

9. Airport Rules and Regulations

9.1 Permittee and all of its employees and designees will adhere to the published rules and regulations, prescribed by the Owner for operations at the Airport, as may be in effect during the term of the Permit and to any and all amendments thereto as shall from time to time be made by Owner or its designee. Owner shall, upon request, furnish copies of such rules and regulations to Permittee. However, failure of Owner to furnish such rules and regulations shall not in any way relieve Permittee from its obligations hereunder.

9.2 Permittee acknowledges that the whole of the Airport is subject to the rules and regulations promulgated from time to time by the Federal Aviation Administration of the United States and to the supervision, inspection and regulations of its representative, and Permittee agrees to abide and cause its officers, employees, servants, agents and designees to abide by all said rules and regulations and promptly to obey all orders in respect thereof. Without limiting the generality of the forgoing, Permittee and its designees will promptly comply with the following provisions:

9.2.1 Permittee shall furnish accommodations and/or services on a fair, equal and not unlawfully discriminatory basis to all users thereof and it shall charge fair, reasonable and not unjustly discriminatory prices for each unit or service.

9.2.2 The Permittee's noncompliance with the provisions of this Section shall constitute a material breach of this Permit. In the event of such noncompliance, Owner may take any appropriate action to enforce compliance, or by giving twenty-four (24) hours' notice, may revoke this Permit, and the permission hereunder, or may pursue such other remedies as may be provided by law, and as to any or all of the foregoing, the Owner may take such action as the United States may direct.

9.2.3 The Permittee shall indemnify and hold harmless the Owner, its subsidiaries and affiliates, from any claims and demands of third persons including the United States of America resulting from the noncompliance with any of the provisions of this Section and the Permittee shall reimburse the Owner for any loss or expense incurred by reason of such noncompliance.

9.2.4 It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right within the meanings of Section 308 of the Federal Aviation Act or any other prohibition of applicable Federal or State law.

10. Violations

10.1 In the event that the Permittee defaults on the performance of any term, condition or covenant herein contained, the Owner at its sole option and in addition to any other remedy it may have to seek damages, judicial enforcement or any other lawful remedy, may terminate this Permit.

11. No Agency of Joint Venture

11.1 This Permit shall not be construed to make the Owner an agent of, or joint venture within, the Permittee. Each of the parties hereto expressly disclaims any intention to enter into such agency or joint venture and agrees that it shall so conduct itself as not to act or purpose to act on behalf of the other.

12. Notices

12.1 All notice hereunder shall be in writing and shall be deemed when delivered, or mailed, postage prepaid, certified mail, return receipt requested, addressed as follows:

To Owner:

To Permittee:

or to such other addresses as any party may designate by notice.

13. Remedies to be Non-Exclusive

13.1 Except where otherwise specifically provided, all remedies provided in this Permit shall be deemed cumulative and additional and not in lieu of or exclusive of each other or of any other remedy available to either party at law or in equity and the exercise of any remedy, or the existence herein of other remedies or indemnities, shall not prevent the exercise or election of any other remedy. The parties hereby waive defenses based upon, in whole or in part, municipal or sovereign immunities or act of state doctrine, or defenses of similar input.

14. Insurance and Indemnification

14.1 The Permittee, in its own name and naming the Owner as an additional named insured shall obtain and maintain in continuous effect for the term hereof, policies of insurance providing for coverage in the limits set forth. The insurance specified is that to be procured by the Permittee at the commencement of the term and may be reviewed or modified by the Owner as to amount and type of coverage to be obtained and maintained by the Permittee, provided, however, that such review and modifications shall be based upon good faith application of generally accepted risk management principles.

14.2 The Permittee agrees to protect, defend, indemnify and hold the Owner, its Commissioners, its officers, employees and agents free and harmless from and against any and all losses, penalties, damages, settlements, costs (to include reasonable attorney's and other professional fees), charges or other expenses or liabilities of every kind and character arising out of or relating to any and all claims, liens, demands, obligations, actions, proceedings or causes of action or every kind and

character in connection with or arising directly or indirectly out of this Permit and/or the performance thereof. Without limiting the generality of the foregoing, any and all claims, etc., relating to personal injury, death, damage to property, defects in materials or workmanship, actual or alleged infringement of any patent, trade mark, copyright (or application of any thereof), or of any actual or alleged violation of any applicable statute, ordinance, administrative order, rule or regulation, or decree of any court, shall be included in the indemnity hereunder.

15. Compliance with Law

- 15.1 The Permittee shall procure all licenses, certificates, permits or other authorization from all governmental authorities, if any, having jurisdiction over the operations at the Airport which may be necessary for the Permittee's operations thereat.
- 15.2 The Permittee shall pay all taxes, licenses, certification, permit and examination fees and excises which may be asserted, levied, exacted or imposed on its property or operation hereunder or on the gross receipts or income therefrom, and shall make all applications, reports and returns required, in connection therewith.
- 15.3 The Permittee shall promptly observe, comply with and execute the provisions of any and all present and future governmental laws, rules, regulations, requirements, orders and directions which may pertain or apply to the Permittee operations at the Airport.
- 15.4 The Permittee obligations to comply with governmental requirements are provided herein for the purpose of assuring proper safeguards for the protection of persons and property at the Airport.

IN WITNESS WHEREOF, the parties hereto have executed the presents on the day and year first above written.

City of Shelby:

Witness _____ BY: _____

Permittee:

Witness _____ By: _____