

AGENDA
LAKE CHELAN AIRPORT BOARD
May 9, 2013

1. Approve Minutes of the April 11, 2013 Airport Board Meeting
2. Approve Minutes of the April 25, 2013 Airport Board Meeting
3. Approve Claim & Payroll Warrants (Reviewed by Harper)
4. Skydive Chelan Landing Area Lease

2013A-02

MINUTES OF THE APRIL 11, 2013
AIRPORT BOARD MEETING
Chelan City Hall, 135 East Johnson Street, Chelan, Washington

PRESENT: Airport Board President Goedde; Airport Board Members Cooney, Harper, Higgins, Isenhart, McCardle, Morehouse, and Steele; Airport Manager Schmidt, and Airport Board Secretary Gallucci.

Mr. Goedde called the meeting to order at 8:08 p.m.

WARRANTS AND MINUTES: Ms. McCardle moved to approve Claim Warrants No. 5685 – 5691 totaling \$5,317.91; Payroll Warrants No. 2762 – 2766 totaling \$2,748.46. Second by Ms. Isenhart. Motion passed unanimously.

There being no further business the meeting adjourned at 8:08 p.m.

Prepared by:

Attested to:

Date approved by Airport Board:

Peri S. Gallucci
Airport Board Secretary

Robert R. Goedde
Airport Board President

MINUTES OF THE APRIL 25, 2013
AIRPORT BOARD MEETING
Chelan City Hall, 135 East Johnson Street, Chelan, Washington

PRESENT: Airport Board President Goedde; Airport Board Members Cooney, Harper, Higgins, Isenhart, McCardle, Airport Manager Schmidt, and Airport Board Secretary Gallucci.
ABSENT/EXCUSED: Morehouse and Steele.

Mr. Goedde called the meeting to order at 7:04 p.m.

WARRANTS: Ms. McCardle moved to approve Claim Warrants No. 5692 – 5697 totaling \$2,382.69; Payroll Warrants No. 2767 – 2771 totaling \$1,797.80. Second by Mr. Cooney. Motion passed unanimously.

MINUTES: The minutes were removed from the agenda.

There being no further business the meeting adjourned at 7:05 p.m.

Prepared by:

Attested to:

Date approved by Airport Board:

Peri S. Gallucci
Airport Board Secretary

Robert R. Goedde
Airport Board President

AGENDA BILL NO. 2013A-02

BUSINESS OF THE LAKE CHELAN AIRPORT BOARD
CHELAN, WASHINGTON

SUBJECT: Skydive Chelan Airport
Landing Area Lease

MEETING DATE(S) AND EXHIBITS:

May 9, 2013
1. Draft Lease Agreement

FOR AGENDA OF: May 9, 2013
Revised:

ORIGINATOR: Paul Schmidt
Airport Board Manager

DATE SUBMITTED: May 3, 2013
Revised:

APPROVED:
Airport Board Manager:



EXPENDITURE REQUIRED: Budget Line No.	AMOUNT BUDGETED:	APPROPRIATION REQUIRED:
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***** SUMMARY STATEMENT/ISSUES *****

The Lake Chelan Airport was approached by "Skydive Chelan" early this year to request a formal lease for a parachute landing area. "Skydive Chelan" is a relatively new recreation business venture that is currently subleasing office space at our airport and now needs a designated area to land parachute participants as part of their business. The FAA does recognize parachute landing similar to an aircraft landing and as such, they do have a right to use a designated public airport for landing purposes. However, the airport also has the right to properly regulate parachute landing and subsequently, the need for a formal lease arrangement.

The Lake Chelan Airport personnel developed the parachute landing lease by conferring with other airport managers and our airport consultant. Our City attorney has reviewed the lease for all proper legal terms. This lease is for a two year term at approximately \$2,400 per year. The value of the lease was based on the landing area size of 122,000 square feet at \$0.02 per square foot. At the end of 2014, we will reassess the lease arrangements for any further refinements and will bring the matter before the Airport Board if both parties wish to continue with the lease.

- Public Hearing
- Closed Record Appeal/Decision
- Recommendation from Staff
- Quasi-Judicial Matter
- Legislative Matter
- Other: _____

Suggested Motion:

I move to authorize the Airport Board President to sign the Airport Landing Area Lease with Skydive Chelan as presented.

LAKE CHELAN AIRPORT LEASE AGREEMENT

Skydive Chelan Airport Landing Area

May 15, 2013 to December 31, 2014

Lake Chelan Airport (Lessor) agrees to lease those certain premises described in Exhibit A situated at Highway 97A and Apple Acres Road in Chelan County, Washington State, to **Skydive Chelan (Lessee)** beginning the 15th day of May, 2013 and ending on December 31, 2014, for a minimum term of nineteen and one half (19.5) months, upon the following terms and conditions:

1. **Rent:** The total lease payment shall be three thousand nine hundred sixty five dollars and no cents (\$3,965.00) plus Washington State Leasehold Excise Tax at 12.84%. Two thousand two hundred thirty seven dollars and sixty two cents (\$2237.62 = \$1983.00 + \$254.62) is due and payable in U.S. funds prior to the 15th day of May of 2013 and two thousand two hundred thirty six dollars and forty nine cents (\$2236.49 = \$1982.00 + \$254.49) is due and payable prior to the 15th day of May in 2014 to Lessor. Payments received on or after said date (if accepted) shall be subject to a late charge of fifty dollars and no cents (\$50.00) with the balance owed subject to a monthly service charge of 1.5% (18% APR) compounded monthly. Any check received from Lessee and dishonored by the bank shall be subject to a thirty five dollar (\$35.00) fee and all future payments will be made by certified check or money order. Lessee waives advance notice of presentment/dishonor.
2. **No Sublet:** Lessee agrees not to sublet said premises, assign this agreement (or any part thereof) without the prior written consent (as an addendum to this agreement) of Lessor. The only authorized occupant(s) of the premises is/are: Skydive Chelan.
3. **Inspection of Premises:** Lessee agrees that he has made inspection of the premises and accepts the condition of the premises in its present state, and that there are no repairs, changes, or modifications to said premises to be made by the Lessor other than as listed herein.
4. **Lessee Agrees:**
 - a) To keep said premises in a clean and sanitary condition; all vegetation is to be regularly maintained to a maximum height of six (6) inches from April 1 to October 31 every year.
 - b) To properly dispose of rubbish, garbage, and waste in a clean and sanitary manner at reasonable and regular intervals and to assume all costs of extermination and fumigation for infestation caused by Lessee.
 - c) To keep the surrounding said premises free and clear of all obstructions.
 - d) To not intentionally or negligently destroy, deface, damage, impair, or remove any part of the premises, their appurtenances, facilities, equipment, furniture, furnishings, and appliances, nor permit any other person, invitee, licensee, or other person acting under his control to do so.
 - e) To not use the premises for any unlawful purpose or to permit a nuisance or common waste, nor store unsightly objects on the premises and abide by the applicable state, county and city codes.
 - f) To notify Lessor within twenty four (24) hours if law enforcement or fire personnel are summoned to the location for any reason.

- g) To have signed waivers by all skydiving participants including those paying to receive the services as well as all employees of the company including the pilots of the airplanes and all tandem, static line and accelerated free fall (AFF) instructors holding the Lake Chelan Airport harmless in all circumstances including the “death” of any participant or employee as this is a dangerous activity.
- h) To ensure skydive airplanes use a standard traffic pattern, follow all the flight rules, sequence their planes into and out of the in the traffic pattern in an orderly manner and not cut or rush to “get another load off”. **Air traffic must always take priority over the skydiving operations.**
- i) To place the drop zones (DZ) (on and off the airport) on the sectional chart and post them in the Airport Facility Directory (AFD).
- j) To ensure the drop zones (on and off the airport) meet United States Parachute Association (USPA) standards and be called out as an “approved/recognized” USPA DZ.
- k) To have a USPA approved safety and training advisor on staff at the DZ and this person shall meet with the Lake Chelan Airport Manager and provide an operational safety plan and the emergency/accident plan and procedures. Operational safety plan shall also include a communication plan involving pilot, skydivers and ground operations.
- l) To ensure all employees including, but not limited to, tandem, static line, AFF and licensed skydivers be individual members of USPA and DZ operators shall be required to ensure that this card is on file at the DZ with the participant’s waiver.
- m) To name the Lake Chelan Airport, Lake Chelan Airport Board, City of Chelan, Chelan City Council, Port of Chelan County, and Port of Chelan County Commissioners as additional insured on the General Liability policy in the amount of aggregate limits of \$1,000,000.
- n) To name the Lake Chelan Airport as additional insured on the Aircraft Fleet Policy (AFP) in the amount of \$1,000,000.
- o) To provide the Lake Chelan Airport with current maintenance records from the Airframe and Powerplant/Inspection Authorization (A&P/IA) or a copy of the logbook entry indicating that the aircraft used in the operations have current one hundred (100) hour and annual inspections.
- p) To ensure no one other than pilots holding Commercial certificates with current medicals and flight reviews shall be permitted to pilot the aircraft. Credentials should be copied and logged and checked each time the aircraft is dispatched.
- q) To maintain the gear used in accordance with FAA safety standards and signed off and inspected by licensed riggers in accordance with the same regulations.
- r) To conduct pre-employment and then random drug testing for all pilots operating skydiving aircraft out of Lake Chelan Airport, if required.

6. Hold Harmless Indemnity and Insurance: The Lessee shall indemnify the Lessor from and against any and all claims, demands, cause of actions, suit or judgments, including attorney's fees, costs and expenses incurred in connection therewith and in enforcing the indemnity, for deaths or injuries to persons or for loss of or damage to property arising out of or in connection with the condition, use occupancy or Lessee's maintenance of the Leased Premises or common areas or any improvements thereon; or by Lessee's non-observance or non-performance of any law, ordinance or regulation applicable to the Leased Premises; or incurred in obtaining possession of the Leased Premises after a default by the Lessee, or after

the Lessee's default in surrendering possession upon expiration or earlier termination of the term of the Lease, or enforcement of any covenants in this Lease. This includes, without limitation, any liability for injury to the person or property of Lessee, its agents, officers, employees, or invitees. The Lessee specifically waives any immunity provided by Washington's Industrial Insurance Act. This indemnification covers claims by Lessee's own employees.

- 6.1 In the event of any claims made to, or suits filed against Lessor, for which the above indemnity applies, Lessor shall give Lessee prompt written notice thereof and Lessee shall defend or settle the same.
 - 6.2 Lessee, as a material part of the consideration to be tendered to Lessor, waives all claims against Lessor for damages to goods, wares, merchandise and loss of business, in, upon or about the Leased Premises and for injury to Lessee, its agents, employees, invitees or their persons in or about the Leased Premises from any cause arising at any time, other than for Lessor's sole negligence or willful misconduct.
 - 6.3 From and after the commencement date of the initial term of this Lease and continuing for the initial term and any extension of this Lease, Lessee shall insure the Leased Premises, at its sole cost and expense, against claims for personal injury and property damage under a policy of general liability insurance, with aggregate limits of \$1,000,000 for bodily injury and property damage. Such policy shall name Lessor as an additional insured. Before taking possession of the Leased Premises, the Lessee shall furnish the Lessor with a certificate evidencing the aforesaid insurance coverage.
 - 6.4 The aforementioned minimum limits of policies shall in no event limit the liability of Lessee hereunder. No policy of Lessee's insurance shall be cancelable or subject to reduction of coverage or other modification except after thirty (30) days prior written notice to Lessor by the insurer. Lessee shall, at least thirty (30) days prior to the expiration of the policies, furnish Lessor with renewals or binders.
 - 6.5 The insurance required shall be issued by carriers acceptable to the Lessor, and Lessor's approval shall not be unreasonably withheld.
 - 6.6 The Lessee agrees that if Lessee does not purchase and maintain such insurance, Lessor may, but shall not be required to, procure such insurance on Lessee's behalf and charge Lessee the premiums together with a five percent (5%) handling charge, payable upon demand.
8. **Utilities/Leasehold, Property and Diking Taxes:** Lessee shall pay (to the Lessor, provider or governmental agency) for all services or utilities supplied to the premises, assessments by any governmental agency or limited improvement district (LID) along with a pro-rata share of the real estate and diking taxes assessed by the taxing authority. Amounts due and payable to the Lessor will be itemized on a periodic billing that Lessee shall pay within 30 days of receipt.

- 9. Alterations:** Lessee agrees not to do or cause to be done any alterations, signage, repairs or work on the premises without the prior written consent of Lessor.
- 10. Use of Premises:** Premises shall be used for commercial purposes only and Lessee agrees not use said premises for any purpose or business other than main operations and parachute/skydiving training and sport skydiving/parachute center without written permission (in advance) of Lessor and shall not use (or permit to be used) said premises or any part thereof for any illegal purpose. Lessee agrees to conform to municipal county and state codes, statutes, ordinances, and regulations concerning the use, licensing and occupation/operation of said premises.
- 11. Animals:** Lessee shall not maintain any pets or animals upon the premises without the prior written consent of Lessor. Lessee shall not permit customers of Lessee to have animals on the premises. Any damages caused by animal ownership will be the responsibility of Lessee who agrees to indemnify and hold harmless Lessor from any injuries caused by animals on the premises.
- 12. Access:** Lessor shall have the right to place and maintain "for lease" signs in a conspicuous place on said premises for ninety (90) days prior to the termination of this agreement. Lessor reserves the right of access to the premises for purposes of:
- (a) Inspection;
 - (b) Repairs, alterations, or improvements;
 - (c) To supply services; or
 - (d) To exhibit or display the premises to prospective or actual purchasers, mortgagees, Lessees, workmen, or contractors; and
 - (e) Access shall be at reasonable times except in cases of emergency or abandonment.
- 13. Notice to Vacate:** After the term of this agreement has passed, if permitted to remain on the premises, Lessee shall give the Lessor thirty (30) days written notice of intention to vacate the premises prior to doing so. Lessor shall give similar notice to Lessee of his intention to terminate the tenancy hereunder and Lessee shall, at the expiration of said period surrender said premises to the Lessor in accordance with this agreement.
- 14. Severability Clause:** If any portion of this document shall be determined invalid, the remaining portions shall continue in full effect, binding upon both parties without regard to the invalid portion(s).
- 15. THIS AGREEMENT** constitutes the understanding and entire agreement between the parties as evidenced by their respective signatures. Any promises or discussions not specifically contained herein or incorporated through reference shall not be considered valid or enforceable. Any action brought by Lessor towards enforcement of this agreement shall be done so at Lessee's expense to include reasonable attorney fees. Lessee understands the provisions contained in this document or has sought legal advice from a third party. If Lessee is a corporation, each individual executing this Lease on behalf of said corporation represents and warrants that he is duly authorized to execute and deliver

this Lease on behalf of said corporation in accordance with a duly adopted resolution of the Board of Directors of said corporation or in accordance with the By-Laws of said corporation, and that this Lease is binding upon said corporation in accordance with its terms. If Lessee is a corporation, Lessee shall, within thirty (30) days after execution of this Lease, deliver to Lessor a certified copy of a resolution of the Board of Directors of said corporation authorizing or ratifying the execution of this Lease. All parties irrevocably consent to the jurisdiction in which the property is located for settling any claims.

Signed this ____ day of _____ 2013, at Chelan, Washington.

LESSOR:

LESSEE:

Signature

Signature

Print Name

Print Name

Lake Chelan Airport
P.O. Box 1407
Chelan, WA 98816

Skydive Chelan
201 Airport Way
Chelan, WA 98816

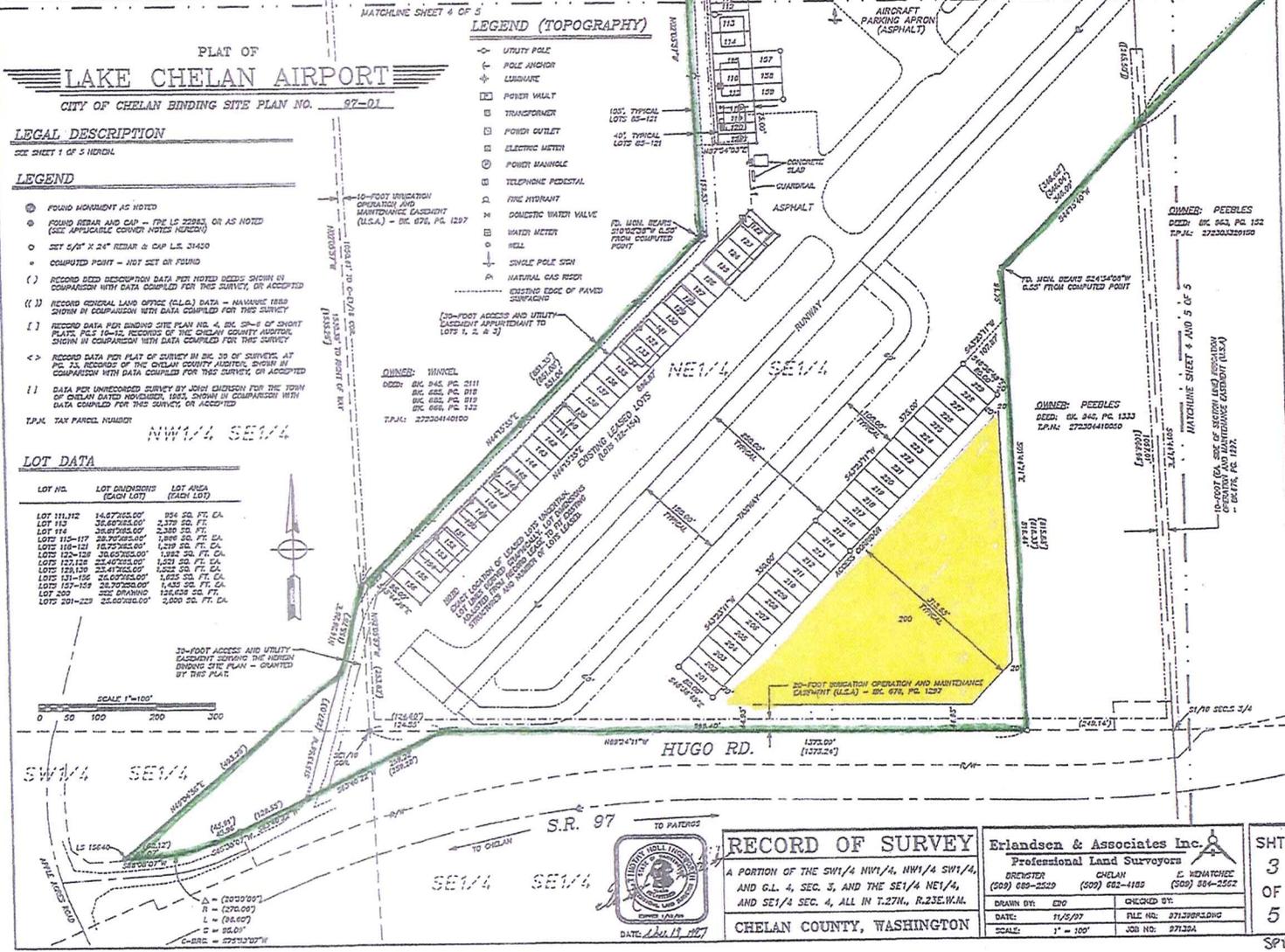
EXHIBIT A

SHORT PLATS AFN 2019820

T27 R23 S4

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SP15/25



DESCRIPTION:
That area of the Lake Chelan Airport Binding Site Plan No. 97-01, located in the Southeast corner of said Binding Site Plan (colored in yellow) of an area of approximately 122,000 sq. ft. being vacant and free of any obstacles.

BSP Boundary
Panachute Landing Lease Area

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED – OWNERS, LESSEES OR
CONTRACTORS – SCHEDULED PERSON OR
ORGANIZATION - INCLUDING PRIMARY / NON-
CONTRIBUTORY AND WAIVER OF SUBROGATION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

**Name Of Additional Insured Person(s)
Or Organization(s):**

Location(s) Of Covered Operations

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. To the extent permitted by law, **Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" arising out of your ongoing operations at the location(s) designated above.

B. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to "bodily injury" or "property damage" occurring after:

1. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
2. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

C. PRIMARY AND NON-CONTRIBUTORY

Condition 4. **Other Insurance of SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS** is amended as follows:

This provision applies to any person or organization who is named in the schedule of this endorsement as an additional insured or scheduled as an additional insured under any other form or endorsement under this policy.

1. The following is added to **paragraph a. Primary Insurance**:

To the extent permitted by law, this insurance is primary insurance as respects to our coverage to an additional insured person or organization, where the written contract or written agreement requires that this insurance be primary and non-contributory. In that event, we will not seek contribution from any other any other insurance policy available to the additional insured on which the additional insured person or organization is a Named Insured.

2. The following is added to **paragraph b. Excess Insurance**:

When a written contract or written agreement does not require this insurance to be primary or primary and non-contributory, this insurance is excess over any other insurance for which the additional insured is designated a Named Insured. Regardless of the written contract or written agreement, this insurance is excess over any other insurance whether primary, excess, contingent or on any other basis for which the additional insured has been added as an additional insured on other policies.

D. WAIVER OF SUBROGATION

To the extent permitted by law, we waive any rights of recovery we may have against the persons or organizations shown in the Schedule above because of payments we make for "bodily injury" or "property damage" arising out of your ongoing operations, when required in a written contract or agreement. This waiver applies only to the persons or organizations shown in the Schedule above.