

APPENDIX C-1:



U.S. Department of Transportation
Federal Aviation Administration
SPONSOR AGREEMENTS

(Sponsor)

(Airport)

Clause I: Liability

(initial)

Public Law 112—95, Section 813 requires airport sponsors requesting revenue exemptions meet certain conditions, agreements, and obligations including, but not limited to, complying with applicable design and safety standards and grant assurance obligations, as prescribed in Section 813(a),(c)(1)(A), and (c)(3).

Accordingly, I hereby acknowledge and agree to:

- Maintain and operate the airport and all facilities thereon or connected therewith in a service and serviceable condition, with due regard to climatic and flood conditions;
- Accept financial responsibility and liability for any catastrophic incidents affecting the airport for the duration of the five-year capital improvement program. This includes, but is not limited to, accidents and incidents, whether man made or acts of nature such as floods, earthquakes, weather phenomena, or other seismic or geological factors; and
- Accept financial responsibility to comply with all new and existing regulations, policies, and all unfunded mandates as prescribed by FAA, Department of Transportation, Department of Homeland Security, or other federal agencies with delegated authority to impose such requirements on airports for the duration of the five-year capital improvement program. Compliance includes self-funding all applicable mandates imposed by this section without requesting, receiving, and/or accepting federal or state funds allocated by federal laws and programs.

Clause II: Funding Waiver

(initial)

Public Law 112—95, Section 813 requires airport sponsors requesting revenue exemptions meet certain conditions, agreements, and obligations including, but not limited to, waiving all rights to receive entitlement and discretionary funding under the Federal Aviation Administration’s Airport Improvement Program (AIP) as prescribed in Section 813(c)(2)(A).

Accordingly, I hereby acknowledge and agree to:

- Waive all rights to receive entitlement funds or discretionary funds to be used at the airport under section 47114 or 47115 of title 49, United States Code, for the duration of the five year period set forth in the capital improvement program agreed to by and between _____ and the Federal Aviation Administration on _____.

- Allow FAA to suspend all non-primary entitlement (NPE) funding accruals for _____ for the duration of the five-year period set forth in the capital improvement program. Suspension will take effect concurrently with the execution of the Exemption Agreement; funding will be pro-rated accordingly.
- Allow FAA to suspend all discretionary eligibility for _____ for the duration of the five-year period set forth in the capital improvement program to reflect the airport's voluntary agreement to suspend its eligibility in this programming category. Suspension will take effect concurrently with the execution of the Exemption Agreement; funding status will be restored at the conclusion of the five-year exemption period provided the terms of the Exemption Agreement have been satisfied.

CLAUSE III: Revenue Use

(initial)

Public Law 112—95, Section 813 requires airport sponsors requesting revenue exemptions meet certain conditions, agreements, and obligations including, but not limited to, perpetually complying with statutorily requirements for airport revenue use as prescribed in Section 813(c)(2)(B).

Accordingly, I hereby acknowledge and agree to:

- Perpetually comply with sections 47107(b) and 47133 of title 49, United States Code, unless granted specific exceptions by FAA in accordance with Section 813.
- Perpetually use airport revenue for the purposes prescribed in statute and permitted under FAA's Policy and Procedures Concerning the Use of Airport Revenue (Revenue Use Policy) (64 FR 7696). Revenue that legally constitutes airport revenue is defined in the Revenue Use Policy, and includes among the definitions identified, revenue received:

For the sale of (or sale or lease of rights in) sponsor-owned mineral, natural, or agricultural products or water to be taken from the airport. [See, 64 FR 7716]
- Exempt only the revenue defined in the Exemption Agreement for the purposes stated and accepted therein for the duration of the five-year period set forth in the capital improvement program. Use of revenues under this exemption occurring thereafter or beyond the scope of the agreement may be deemed to constitute revenue diversion and subject to repayment up to treble the amount determined to have been diverted in accordance with 49 U.S.C. § 46301(a)(3).

CLAUSE IV: Airport Use

(initial)

Public Law 112—95, Section 813 requires airport sponsors requesting revenue exemptions meet certain conditions, agreements, and obligations including, but not limited to, operating the airport as a public-use airport, as prescribed in Section 813(c)(2)(C).

Accordingly, I hereby acknowledge and agree to:

- Operate the airport as a public-use airport, unless the FAA Administrator specifically grants a request to allow the airport to close in accordance with Section 813.

- Comply with FAA grant assurance obligations pertaining to operating an airport;
- Comply with FAA applicable design and safety standards pertaining to operating an airport;
- Acknowledge that any requests to close the airport must meet the thresholds prescribed in FAA Order 5190.6B, section 22.4. FAA Consideration of Releases, including but not limited to, satisfactorily demonstrating the proposed closure would result in a net benefit to civil aviation.

CLAUSE V: Grant Assurance Compliance

(initial)

Public Law 112—95, Section 813 requires airport sponsors requesting revenue exemptions meet certain conditions, agreements, and obligations including, but not limited to, complying with all grant assurance obligations for a period of twenty years, as prescribed in Section 813(c)(2)(C).

Accordingly, I hereby acknowledge and agree to:

- Comply with all grant assurance obligations in effect as of the date of the execution/enactment of the Exemption Agreement for a period of twenty years in accordance with Section 813.
- Acknowledge that at any time during the exemption period, if the sponsor fails to maintain compliance with these grant assurance obligations, FAA may rescind the Exemption Agreement and certain exempted revenue may be returned to the airport account.
- Voluntarily and expeditiously comply with any and all FAA finding or determinations to maintain a satisfactory compliant status with FAA.

CLAUSE VI: Annual Project Financial Statements

(initial)

Public Law 112—95, Section 813 requires airport sponsors requesting revenue exemptions meet certain conditions, agreements, and obligations including, but not limited to, allocating revenue identified by the Administrator for federal, state, or local transportation infrastructure projects carried out by the airport sponsor or by a governing body within the geographical limits of the airport sponsor’s jurisdiction, as prescribed in Section 813(b).

Accordingly, I hereby acknowledge and agree to:

- Complete and submit to FAA annual project(s) financial statements for each complete year of the five-year exemption period.

I understand this agreement does not relieve the sponsor from fully complying with all applicable statutory and administrative standards, including terms and conditions of past AIP grants received.

I agree to the conditions, agreements, and obligations stated herein.

I affirm, to the best of my information and belief, that all required submissions under the above stated provision of law are correct and complete.

I affirm I have the requisite authority to act on behalf of _____ to enter into such agreements and assurances.

(Signature of Sponsor's Designated Official Representative)

(Date)

(Typed Name)

(Typed Title)

Severability. *If any part, provision, or clause of this Agreement shall be held or deemed illegal, invalid, inoperative, or unenforceable in any jurisdiction, all other provisions and clauses shall not be affected and shall continue in full force and effect.*