



Rhode Island Airport Corporation

Airport Leasing Policy

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FORWARD

THE RHODE ISLAND AIRPORT CORPORATION (hereinafter referred to as RIAC) acting by virtue of the powers granted it by the General Laws of the State of Rhode Island, Title 1, Chapters 1 through 4; Title 37, Chapter 7, and Title 42, Chapter 13; and amendments thereto, hereby establishes this Airport Leasing Policy to set forth a standardized system and process for leasing RIAC property.

RIAC reserves the right from time to time to amend, supplement, revise, alter, rescind, or add to the policies and procedures listed herein either in part or in their entirety. RIAC further reserves the right to use this Leasing Policy for the selection of non-aeronautical service providers and concessionaires as it deems appropriate.

If any section, subsection, sentence, clause, or phrase of these policies and procedures is, for any reason, held to be invalid or unconstitutional by any court of competent jurisdiction, such decision shall neither affect nor impair any of the remaining provisions.

The President and CEO of RIAC and his designees are authorized to act for RIAC in connection with the enforcement of all policies and procedures contained herein.

SECTION 1
GENERAL STATEMENT OF POLICY

As an Airport Sponsor and recipient of Federal Aviation Administration (“FAA”) Airport Improvement Program (AIP) grants, the Rhode Island Airport Corporation (“RIAC”) is obligated to operate the Rhode Island State Airports (“Airports” or “the Airports”) for the use and benefit of the public. RIAC is equally obligated to make the Airports available to all types, kinds, and classes of aeronautical activities on fair and reasonable terms and conditions without unjust discrimination. Given these obligations, RIAC hereby establishes this Leasing Policy to set forth a standardized system and process for leasing land and facilities.

It is the policy of RIAC to lease property based on the following principles:

- A. Preserve RIACs financial investment in the Airports
- B. Facilitate the orderly management of the Airports
- C. Ensure consistent quality of facilities at the Airports
- D. Provide equitable and uniform treatment of all authorized Lessees
- E. Ensure compliance with applicable laws, regulations, executive orders, policies, guidelines, and requirements as they relate to the application and acceptance of Federal Funds
- F. Enable conformity with each FAA accepted Airport Layout Plan for the Airports
- G. Make the Airports available for public use on reasonable terms without undue discrimination
- H. Maintain a fee and rental structure with the goal of the highest and best use of RIAC property and financial self-sufficiency for the Airports; and
- I. Provide facilities and range of services to accommodate the various needs of the Rhode Island flying community while preserving the environment.

Entities seeking to provide a Commercial Aeronautical Activity on RIAC property shall also be obligated to adhere to the requirements set forth in RIAC’s Airport Minimum Standards for Providing Aeronautical Services to the Public.

RIAC reserves the right to review and amend this Leasing Policy from time to time and may make such revisions or amendments as it shall deem necessary under the circumstances surrounding the Airport(s) to properly protect the health, safety, and interest of the public.

RIAC further reserves the right to issue a competitive Request for Proposal process for any / all available RIAC property identified on the Airports ALP for aeronautical or non-aeronautical purposes using the procedures established in this Leasing Policy as it deems fit and in its best interest. Nothing contained in this policy shall be construed to limit RIAC's right to issue an RFP or market the property for purposes of seeking submission of proposals in accordance with this Leasing Policy.

SECTION 2 DEFINITIONS

For the purposes of this Leasing Policy, the following definitions shall apply:

- A. **Aeronautical Activities or Services** means any activity or service conducted on RIAC property that involves, makes possible, or is required for the operation of aircraft, or that contributes to or is required for the safety of aircraft operations.
- B. **Airport Leasing Policy (“Leasing Policy”)** means this policy, established and amended from time to time by RIAC, that governs the leasing of RIAC property to ensure the safe, orderly, fair, and efficient use of the Rhode Island State Airports.
- C. **Airport Layout Plan (“ALP”)** means the FAA accepted scaled drawings depicting the existing physical layout for each of the Airports, the location and configuration of current and proposed runways, taxiways, buildings, roadways, utilities, navigational aids, and proposed allocation of airport land or improvements to specific uses or development. The ALP shall be amended by RIAC from time to time to reflect changes in development and infrastructure for each the Airports.
- D. **Assignment** means the transfer of all rights and provisions of a lease from one Lessee to another.
- E. **Board of Directors** means the seven-member board appointed by the Governor of Rhode Island tasked with the responsibility of governing RIAC.
- F. **Commencement Date** means the date when a Lease has been executed by the Lessee and RIAC and establishes the beginning of the Term for a Lease.
- G. **Commercial Aeronautical Activity** means any ongoing activity conducted at, on, from, or in conjunction with RIAC property intended to result in monetary gain to the Entity conducting such activity, as defined in the Minimum Standards for Providing Aeronautical Services to the Public.
- H. **Commercial Lending Institution** means any bank, mortgage banking company, trust company, savings bank, savings and loan association, credit union, national banking association, federal savings and loan association or federal credit union authorized to conduct business in the state of Rhode Island.
- I. **Contract** means that certain contract between the Contractor and Lessee for performance of the Work.
- J. **Contractor** means the primary general contractor (or design / build contractor) hired by Lessee to perform work pursuant to the Contract.

- K. **Drawings and Specifications** means the drawings and specifications for the Work which Lessee will construct on the Premises.
- L. **Entity** means any individual, corporation, partnership, association, company, business, trust, joint venture, etc. expressing interest to RIAC for the purpose of leasing RIAC property.
- M. **Environmental Permit** means any of the permits required by or pursuant to any applicable Environmental Law.
- N. **FAA** means the Federal Aviation Administration.
- O. **Facility** means all RIAC approved, building(s), related site improvements, and other improvements, financed and constructed by Lessee on RIAC property including without limitation, structures, buildings, facilities, hangars, aircraft taxiways, aircraft taxiway markings, aircraft taxiway lighting, aircraft aprons and tie-downs, ramps, fencing, access control, lighting, automobile parking, and all utility infrastructure and connections, all as may be applicable, and as may be required.
- P. **General Aviation** means all phases of aviation other than military aviation and scheduled or non-scheduled commercial air carrier operations.
- Q. **Generally Accepted Accounting Principles** means a common set of accounting principles, standards, and procedures issued by the Financial Accounting Standards Board.
- R. **Lease** means a contract between RIAC and any Entity wherein RIAC grants the use or occupancy of RIAC property and certain leasehold interests for a specified period of time in exchange for a specified rent.
- S. **Lessee** means any Entity obtaining a Lease from RIAC to occupy RIAC property and hold certain leasehold interests.
- T. **Market Rent**¹ means the most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the Lease, including permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements (TIs).
- U. **Minimum Standards** means the minimum standards for Providing Aeronautical Services to the Public, as adopted by the President and CEO, and amended from time to time.
- V. **Premises** means the leasehold area on RIAC property granted to Lessee by RIAC and consisting of land and associated Facilities.

¹ The Dictionary of Real Estate Appraisal (Fifth Edition, page 121-122).

- W. **President and CEO** means the individual employed and authorized by the Board of Directors to be the chief executive officer of RIAC, or the person authorized by the President and CEO to act for or on behalf of the President and CEO, with respect to any particular matter.
- X. **Project Timetable** means the project timetable described in Section 12.
- Y. **Rhode Island Airport Corporation (“RIAC” or “Corporation”)** means a public corporation, governmental agency, and public instrumentality, established pursuant to the provisions of Title 42, Chapter 64, of the Rhode Island General Laws (the “Act”) which is responsible for and operates the Rhode Island State Airports.
- Z. **Rhode Island State Airports (“Airports”)** means the T.F. Green Airport (PVD), North Central State Airport (SFZ), Quonset State Airport (OQU), Block Island State Airport (BID), Newport State Airport (UUU), or Westerly State Airport (WST).
- AA. **RIAC Property** means the land, and developments thereon, either held in fee simple or by leasehold by the Rhode Island Airport Corporation at and upon the Rhode Island State Airports.
- BB. **Rules and Regulations** means the policies, procedures, and regulations established and amended from time to time by the President and CEO to govern the safe, orderly, and efficient use of the Airports.
- CC. **Shall** always is mandatory and not merely directory.
- DD. **Space** means the volume of land and existing facilities measured in acres or square feet.
- EE. **Subcontractor** means a business which has an indirect contractual or vendor arrangement or relationship with Contractor and/or Lessee to perform any of the Work or supply any services or materials therefor.
- FF. **Term** means a period of time in which a Lease is in force.
- GG. **Work** means all aspects of engineering, design, financing, permitting, and construction of the Facility in accordance with the terms and conditions of a Lease, and includes the furnishing of all materials, labor, equipment, supplies, plants, tools, scaffoldings, transportation, superintendence, insurance, taxes, bonds, warranties, covenants and incidentals and other services, facilities, and expenses necessary or convenient for the full performance and completion by Lessee of the requirements of this Lease, and the permanent improvements, structures, and components, fixtures and their appurtenances required or specified by the Lease.

SECTION 3
EXCLUSIVE RIGHTS

- A. The granting of an exclusive right to provide aeronautical services at an airport on which federal funds have been expended is forbidden by federal law. An exclusive right is a power, privilege or other right excluding or debarring another from enjoying or exercising a like power, privilege or right. RIAC will not grant any such special privilege or monopoly in the use of RIAC property.

- B. The presence on RIAC property of only one Lessee engaged in a particular aeronautical service(s) will not, in and of itself, indicate that an exclusive right has been granted. In accordance with Grant Assurances 22, *Economic Nondiscrimination*, and 23, *Exclusive Rights*, RIAC will not enter into or promote any understanding, commitment, or express agreement to exclude other reasonably qualified Lessees. Accordingly, those who desire to enter into a Lease with RIAC to engage in an aeronautical activity should neither expect nor request RIAC to exclude others who desire to engage in the same or similar activities. The opportunity to engage in an aeronautical activity shall be made available to those meeting reasonable qualifications and standards relevant to such activity and as Space may be available at each of the Airports for such an activity.

SECTION 4
REQUESTS FOR LEASES

- A. Any Entity desiring to enter into a Lease with RIAC for permission to occupy RIAC property shall submit a written Statement of Interest to Lease RIAC Property (“Statement of Interest”) on approved documents provided by RIAC.
- B. Statement of Interest materials shall consist of all information specified in this Leasing Policy, the Minimum Standards, if applicable, and all documentation deemed necessary by RIAC for a full and complete analysis of the Entity’s qualifications and the benefit which will accrue to the aviation public from the Entity’s proposed use of RIAC property.
- C. RIAC, in its sole discretion, shall determine whether the Entity meets this Leasing Policy, Minimum Standards, and qualifications as herein set out and whether such Entity should be granted a Lease in whole or in part, and if so, upon what terms and conditions.
- D. All Entities shall meet the requirements of this Leasing Policy as recited herein unless otherwise mitigated at the sole option of RIAC.
- E. Each Entity shall be solely responsible for satisfactorily providing to RIAC their respective technical ability and financial responsibility, including the capability to meet the insurance requirement as stated herein.

SECTION 5
STATEMENT OF INTEREST PROCESS

Each Statement of Interest for Lease of RIAC Property shall be in writing and in sufficient detail to discern the complete qualifications of the Entity and shall include, as a minimum, the following:

- A. The name, primary office address, electronic mail address, and telephone number of the Entity.
- B. Form of Business Entity (Individual, Partnership, Joint Venture, Limited Liability Corporation, or Corporation).
- C. A description of the prospective use of RIAC property the Entity desires to lease.
- D. The amount, size, and location of RIAC property proposed to be leased.
- E. The Term of Lease requested by the Entity.
- F. Preliminary drawings and specifications for the Facility, including floor plans and site plans.
- G. Total capital investment proposed by Entity for construction of the Facility with supporting documentation.
- H. A financial pro-forma delineating line-item detailed annual operating revenues and expenses, during the requested Term of the Lease.
- I. A certification prepared by a Certified Public Accountant authorized to conduct business in the state of Rhode Island establishing the full amortization period for the cost of constructing the Facility in accordance with Generally Accepted Accounting Principles. The cost of constructing a Facility and the minimum life of the asset is expected to equal or exceed the amortization period and shall be independently verified by a licensed architect, professional engineer, or building manufacturer.
- J. Proof of the ability to secure insurance required by RIAC, pursuant to Section 8, and amounts of insurance coverage to be maintained for the proposed use of RIAC property.
- K. A current financial statement prepared or certified by an independent certified public accountant and certified by the Chief Financial Officer of the Applicant. RIAC shall consider financial statements in evaluating the Entity's financial ability to construct facilities, occupy RIAC property, and enter into a Lease.
- L. Bankruptcy information, if applicable.

- M. A construction schedule demonstrating that the Facility shall be constructed and a Certificate of Occupancy, or other equivalent instrument or certificate, issued by an appropriate building official(s), will be obtained by Entity within one (1) year of the Commencement Date of a Lease.
- N. Evidence, in a form acceptable to RIAC, of the Entity's financial ability to complete construction of the Facility in one of the following forms:
 - 1. A performance bond in the amount equal to one hundred percent (100%) of the cost for constructing the Facility
 - 2. An irrevocable letter of credit guaranteeing funds to complete the Facility
 - 3. An escrow agreement administered by a title and escrow company; or
 - 4. A trust administered by a commercial bank.
- O. If an Entity is seeking to engage in a Commercial Aeronautical Activity, the Entity shall also provide all information and materials required by the Minimum Standards.
- P. Financial and operational references from individuals or firms the Entity has worked within the past three (3) years.
- Q. Signatures of authorized representative(s) serving as owner(s) of the business. The Statement of Interest shall be signed and submitted by the owner of the business if the business is a sole proprietorship; every partner if a partnership; and the President or CEO if a corporation.

The Entity shall agree to provide any additional information and material necessary or requested by RIAC. If an Entity fails to complete the Statement of Interest in its entirety, RIAC reserves the right to decide on a case by case basis, in its sole discretion, whether to reject an incomplete Statement of Interest or request an Entity modify and resubmit the Statement of Interest to include missing information.

Parties interested in leasing RIAC property may access and download Statement of Interest materials at: www.pvdairport.com/corporate/development-opportunities.

SECTION 6 **ACTION ON STATEMENTS OF INTEREST**

Upon receipt of a completed Statement of Interest, along with all supporting documentation submitted in accordance with Section 5, the President and CEO, or the person authorized by the President and CEO to act for or on behalf of the President and CEO, will review the same and if so required, refer the matter to the Board of Directors for consideration.

The President and CEO, Board of Directors, or their designee(s) may deny any Statement of Interest if, in their sole opinion, any one or more of the following are found:

- A. The Entity's proposed use of Airport property or construction of the Facility will create a safety hazard on RIAC property.
- B. The granting of the Statement of Interest will require RIAC to spend funds, supply labor or materials in connection with the proposed activity, or the activity is expected to result in a financial loss to RIAC.
- C. Inappropriate, inadequate, or insufficient Space exists to accommodate the entire activity of the Entity at the time of submission of a Statement of Interest.
- D. The development or construction necessary to accommodate the proposed Aeronautical Activities or Services does not comply with a FAA-approved ALP.
- E. The construction timetable of the proposed Facility does not meet the requirements set forth in Section 12 and is therefore, extensive, and disadvantageous for the continuity of operations.
- F. The Entity does not meet the requirements of this Leasing Policy.
- G. The Entity has either intentionally or unintentionally misrepresented or omitted pertinent information in the Statement of Interest or supporting documents.
- H. The Entity has a record of violating the RIAC's Rules and Regulations or of other airports; FAA regulations; or any other federal, State, or local statutes, laws, rules, or regulations.
- I. The Entity has defaulted in the performance of any lease or any other agreement with RIAC or other airports.
- J. The Entity does not, in the opinion of RIAC, exhibit adequate financial responsibility to undertake the project based upon financial information provided.
- K. The Entity cannot provide acceptable surety or insurance in the amounts required by RIAC.

- L. The proposed activity or development is not in the best interest of RIAC, the Airports, the environment, or the public.

SECTION 7 **COMPETITIVE REQUEST FOR PROPOSAL PROCESS**

Upon receipt of a Statement of Interest that satisfies the requirements of Section 6 and is seeking a Term of greater than five (5) years, RIAC shall issue a Request for Proposals (RFP) to gauge the level of market demand and competitiveness for the proposed Aeronautical Activities or Services contemplated by the Entity.

The RFP shall invite other interested and qualified Entities interested in the RIAC property proposed to be occupied by the Entity to submit Statements of Interest as required in Section 5. To the extent allowed by law (if any), proposed Statements of Interest for Leases of RIAC Property, and the financial terms thereof, shall initially be maintained as confidential, for discussion between RIAC and the Entity.

In the event RIAC receives no RFP responses for lease of the RIAC property in question, RIAC will proceed to grant or deny the Entity's request based on the merits of its Statement of Interest and without further advertisement. Should RIAC receive RFP responses from one or more other Entity(s), RIAC will review these responses, along with the Statement of Interest material submitted by the Entity. RIAC reserves the right to reject any and all proposals, including the Statement of Interest made by Entity, or award a Lease that will be most advantageous to RIAC and the public using RIAC property.

In making its final decision regarding the award of a Lease of the RIAC property in question, RIAC may reject a more financially rewarding Statement of Interest and accept a lower value Statement of Interest, or a Statement of Interest other than the initially proposed Statement of Interest from another responsible Entity, to be awarded the Lease in question, if, in RIAC's sole discretion, some reason affecting the interest of RIAC, or the public using the Airport, makes it advisable to do so.

RIAC reserves the right to issue a competitive Request for Proposal process for any / all available RIAC property identified on the Airports ALP for aeronautical or non-aeronautical purposes using the procedures established in this Leasing Policy.

A broker (or other third party) may be hired by RIAC to solicit and verify that Statements of Interest received satisfy all the requirements of Section 6 in a similar manner as RIAC would perform pursuant to this policy. When a Statement of Interest is provided to RIAC from the Broker, RIAC may request further information if necessary, and will be prepared to issue or deny a lease based on their recommendation.

SECTION 8
STANDARDS FOR LEASING AIRPORT PROPERTY

- A. **Right to Lease RIAC Property Limited to Demonstrated Need.** A single Aeronautical Activity or Service, although meeting all reasonable standards and qualifications, shall be limited to a lease of such RIAC property as is needed for that Aeronautical Activity or Service. When an Entity(s) seeks to lease RIAC property, said Entity(s) must provide evidence of demonstrated need for the RIAC property in question.

Where occupancy of existing facilities is involved, “demonstrated need” shall mean the ability of the Lessee to occupy RIAC property as of the Commencement Date of the Lease between RIAC and the Lessee. Where construction of facilities, or alterations to an existing facility, are involved, “demonstrated need” shall mean the ability to obtain a Certificate of Occupancy, or other equivalent instrument or certificate, issued by an appropriate building official(s), for the proposed Facility within one (1) year of the Commencement Date of the Lease between RIAC and the Lessee. RIAC, in its sole discretion, may determine that a longer period of time is warranted due to the scope of construction.

- B. **Requests for Additional RIAC Property.** RIAC will not award or grant, in advance, any options or preferences (including the right of first refusal) on future use of RIAC property to any Lessee as it relates to additional property.

If an existing Lessee needs additional RIAC property to accommodate increased demand for its existing Aeronautical Activities or Services or to expand existing Aeronautical Activities or Services, that Lessee shall notify RIAC, in writing, of the need for additional RIAC property. The written notice shall be sufficiently detailed so as to document a “demonstrated need” for the additional RIAC property requested.

RIAC may grant the Lessee the additional RIAC property requested (to the extent there exists appropriate available RIAC property and the extent Lessee has a demonstrated need therefor) which shall be added to the lease. Alternatively, RIAC, in its sole discretion, may issue a competitive Request for Proposal process as described in Section 7 to gauge the level of market demand and competitiveness for the proposed RIAC property contemplated for use by the Lessee.

If the need for additional Space is for or in connection with new proposed Aeronautical Activities or Services, not authorized by the Lessee’s existing Lease, the request for additional Space shall be treated by RIAC as one for a new Lease.

- C. **Lease Term.** In no event shall RIAC grant a term of greater than five (5) years for a lease of an existing Facility requiring no more than a nominal capital investment on the part of the Lessee, whereby “nominal” applies to all portable or temporary

type construction or improvements of an amount which requires 5 years or less to amortize said investment.

For purposes of determining the length of Term for the lease of RIAC property whereby the Lessee will finance and construct a Facility, RIAC will determine the length of Term for such a Lease based on a number of factors including, but not limited to:

1. The designation of the Facility on an ALP.
2. The Lessee's proposed use of the Facility and RIAC's property.
3. The Lessee's estimated cost for constructing the Facility.
4. A letter of commitment from a Commercial Lending Institution committing to financing the Facility including the amount to be borrowed, the term, and interest rate. Should the Entity propose to self-fund a Facility, it shall submit to RIAC demonstrated capability to self-fund improvements to the satisfaction of RIAC.
5. The pro-forma analysis submitted by the Entity Lessee in conjunction with the Statement of Interest Process described in Section 5.
6. A full amortization schedule of the cost of constructing the Facility as determined in accordance with Generally Accepted Accounting Principles verified by a Certified Public Accountant authorized to conduct business in the state of Rhode Island. The cost of constructing a Facility and minimum life of the asset is expected to equal or exceed the amortization period and shall be independently verified by the Lessee through a licensed architect, professional engineer, or building manufacturer. Each Lessee shall provide written evidence of such verification.
7. Whether the Entity's proposed use of RIAC property is in the best interest of RIAC, the environment, and the users of the Airports.

Pursuant to current Rhode Island law, RIAC cannot grant a Term greater than 30 years. RIAC reserves the right to amend or adjust this Term limitation in the future subject to changes to Rhode Island law. Accordingly, the maximum Term of a Lease granted by RIAC will be the lesser of 30 years or the certification of the Certified Public Accountant described in Section 8.C.7 above, unless the Rhode Island law is amended to allow for longer terms. RIAC's 30-year Term limitation is consistent with guidance provided in FAA Order 5190.6B, *FAA Airport Compliance Manual* (FAA Order 5190.6B) as well as current best industry practices for issuing ground leases provided in the Airport Cooperative Research Program's *Report 47-*

*Guidebook for Developing and Leasing Airport Property*² (ACRP Report 47). FAA Order 5190.6B states that “most tenant ground leases of 30 to 35 years are sufficient to retire a tenant’s initial financing and provide a reasonable return for the tenant’s development of major facilities.” In addition, ACRP Report 47, notes that “Land leases are routinely set a 20- to 30- year terms.” Notwithstanding the above, the term length is subject to federal law and FAA rules and regulations, and will be subject to FAA approval / concurrence.

In considering requests to exercise an option to extend the original Term of a Lease, RIAC will weigh whether the Lessee is or has been in default of any terms and conditions of its Lease as well as the structural integrity, safety, and appearance of the Facility. Upon receipt of a request to exercise an option to extend the original Term of a Lease, RIAC shall inspect the Facility for condition and appearance. Items considered will include, but not be limited to, siding and exterior finishes, roofing, doors, structural framing, and general housekeeping. During any Term extension period, Lessees shall pay Market Rent for land and the Facility.

At the expiration of the initial Term and any extensions a Lessee may request a new Lease. If RIAC determines that the Premises are not required for other airport uses, the Lessee has met its obligations under the terms of the preceding Lease, and RIAC otherwise finds that a new Lease is appropriate; RIAC may negotiate a new Lease. The duration of the new Lease shall be at RIAC’s option. Each renewal or new Lease following the initial Term of the Lease shall incorporate all current terms and conditions for Leases, including an update to Market Rent for all land and the Facility, if applicable, and any special terms RIAC deems necessary based on the particular circumstances of the Lessee and the Premises. If RIAC determines that a renewal or new Lease will not be offered, RIAC may require the Lessee to remove any structures at the Lessee’s cost at the expiration of the Base Term, any renewal term, or new Lease term.

D. Assignment of a Lease and Sale of Facility. No Lease may be assigned, mortgaged, encumbered, hypothecated, pledged, or transferred by a Lessee or any Affiliate (“Assignment”), by process or operation of law or in any other manner whatsoever, without the prior written consent of the President and CEO. A Lessee shall notify the President and CEO in writing ninety (90) days in advance of a proposed Assignment and provide the President and CEO with all requested data and information required to determine whether the proposed Assignment is in the best interest of RIAC.

If a Lessee desires to sell its Facility during a Term of its Agreement, RIAC will consider entering into a new Lease with the prospective buyer of the Facility with the express understanding that the Facility will revert to the ownership of RIAC as described in Section 8.F. The buyer must adhere to the requirements set forth in

² National Academies of Sciences, Engineering, and Medicine 2011. *Guidebook for Developing and Leasing Airport Property*. Washington, DC: The National Academies Press. <https://doi.org/10.17226/14468>, accessed August 25, 2020, p.72.

the RIAC Rules and Regulations, Minimum Standards, and this Leasing Policy, as well as any other requirements imposed on any Lessee holding a Lease with RIAC. If the buyer qualifies to obtain a Lease with RIAC, RIAC shall offer such Lease in accordance with the terms, conditions, and rates then in effect. The Term of the new Lease will be determined by RIAC, consistent with the policies in Section 8. The original Lease will remain valid until RIAC and the buyer of the Facility have entered into a new Lease. The original Lessee must comply with all terms and conditions of their Lease until a new Lease is executed for the occupied facilities. At that point, the original Lease is automatically terminated by mutual agreement of the parties.

- E. **Subletting.** A Lessee shall be permitted to sublet Premises only upon receipt of prior written approval of the President and CEO which shall not be unreasonably denied or conditioned.
- F. **Reversion.** Upon termination of a Lease whereby improvements to RIAC property were made by the Lessee, the Lessee shall agree that on the last day of the Lease Term, the Facility shall automatically, without the necessity of any further action on the part of RIAC or Lessee, become the property of RIAC. The Lessee will hereby assign, transfer, and convey the Facility to RIAC as of the last day of the Lease Term, or if sooner, upon the termination of Lease, free and clear of all liens, encumbrances, and equities of third parties claiming by, through or under Lessee. The Lessee shall further evidence RIAC's ownership of the Facility by delivering to RIAC on the last day of the Lease Term, or if sooner, upon the termination of this Lease, a bill of sale for the Facility in form and substance reasonably satisfactory to RIAC. Under no circumstances shall a Lessee be compensated for the Facility, or entitled to any payment by reason of the value of its business or franchise.

If a Lessee, after the receipt of a verbal warning and subsequent written documentation of an infraction, fails to take corrective action or adhere to the RIAC Rules and Regulations, Minimum Standards, this Leasing Policy, its Lease, the approved construction timetable, or applicable construction standards described in Section 12, the Lessee shall be considered in default and subject to the exercise of all legal remedies available to RIAC including eviction and termination of its Lease.

- G. **Recapture.** RIAC reserves the right to recapture the Premises anytime during the Term of a Lease if RIAC, in its sole and absolute discretion, determines that the Premises are required for changes in or expansion of airport operations, or the requirement of such Space for public facilities, utilities, or other uses directly related to the furnishing of air transportation services. A Lease shall terminate ninety (90) days after the provision of written notice by RIAC to Lessee of RIAC's determination to recapture such Premises and RIAC compensating Lessee for any unamortized portion of its investment in the Facility. RIAC may offer substitute Space to Lessee in connection with recapture of the Premises. RIAC shall not be

required to offer substitute Space, or that Lessee accept substitute Space. The offering of substitute Space will be in the sole and absolute discretion of RIAC; provided, however, that any such substitute Space shall be offered by RIAC to Lessee at least ninety (90) days before the effective date of the recapture. In the event of such a recapture, RIAC shall reimburse Lessee the Net Book Value of the unamortized Lessee Improvements to the Premises.

- H. **Leases for Private Aeronautical Uses.** RIAC is required to operate the Airports for the maximum use and benefit of the public, and must retain the ability to make reasonable provision for essential support services for those who use the Airports; nevertheless, some private Aeronautical Activities or Services may be beneficial to the Airports and RIAC; for instance, a private flying club might be a desirable and compatible use. Proposed Leases for private aeronautical uses will be evaluated on a case-by-case basis, taking into account long-term plans for the development of the Airports; the benefits which may be derived from the proposed Lease; the potential costs of the proposed Lease to RIAC; the availability of suitable Space, Facilities, or land; the potential for conflict or interference with the public uses of the Airports, and any other factors RIAC deems relevant.
- I. **Adherence to Airport Layout Plan (ALP) Required.** RIAC develops and maintains an ALP for each of the Airports. The ALP depicts the entire property of the Airports, identifies existing facilities, and plans for future development. The ALP reflects the existing and proposed allocation of areas of the Airports to specific operations and support functional usage. It shall be the general policy of RIAC that no use, occupancy, construction, modification, or improvement that is inconsistent with the Airports FAA-approved ALP be viewed as desirable by RIAC. The conversion of any area of the Airports to a substantially different use than that shown in the approved ALP could adversely affect the safety, utility, or efficiency of the Airports (i.e. aeronautical to non-aeronautical use). Only upon a determination by RIAC that a particular construction, modification or improvement would serve the needs of the Airports' public and that a change in circumstances is evident such that the need for Space for such facilities or services was not anticipated at the time the most recent ALP was submitted to the FAA for approval, will RIAC consider making application to the FAA for approval of a revision of the ALP pursuant to the request of an Entity or Lessee. Nothing contained in this Leasing Policy shall require RIAC to make such application.
- J. **Development of Vacant RIAC Property.** Limited availability of vacant, appropriate Space may restrict RIAC's ability to grant permission for an Entity to construct Facilities on RIAC property. There are only a limited number of available, developed sites on which to build Facilities to accommodate aeronautical activities on RIAC property.

Any Statement of Interest for permission to develop RIAC property shall include, in addition to all other required materials, a site plan depicting the nature and location of the proposed development.

- K. **No Liens or Encumbrances to RIAC Property.** The subordination of RIAC property by mortgage, easement or other encumbrance will be considered as a transaction which would deprive RIAC of the rights and powers necessary to perform its covenants in its agreements with the federal government and under the bonds which have been issued, from time to time, to finance RIAC's operations. Because of this, proposed developments which would require such encumbrances shall not be granted by RIAC. RIAC will always require an Entity seeking to develop or occupy RIAC property to indemnify and hold RIAC and the State of Rhode Island harmless from any and all mechanics' or other liens which might be filed against RIAC's property as a result of the development.
- L. **Financing.** RIAC is under no obligation to provide financing, or to make any improvements to RIAC property to facilitate a Facility proposed by an existing or prospective Lessee. If such a Lessee cannot demonstrate the financial means to implement and pay for such development that may be an indication that the proposed development would not be in the best interests of RIAC or the public using the Airports. Nevertheless, once an Entity or Lessee has demonstrated the requisite financial responsibility, RIAC may choose to pursue any federal, state, or RIAC funds to contribute to the Facility, if in doing so there would be no diversion of funds away from capital improvements or the RIAC capital improvement budget program.
- M. **Insurance Requirements.** RIAC shall require Lessees to acquire, (in amounts determined by RIAC), the following insurance as applicable to the Aeronautical Activities or Services Lessees provide and facilities or land leased: Hangar Keepers Liability, Builder's Risk, Automobile, Pollution Liability, Workers Compensation, and General Liability Insurance.
- N. **Airports Operated for Benefit of the Public.** Through its Leases, and by other means, RIAC will ensure that the Airports are operated for the use and benefit of the public and are made available to all appropriate types, kinds and classes of Aeronautical Activities and Services.
- O. **General Rights and Privileges Granted.** Leases of RIAC property are designed to accomplish one or more of three basic rights or privileges: the right for an Entity to use the landing area and other public facilities in common with others so authorized; the right to occupy RIAC property, and to use exclusively, certain designated Premises; or the commercial privilege or the franchise right to offer goods and services to the public who use the Airports. RIAC will not enter any Lease without receipt of adequate consideration for the rights granted therein.
- P. **General Laws.** Lessee, at its sole cost and expense, shall occupy and conduct its business on RIAC property in compliance with all applicable laws, ordinances, orders, rules and regulations of general application of all Governmental Authorities, (i.e. courts, departments, commissions, boards and their officers), including RIAC.

Lessee shall similarly comply with the requirements of all policies of insurance at any time in force with respect to the Premises and Lessee's operations thereon.

Q. **Control Over Operations.** Any Lease granting the right to serve the public on RIAC property shall be subject to terms and conditions reserving to RIAC sufficient control over said operations to ensure that patrons will be treated fairly by the Lessee. The Lessee must agree to make available its services and facilities on fair and reasonable terms, and without unjust discrimination.

R. **Control over Aeronautical Activity and Development.** RIAC will not enter into any Lease that would require it to divest itself of the right to take any action it considers necessary to protect the aerial approaches of the Airports against obstruction, or the right to prevent any Lessee from erecting, or permitting to be erected, any building or other structures which might limit the usefulness of the Airports or constitute a hazard to aircraft.

RIAC will not enter into a Lease that would require it to divest itself of, or limit its right to develop or improve the Airports as it sees fit, regardless of the desires or views of any Lessee and without interference or hindrance from such a party.

S. **Minimum Standards.** The Minimum Standards set forth the minimum threshold qualifications which must be met by a Lessee conducting certain aeronautical activities or services to the public at the Airports. Lessees should be aware that RIAC, if presented with a choice between multiple potential Lessees for a single Space or Facility, will give preference to Lessees who can offer RIAC and the public the highest standard of quality and service which may well exceed the Minimum Standards for a proposed activity. Existing and prospective Lessees shall understand that RIAC may change its Minimum Standards from time to time, in order to ensure a higher quality of service to the public. Only in the rare circumstance, where the aviation community at the Airports have encountered difficulty in attracting a competent service entity, shall RIAC consider waiving a Minimum Standard to allow a period of initial development. In all other circumstances, it is the policy of RIAC not to enter into Leases with Lessees who cannot meet the applicable Minimum Standards.

T. **Off-Premises Access.** RIAC will not enter into new agreements which grant access to public landing areas by aircraft normally stored and serviced on land adjacent to, but not a part of the Airports (i.e. through-the-fence operations).

U. **Waivers of Immunity.** RIAC will enter into no Leases that requires it to waive any sovereign, governmental or other immunity to which it may be entitled, or that would require it to submit to the laws of any state other than those of the State of Rhode Island.

V. **Indemnification.** Every Lessee desiring to Lease RIAC property shall agree to indemnify and hold RIAC and the State of Rhode Island, and their respective

officers, officials, agents, representatives and employees from and against any and all injuries, damage or harm, or any nature whatsoever, which may result from its use or occupancy of RIAC property. For avoidance of doubt, Lessee shall not be relieved of the indemnification obligation herein for anything other than a willful or reckless act of RIAC, including without limitation ordinary negligence.

SECTION 9 **WRITTEN LEASE**

All Entities, prior to the commencement of construction of a Facility, the occupancy of RIAC property, or operation of an Aeronautical Activity as defined herein, shall enter into a Lease with RIAC setting forth the terms and conditions by which the Entity shall occupy and use RIAC property. Leases entered into by RIAC are designed to protect the public interest and may contain more restrictive clauses than private sector leases. In addition, said Leases are to be in a form provided by RIAC's legal counsel and shall, at a minimum; conform to local / regional standards of tenant responsibility and liability.

Each Lease shall include all provisions required by law and obligations placed upon RIAC by all federal and state agencies including, but not limited to, compliance with all federal, state and local laws and regulations pertaining to the use, storage and disposal of hazardous materials and stormwater pollution prevention regulations. Other Lease provisions shall include, but are not necessarily limited to, the following:

- A. Description of Premises
- B. Term of Lease
- C. Fees and charges associated with occupying and operating on the Premises
- D. Payment procedures relating to all fees and charges
- E. Approved activities
- F. Prohibited activities
- G. Insurance Requirements
- H. Indemnification
- I. Subleasing provisions
- J. Environmental Liability
- K. RIAC entry onto Premises
- L. Compliance with laws
- M. Airport Security Program
- N. Premises Maintenance Requirements
- O. Default and Termination
- P. Holding Over
- Q. Transfer of Airport ownership
- R. Bankruptcy
- S. Ingress and Egress
- T. Lease Renewal Options

Lease language, terms, definitions, and provisions are updated from time to time to reflect changes in FAA regulations and real estate law as well as to meet changing economic conditions and other risks associated with land ownership.

SECTION 10 **FAA REQUIRED LEASE PROVISIONS**

In addition to the minimum terms and conditions listed in Section 9, each Lease of RIAC property shall contain the following provisions regarding subordination, emergency leasing to the United States, the right of flight or noise, and non-discrimination. The language for these provisions is as follows:

- A. Each Lease shall be subordinate to the provisions of any existing agreement between RIAC and the United States, relative to the operation or maintenance of the Airports, the execution of which has been required as a condition precedent to the expenditure of federal funds for the development of the Airports.
- B. During times of war or national emergency, RIAC shall have the right to Lease the landing area, or any part of the Airports to the United States Government for military or naval use, and if any such Lease is executed, the provisions of RIAC's lease with Lessee shall be suspended.

All facilities located on the Airports developed with federal financial assistance and all facilities usable for landing and takeoff of aircraft will be available to the United States for use by Government aircraft in common with other aircraft at all times without charge, except, if the use by Government aircraft is substantial, a charge may be made for a reasonable share, proportional to such use, of the cost for operating and maintaining the facilities used.

- C. RIAC reserves unto itself, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the Premises, together with the right to cause in said airspace such noise as may be inherent in the operation of aircraft, now known or hereafter used, for navigation of or flight in the said airspace, and for use of said airspace for landing on, taking off from or operating on RIAC Property.
- D. Lessee shall expressly agree for itself, its successors and assigns, to restrict the height of structures, objects of natural growth, and other obstructions on its Premises to such a height so as to comply with Title 14, Code of Federal Regulations (CFR), Part 77, entitled "*Safe, Efficient Use, and Preservation of the Navigable Airspace.*"
- E. Lessee shall expressly agree for itself, its successors and assigns, to prevent any use of its Premises in a manner which would interfere with or adversely affect the operation or maintenance of the Airports or otherwise constitute an airport hazard.
- F. Lessee shall undertake an affirmative action program as required by FAA regulations, Title 14, CFR Part 152, Subpart E, entitled "*Nondiscrimination in Airport Aid Program*" or as otherwise approved by the FAA, to ensure that no person shall on the grounds of race, creed, color, national origin, sex, or handicap be excluded from participation in any employment activities covered in such

Subpart E. Each applicable Lessee shall not exclude any person on such grounds from participating in or receiving the services or benefits of any program or activity covered by such Subpart E. Each applicable Lessee shall require that its covered suborganizations provide assurances to Lessee that they similarly will undertake affirmative action programs and that they will require assurances from their suborganizations, as required by Title 14, CFR Part 152, Subpart E, to the same effect.

- G. The Lessee shall furnish all services authorized or licensed on a fair, equal, and not unjustly discriminatory basis to all users and shall charge fair, reasonable, and not unjustly discriminatory prices for each unit or service, provided that it may make reasonable and non-discriminatory discounts, rebates, or other similar types of price reductions to volume purchasers, if permitted by law.

As required by FAA regulations, Title 14, CFR Part 152, Subpart E, entitled “*Nondiscrimination in Airport Aid Program*,” or as otherwise approved by the FAA, each Lessee for itself, its personal representatives, successors in interest, and assignees shall agree that:

1. No person on the grounds of race, creed, color, national origin, sex, or handicap shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities including participation in any employment activities covered in such Subpart E.
2. In the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, creed, color, national origin, sex, or handicap be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination.
3. That the Premises are to be used in compliance with all other requirements imposed by or pursuant to Title 49, CFR Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Non-discrimination in Federally-assisted programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulation may be amended.
4. That in the event of breach of any of the above non-discrimination covenants, RIAC shall have the right to terminate the Lease and re-enter and repossess said land and the facilities thereon and hold the same as if said Lease had never been made or issued.

SECTION 11
RENTAL, RATES, FEES, AND CHARGES

- A. Financially Self-Sufficient. RIAC has an obligation through FAA grant assurances to make the Airports as self-sufficient as possible under the circumstances existing at the Airports at any given point in time. Toward this end, RIAC, through its Leases, and by other means available to it, shall endeavor to recover the cost of providing its facilities, through rentals, fees, or other charges. All Leases shall provide for adequate consideration to be received by RIAC in compensation for the rights and privileges therein granted. It shall be the policy of RIAC to seek Lease terms and conditions that, while fair and nondiscriminatory, provide the most advantageous returns to RIAC.
- B. No Unjustifiably Discriminatory Rates. Each Lessee shall be subject to rates, fees, rentals and other charges (e.g., fuel flowage fees, hangar rentals, percentages of gross volume of business, etc.) as may be currently applicable to, or being received from others making the same or similar uses of the Airports, utilizing the same or similar facilities. Nevertheless, in respect to a contractual commitment from any Lessee, RIAC may charge different rates to similar users if such rates are nondiscriminatory in purpose. Differences in values of properties involved, and the extent of use made of common use facilities may be factors to be considered. Seldom will each Lessee have properties of the same value nor will their use and impact upon common facilities be the same. If one Lessee is in what is considered a prime location, and another is in a less advantageous area, there could logically be a differential in the fees and charges, to reflect this advantage of location. This factor might also influence the rental value of RIAC property. If one Lessee rents office or hangar space and another builds its own facilities, this would provide justification for different rental and fee structures; these two Lessees would not be considered essentially similar as to rates and charges even though they offer the same services to the public.
- C. Competition May Determine Applicable Rates / Fees. In situations where Leases are awarded as the result of competition, said Leases shall be subject to the financial terms and conditions proposed by Entities in response to the competitive process and deemed most advantageous to RIAC. Leases obtained through the process of competitive negotiation and bidding may offer returns to RIAC that are higher than those being received from existing Lessees at a given point in time.
- D. Rent. During the Term of a Lease, the Lessee shall pay RIAC Market Rent for applicable land and the Facility. Where a Lessee has constructed a Facility, Lessee shall pay Market Rent for land only during the initial Term of its Lease. For any Term extension granted for a Lease, Lessees shall pay Market Rent for land and the Facility.
- E. Periodic Adjustment of Rates. Providing for adjustments to rental rates and user fees facilitates parity of rates and charges between new and long-standing

Lessees and enables the Airports to remain as self-sustaining as possible under the circumstances existing at any given point in time. All rental rates and user fees shall be adjusted upward periodically during the Term of a Lease. Leases with Term lengths of five years or less, shall be adjusted annually. Leases with Term lengths greater than five years shall be adjusted annually or on a periodic basis, with an adjustment at least every five years. Under no circumstances will rental rates or user fees be adjusted to amounts less than the current rental rate or fee in effect at the time of the review and adjustment process conducted by RIAC.

- F. “Pioneer” Periods Disfavored. In the case of a new general aviation Lessee, offering services not previously available to the public, RIAC may choose to offer reduced rental rates or other inducements to obtain a Lessee, recognizing that it may well be a non-profit venture during its pioneering period. In such circumstances, the “incentive rate” shall be offered only during a specific “pioneer” period, and shall be defined so as to end on a specified date. Future Lessees following the pioneer period will be expected to pay the comparable standard rates and charges based on then-current values, rates, and charges, and RIAC shall not be obligated to offer subsequent Lessees a pioneer period, nor shall it generally be appropriate to offer an established Lessee the benefit of an additional period of reduced rates or other financial inducements, beyond the Lessee’s initial pioneer period.
- G. Diligent Bookkeeping Required. Income from a Lessee’s operations must be fully accounted for, and adequate records must be kept to evidence amounts due to RIAC for the various rentals, fees, and charges applicable to the Lessee’s operations. RIAC shall be entitled to have access to such records upon request.

SECTION 12 **FACILITY CONSTRUCTION**

Through its leasing activities, RIAC seeks to promote consistent, attractive, and compatible high-quality development and Facilities. In addition, RIAC desires to encourage private sector investment in RIAC property, develop and maintain aesthetic excellence, and achieve high standards of environmental protection. Finally, it desires to create standards of development that maintain the character of RIAC property and ensure all construction meets and exceeds all applicable safety standards and requirements.

Each Lease issued by RIAC which requires construction of a Facility shall include the specific development requirements for the construction of the Facility on RIAC property. Following are general provisions and policies applicable to each such Lease:

- A. Lessee, at its sole cost, expense, and risk, shall construct the Facility and shall cause the Work to be performed in accordance with a RIAC issued Lease, and in accordance with the Contract, with materials, equipment, and workmanship of the quality required by the Contract. Lessee's obligations include, but are not limited to, the construction of the Facility in accordance with the Drawings and Specifications.

Within thirty (30) days of the Lease Commencement Date, Lessee shall furnish RIAC with its proposed Drawings and Specifications for the Facility, and shall obtain the prior written consent from RIAC before it commences construction, which consent shall not be unreasonably withheld, conditioned or delayed. RIAC reserves the right to request reasonable restrictions and conditions in connection with the Work that do not interfere with Lessee's use of the Premises or unreasonably increase the cost of Work.

Within thirty (30) calendar days of the completion of construction of the Facility required under a Lease, the Lessee's construction contractor(s), architect(s), and engineer(s) shall provide RIAC with: (1) as-built plans showing the actual construction of the Facility; (2) a certified statement of costs from the construction contractor(s), architect(s) and engineer(s) specifying the total construction cost, to include an accompanying amortization schedule which depreciates the Facility over a period which shall not exceed the Lease Term; (3) a certification that the Facility has been constructed in accordance with the approved plans and specifications, and in strict compliance with all applicable building codes, laws, rules, ordinances and regulations of any Governmental Authority as required by applicable law; and (4) certified proof in writing demonstrating that no liens exist or have been filed or may be filed by reason of any or all of the construction

- B. Each Facility shall be constructed or placed upon RIAC property in a manner to conform to all safety and environmental regulations of the State of Rhode Island and RIAC, and shall be in compliance with RIAC's current site development

requirements, building codes, zoning regulations, and fire regulations as well as FAA design standards.

- C. The FAA requires review and approval of Airport improvements. Lessee is required to submit “FAA Form 7460-1” to the FAA detailing specific requirements of each project. The Lessee shall timely submit all required information to the FAA, and subsequently submit the FAA’s determination information to RIAC. Submittal of this information shall be a prerequisite of RIAC’s releasing final design approval. No construction shall commence without the written approval from FAA as per this Form.
- D. The Lessee shall be responsible for determining the need for, and thereafter shall apply for, pursue, and obtain, in accordance with the Project Timetable, all federal, state, and local demolition, construction and operating permits and approvals required to construct the Facility and carry out the obligations of Lessee, including all Environmental Permits, and building, utility, sewer, electrical, mechanical, and plumbing permits. Upon receipt of all necessary permits, Lessee shall provide written notice to RIAC, together with copies of all permits, and RIAC will have three (3) days to review such permits to determine if they are in order, and if RIAC determines that such permits are in order, RIAC will then notify Lessee to proceed with construction of the Facility. In the event RIAC fails to notify Lessee within the three (3) day review period, RIAC shall be deemed to have accepted such permits and Lessee shall be authorized to proceed.
- E. The Lessee shall be solely responsible for all site preparation and the connections and supply of all utilities to the Premises and the Facility, and all related site improvements, including without limitation, and if applicable, aircraft taxiways and associated taxiway markings and taxiway lighting, aircraft aprons and tie-downs, ramps, fencing, access control, lighting, and automobile parking.
- F. All portions of the Work that Lessee does not perform with its own forces shall be performed pursuant to the Contract. By an appropriate written agreement, Lessee shall require the Contractor, to the extent of the Work to be performed by the Contractor, to be bound to Lessee by the terms of its Lease, and to assume toward Lessee all the obligations and responsibilities which Lessee, by its Lease, assumes toward RIAC, but only with respect to the Work. Such agreement shall preserve and protect the rights of RIAC under the Lease with respect to the Work to be performed by the Contractor. Any contract or agreement for labor, services, materials or supplies to be furnished in connection with the construction of the Facility shall provide that no lien, claim, or other encumbrance shall thereby be created, or arise by anyone thereunder upon or against the Premises or the Facility, to the fullest allowed by law. Lessee warrants to RIAC that the Facility shall be free and clear of any such liens, claims or other encumbrances by any Entity claiming through or under the Lessee.

- G. Lessee will be required to provide labor, material, payment, performance, and lien bonds in an amount necessary to complete construction of the Premises, including the Facility. These bonds shall be delivered to RIAC prior to the commencement of construction and must remain in effect until the appropriate building official(s) issue a Certificate of Occupancy or other such equivalent instrument or certificate, as governed by Rhode Island law. Such bonds will secure Lessee's performance and shall provide security for the payment of all Contractors and Subcontractors performing labor or furnishing materials for the construction of the Facility. The form of each bond required hereunder, and the surety which issues it, must be reasonably acceptable to RIAC in all respects and shall cover 100% of hard construction costs. All bonds provided pursuant hereto must: (i) state that the surety will permit arbitration and be ultimately responsible for the payment of any award; (ii) name RIAC as an obligee; and (iii) be issued by a surety qualified to do business in the state of Rhode Island.
- H. Upon reasonable prior notice to Lessee, RIAC, its officers, directors, employees, contractors, consultants and agents shall have the right to enter upon the Premises and to review all aspects of the Work by Lessee or its employees, agents and contractors to the extent reasonably required by RIAC to ensure that the Work is being performed in a manner consistent with the rights and obligations of Lessee hereunder.
- I. Lessees shall obtain the prior written approval from RIAC to modify, improve, add to, or delete Facilities from their leased Premises. If any structure is erected, placed, or altered upon in any other manner than in accordance with plans and specifications approved by the President and CEO, such construction will be considered to have been undertaken without approval. This restriction is applicable to landscaping plans as well as architectural plans.
- J. Lessees shall suppress, at their own expense, and to the satisfaction of the FAA, all electromagnetic interference with radio guidance, safety devices, or with any electric or electronic equipment or installations.
- K. RIAC assumes no responsibility with regard to the ability of the Lessee to complete construction or otherwise meet the Terms and Conditions of its Lease nor does it assume any responsibility for an error, fault or omission in the plans and specifications that have been approved. RIAC reserves the right to serve notice that action must be taken to remedy any improper situations.
- L. Noise, dust, odors, stormwater detention, water quality, and smoke generation are of particular concern in the design and operation of any facility on RIAC property. Therefore, the design and construction of all facilities shall follow all applicable federal, state, and local environmental laws.

- M. Lessee shall provide to RIAC the name and title of Lessee's authorized representative and principal contact with RIAC, Lessee's Project manager, principal engineer, and construction manager (as applicable) with respect to Work.
- N. Lessee shall pay all costs for water, gas, electricity, sewer or septic connections and charges, telephone and other utilities used or consumed upon the Premises directly to the suppliers therefor as and when the charges for such utilities become due and payable. Lessee shall maintain, at its sole cost and expense the water, gas, boiler, sewer, or septic, mechanical, and electrical systems on or about the Premises.
- O. RIAC makes no representations that the existing electrical, gas, water, sewer, or other utility connections to the Premises are adequate for Lessee's operations. If such existing connections are inadequate, Lessee shall, at Lessee's sole cost and expense, make arrangements, subject to RIAC's prior written approval and reasonable cooperation in effecting such arrangements at no expense to RIAC, with the appropriate public utility company or companies to provide adequate supplies. RIAC shall grant easements to Lessees for the construction of new connections as needed by Lessees for their operations, on locations as reasonably agreed by RIAC and Lessee, and subject to then-current RIAC construction rules and regulations.
- P. Lessee shall not permit any mechanic's lien against the Premises or the Facility in connection with any materials, labor or equipment furnished to or for Lessee, and if any such lien shall be filed against the Premises, Lessee shall cause the same to be discharged, provided that if Lessee desires to contest any such lien it may do so as long as the enforcement thereof is stayed, but in any event Lessee shall while contesting the same, deposit with the court or otherwise, as required by law during the pendency of such contest prior to the time any such filed lien may be foreclosed, a sum or bond in an amount sufficient to cover the amount of such lien and all interest, penalties or costs which would be payable to discharge such lien if such lien were valid.