MINIMUM STANDARDS FOR THE CONDUCT OF COMMERCIAL AERONAUTICAL SERVICES AT THE

GREATER CUMBERLAND REGIONAL AIRPORT

SECTION I GENERAL

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GENERAL

A. Introduction

The Potomac Highlands Airport Authority (hereinafter referred to as the "Authority"), is responsible for the administration of the Greater Cumberland Regional Airport at Wiley Ford, WV (hereinafter referred to as the "Airport"). In order to foster, encourage and ensure the economic growth and orderly development of aviation and related aeronautical activities at the Airport, the Authority has, by ensuring adequate aeronautical services and facilities to the users of the Airport, established certain standards and requirements for Commercial Aviation Operators (hereinafter referred to as the "Operator") at the Airport.

The following Sections set forth the Minimum Standards for a person or persons, partnership, company, trust or corporation (hereinafter referred to as "Person") based upon and engaging in one or more Commercial Aeronautical services and activities operations at the Airport. These Minimum Standards are not intended to be all-inclusive. The Operator of a commercial venture who is based on the Airport will also be subject to applicable federal, state and local laws, codes and ordinances, and other similar regulatory measures, including all current and future Airport Rules and Regulations pertaining to all such activities.

A written agreement, properly executed by the Authority and the Operator, is a prerequisite to tenancy on the Airport, and both the written agreement and tenancy are prerequisite to the commencement of any of the Commercial Aeronautical services and activities operations herein contained and specified. The contract provisions will, however, be compatible with the Minimum Standards and will be included in whole or in part in all leases between the Authority and Person desiring to be based on the Airport and engaged in any commercial aeronautical services and activities. Information relative to rentals, fees, and charges applicable to the aeronautical services included herein will be made available to the prospective commercial operator by the official representative of the Authority at the time of application or during the contract negotiations.

These Minimum Standards may be revised as conditions require. Verify with the Authority that you have a complete and current document. These Minimum Standards may be supplemented and amended by the Authority from time to time in such manner and to such extent as is deemed proper, provided that prior to any amendment or supplement to these Minimum Standards all Operators at the Airport will be given written notice of the proposed amendments and/or supplements, and a hearing may be requested by an Operator not less than ten (10) nor more than fifteen (15) days after the date of the written notice, at which time any Operator may appear, in person or by counsel, and state his objection to such proposed amendments and/or supplements; provided further that no such amendments or supplements shall affect any contractual relationship presently existing between the Authority and operators; provided that any lease, contract or agreement, entered into with applicant after the amended or supplemented Minimum Standards are adopted by the Authority shall be terminated or cancelled in the event of failure to

comply with any modification or amendments to these Minimum Standards, after notice thereof shall have been given.

B. <u>Statement of Policy</u>

A fair and reasonable opportunity, without unjust discrimination, shall be accorded to all applicants to qualify, and in the event of more than one applicant for the same parcel of land or other Airport property, to compete in a public bid process for available Airport facilities and the furnishing of selected aeronautical services, subject to the Minimum Standards as established by the Authority and set forth herein for Commercial Aeronautical Services and Activities at the Airport. It should also be recognized that the Authority has retained the "Proprietary Exclusive" right to sell and dispense fuel and lubricants to the public on the Airport.

In all cases where the words "standards" appear, it shall be understood that they are modified by the word "minimum". All Operators are encouraged to exceed the "minimums". No Operator will be allowed to operate or provide aeronautical services less than the "minimum standard" for the service(s) being provided. These "minimums" are established as a means of governing the quality and level of services offered to the public in connection with the conduct of a particular aeronautical activity on the Airport. These standards will also help ensure that all aeronautical services furnished at the Airport are conducted safely and that they are in the public interest. In addition these standards will also inform prospective operators of the business environment, including contractual requirement of the Authority and its plans for future planned activity and services.

Contingent upon its qualifications, its meeting the established Minimum Standards, the execution of a written agreement with the Authority, and the payment of the prescribed rentals, fees and charges, the Operator shall have the right and privilege of providing aeronautical services to the public on the Airport as specified by written contract. The granting of such right and privilege, however, shall not be construed in any manner as affording the Operator any exclusive right of use of the premises and facilities and the Airport other than those premises which the Operator leases exclusively and then only to the extent provided in the written contract. The Authority reserves and retains the right for the use of the Airport by others who may desire to use the same, pursuant to applicable federal, state and local laws, ordinances, codes, minimum standards, and other regulatory measures pertaining to such use. The Authority further reserves the right to designate the specific Airport areas where the aeronautical services may be conducted. Such designation shall give consideration to the nature and extent of the operation and the lands and improvements available for such purpose, consistent with the orderly and safer operation of the airport.

C. Definitions

<u>Aeronautical Activity</u> – Any activity which involves, makes possible, or is required for the operation of aircraft, or which contributes to or is required for the safety of such operations. The following activities, commonly conducted on airports, are aeronautical activities within this definition: charter operations, pilot training, aircraft rental and sightseeing, aerial photography, crop dusting, aerial advertising and surveying, air carrier operations, aircraft sales and services,

sale of aviation petroleum products, whether or not conducted in conjunction with other included activities, repair and maintenance of aircraft, sale of aircraft parts, hangaring and tie-down of aircraft, and any other activities which because of their direct relationship to the operation of aircraft can appropriately be regarded as an "Aeronautical Activity".

The following are examples of what are not considered aeronautical activities: ground transportation (taxis, car rentals or limousines), restaurants, barber shops, auto parking lots.

<u>Aeronautical Services</u> - Any service which involves makes possible, or is required for, the operation of aircraft, or which contributes to, or is required for the safety of aircraft operations commonly conducted on the airport by a person who has a lease from the Authority to provide such service or any other service, permitted by authorization of the Airport Manager.

Aircraft - A device, which is used or intended to be used, for flight in air.

<u>Airport</u> - The Greater Cumberland Regional Airport and all the property, buildings, facilities and improvements within the exterior boundaries of such airport, as it now exists, on the Airport Layout Plan, or Airport Property map or as it may later be extended, enlarged, or modified.

<u>Airport Operations Area</u> or <u>AOA</u> - The area of the Airport used, or intended to be used, for landing and takeoff or surface maneuvering of aircraft, in addition to associated hangars, navigation and communication facilities.

<u>Authority</u> - The Potomac Highlands Airport Authority and operator of the Greater Cumberland Regional Airport.

<u>Commercial Aviation Operator</u> – A Commercial Aviation Operator is defined as a Person engaging in an activity which involves, makes possible, or is required for the operation of aircraft, or which contributes to, or is required for the safe conduct and utility of such aircraft operations, the purpose of such activity being to secure earnings, income, compensations, or profit, whether or not such objective or objectives are accomplished. A Commercial Aviation Operator may be classified as either a Fixed Base Operator, or a Specialized Aviation Operator.

FAA - The Federal Aviation Administration and its successors.

<u>FAR</u> - Federal Aviation Regulation, as published and amended from time to time in the Code of Federal Regulations (CFR).

<u>Fixed Base Operator</u> – A Fixed Base Operator (FBO) is further defined as a person, firm, corporation or other recognized form of business organization which provides general aviation services required at the Greater Cumberland Regional Airport. As a minimum, the Fixed Base Operator shall provide the following <u>aeronautical services:</u>

1. Aircraft Line Services:

a. Fueling, lubricating and miscellaneous service

- b. Ramp parking and tie-down
- c. Crew and passenger lounge facilities
- d. Public restrooms and telephone
- e. Loading, unloading and towing
- f. Hangar storage (multi-plane or T)
- 2. Aircraft Rental and Flight Training
- 3. Aircraft Maintenance and Repair
- 4. Flight Planning/Weather Information Area

In addition, the FBO is <u>encouraged</u> to provide any or all of the other aeronautical services which may be provided separately by Specialized Aviation Operator.

<u>Flying Club</u> - A non-commercial organization established to promote flying and to develop skills in aeronautics, including pilotage, navigation, and awareness and appreciation of aviation requirements and techniques. See Airport Rules and Regulations for requirements.

<u>Minimum Standards</u> – Those qualifications which are established by the airport Authority as the minimum requirements to be met as a condition for the right to provide an aeronautical service to the public on the Airport.

NFPA - National Fire Protection Association.

<u>NOTAM</u> - Notice to Airmen published by the FAA (e.g., a method of notifying the flying public of conditions at the Airport that may affect flight).

NTSB - National Transportation Safety Board or any successors.

<u>Person</u> - An individual, corporation, government or governmental subdivision, partnership, association, or any other legal entity.

<u>Self-fueling Operator</u> - A person who dispenses aviation fuel to aircraft owned or leased from others and operated by such person. See Airport Rules and Regulations for requirements and procedure.

<u>Shall</u> - Is mandatory and not directory.

<u>Specialized Aviation Operator</u> (SAO) – A Specialized Aviation Operator shall provide one or more of the services outlined in SECTION III. A specialized Aviation Operator may <u>not</u> provide regular commercial services to the public in the areas of fueling, lubricating and miscellaneous services, ramp parking and tie down or multi-plane aircraft storage. Such services require the designation as an FBO.

D. <u>Prequalification Requirements</u>

1. The prospective Operator shall submit to the Authority a written application that includes the following information and, thereafter, such additional information as may be requested by the Authority.

a. <u>Intended Scope of Activities</u>

As a prerequisite to the granting of an operating privilege on the Airport, the prospective Operator must submit a detailed description of the scope of the intended operation, the means and methods to be employed to provide the proposed service and an explanation of how the proposed operation meets the minimum operating standards to provide the highest-quality service to the aviation and general public in the Airport air service area. The description shall include, but not be limited to, the following:

- (1) The name, address and telephone number of the applicant
- (2) The requested or proposed date for commencement of the activity and the terms of conducting the activity.
- (3) The services to be offered
- (4) The amount, size and location of land to be leased
- (5) The size and position of the building space to be constructed or leased
- (6) The number of aircraft to be provided (as applicable)
- (7) The number of persons to be employed
- (8) The proposed hours of operation
- (9) The number of types of insurance coverage to be maintained

b. <u>Financial Responsibility and Capability</u>

The prospective operator must provide comprehensive financial statements and tax returns. The prospective Operator must also demonstrate the financial capability to initiate operations and for the construction of improvements and appurtenances that may be required commensurate with the concept of the proposed operation(s), and shall also indicate his ability to provide working capital to carry on the contemplated operations, once initiated.

c. <u>Experience</u>

The prospective Operator shall furnish the Authority with a statement of his past experience in the specified aviation services to be supplied by him on the Airport,

together with evidence that he has the ability to perform the selected services including proof of financial capabilities.

d. Bond

The prospective Operator shall post a performance bond in the amount equal to 25% of the annual rental established and agreed upon for conducting the services to be provided. Cash may be posted in lieu of performance bond.

2. <u>Action on Application</u>

All applications will be reviewed and acted upon by the Authority within 90 days from the receipt of a complete application. Applications may be denied for one or more of the following reasons:

- a. The applicant does not meet the qualifications, standards and/or requirements established by these Minimum Standards.
- b. The applicant's proposed operations or construction will create a safety hazard on the Airport.
- c. The granting of the application will require the expenditure of local funds, labor or materials on the facilities described in, or related to the application, or the operation will result in a financial loss to the Airport.
- d. There is no appropriate or adequate available space or building on the Airport to accommodate the entire activity of the applicant.
- e. The proposed operation, Airport development or construction does not comply with the approved Airport Layout Plan.
- f. The development or use of the area requested will result in a congestion of aircraft or buildings, or will result in unduly interfering with the operations of any present fixed base operator on the Airport, (e.g., problems in connection with aircraft traffic or service, preventing free access and egress to the existing fixed base operator area, or depriving, without the proper economic study, an existing fixed base operator of portions of its leased area in which it is operating).
- g. Any party applying, or interested in the business, supplying false information, or misrepresenting any material fact in the application or in supporting documents, or failing to make full disclosure on the application.

- h. Any party applying, or having an interest in the business, having a record of violating the Rules, or the Rules and Regulations of any other Airport, Federal Aviation Regulations, Civil Air Regulations or any other Rules and Regulations applicable to this or any other Airport.
- i. Any party applying, or having an interest in the business, having defaulted in the performance of any lease or other agreement with the Authority or any lease or other agreement at any other airport.
- j. Any party applying, or having an interest in the business not being sufficiently credit worthy and responsible in the judgment of the Authority to provide and maintain the business to which the application relates and to promptly pay amounts due under the FBO or SAO lease.
- k. The applicant not having the finances necessary to conduct the proposed operation for a minimum period of six months.
- l. The applicant for any of its Authorities, officers, or employees having committed any crime, or violated any local ordinance rule or regulation, which adversely reflects on its ability to conduct the FBO or SAO operation for which it applied.
 - m. For any other reasonable basis adopted by the Authority.

E. <u>Lease and Operations Agreement</u>

1. Requirement of a Written Agreement

Prior to the commencement of operations, the prospective Operator will be required to enter into a written agreement with the Authority. The agreement will recite the terms and conditions under which he will operate his business on the Airport, including, but not limited to, the term of the agreement; fees and charges; the rights, privileges and obligations of the respective parties; and other relevant covenants.

Note: All airport use charges shall be subject to renegotiation at the end of each five year period.

Minimum rental rates shall be as currently established by the Authority.

Unimproved land net rate assumes construction of improvements which will become the property of the lessor at the end of the lease period. Where no improvements are provided by the tenant, land rental cost will be increased accordingly.

2. Site Development Standards

a. Physical Facilities

- (1) All facilities developed by operators shall provide for auto parking in a manner approved by the Authority, and all buildings shall provide for an office and approved restroom facilities.
- (2) The Operator will be required to maintain his exclusively leased area in a manner acceptable to the Authority at all times, and such maintenance shall provide for safe operating conditions in the area exclusively leased by the Operator.
- (3) For construction of any new Airport facilities financed by the Operator, the Operator will be subject to the standards of development as they are contained in the Airport Master Plan or otherwise prescribed for the Airport by the Authority. The Authority must approve all plans and specifications prior to construction, and a notice of proposed construction required by FAR Part 77 must be submitted by the Operator to the FAA Airports District Office.

b. Personnel

- (1) The Operator shall have in his employ, and on duty during operating hours, trained personnel in such numbers as are required to meet the Minimum Standards in an efficient manner, for each aeronautical service being performed. The Operator shall also provide a responsible person in the office during business hours to supervise the operations in the leased area on the Airport and with authorization to represent and act for, and on behalf of, the Operator.
- (2) All personnel are required to hold Federal Aviation Administration certificates and ratings or any other required federal, state, or local licenses, certificates, or ratings and shall maintain them during the term of the lease.
- (3) Maintenance of pavement constructed by the Authority shall be the responsibility of the Authority. Each Operator shall maintain the pavement constructed by the Operator. The Authority shall maintain the structure and exterior of all buildings owned by it, except the hangar doors, which shall be the responsibility of the Operator. The maintenance of the interior of the building, utility costs, and each Operator's trash removal shall be his own responsibility. Utility line maintenance outside the Operator's delineated property boundary shall be the Authority's responsibility. Grass mowing and landscape maintenance within each Operator's leased area shall be his own responsibility.

3. Insurance

The Operator shall procure, maintain, and pay premiums, during the term of his agreement, for insurance of the types and in the minimum limits set forth in the schedule of Minimum Standards for the respective categories of aeronautical services. (Also see SECTION E of the Airport Rules & Regulations) The insurance company, or companies, writing the required policy, or policies, shall be licensed to do business in the state. Where more than one aeronautical service is proposed, the minimum limits will vary, depending upon the nature of individual services, but will not necessarily be cumulative in all instances. For example, if three (3) activities are chosen, it would not be necessary for the Operator to carry insurance policies providing the combined total of the minimum limits for each type of operation; however, if one of the selected activities required passenger liability coverage or hangar keeper's liability not required in either of the other two categories, the Operator would be required to provide insurance on the applicable exposures. As a further example, the minimum limit of property damage on a combination of activities would be the highest minimum limit stated in the grouping chosen. Because of these variables, the applicable minimum insurance coverage on combinations of services will be discussed with the prospective Operator at the time of his application or otherwise during lease negotiations.

All insurance, which the Operator is required to carry and keep in force, shall include the officers, agents and employees of the Authority as additional-named insured. The Operator shall furnish evidence of his compliance with this requirement to the Authority with proper certification that such insurance is in force and will furnish additional certification as evidence of changes in insurance not less than ten days prior to any such changes, if the change results in a reduction of coverage, and not more than five days after such change if the change results in an increase in coverage.

The applicable insurance coverages shall be in force during the period of any construction of the Operator's facilities and/or prior to his entry upon the Airport for the conduct of his business. The Operator shall also furnish evidence of his compliance with the applicable State Statutes with respect to Workmen's Compensation and Unemployment Insurance (where applicable).

4. General Lease Clauses

Each Operator shall be required to contribute to the operation of the Airport. No Operator may perform or provide any aeronautical activity or service upon this Airport without a fully executed lease agreement. Some of the standard lease clauses are included in **EXHIBIT** "A" of these Minimum Standards.

SECTION II

FIXED BASE OPERATOR

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- A. <u>Fixed Base Operator</u> (FBO) shall provide the following minimum activities or services:
 - 1. Aircraft Line Services:
 - a. Fueling, Lubricating and Miscellaneous Service
 - b. Ramp Parking and Tie-down
 - c. Crew and Passenger Lounge Facilities
 - d. Public Restrooms and Telephone
 - e. Loading, Unloading and Towing
 - f. Hangar Storage (multi-plant or T)
 - 2. Aircraft Maintenance and Repair
 - 3 Aircraft Rental and Flight Training
 - 4 Flight Planning/Weather Information Area
- B. Fixed Base Operator shall meet the following Minimum Standards:
 - 1. Aircraft Line Services:

The Operator shall demonstrate, to the satisfaction of the Authority, that adequate arrangements or contractual agreements have been made with a reputable aviation gasoline and lubricant distributor who will provide the Operator with an enforceable agreement, to purchase fuel and oil in such quantities as are necessary to meet the requirements set forth herein. Aviation fuels and oils <u>delivered</u> to the Operator by a vendor will be considered by the Authority to be fuels and oils <u>dispensed</u> by the Operator under the purview of the minimum rental rates established as a part hereof and the fuel flow fee will be paid to the Authority by the Operator upon delivery of the fuel by the fuel supplier.

- 2. Aircraft Line Service Activity shall provide:
 - a. Fueling and Lubricating Oil Sales and Service:

The FBO shall be open to the public from dawn to dusk 365 day a year (the exact hours to be negotiated with the Authority, including provisions for services at other times on an "on-call" basis) to provide for the sale of fuel and lubricants, and into-plane delivery of aviation fuels, lubricants and other related petroleum products. FBO shall maintain an adequate inventory of at least 3,000 gallons of

100 LL gasoline and 5,000 gallons of jet fuel along with engine oil and lubricants. FBO shall, subject to an independent inspection, provide fuel dispensing equipment with reliable metering devices capable of servicing, in an efficient and safest manner, all types of general aviation aircraft.

FBO shall have an approved metered filter equipped dispenser, fixed or mobile, for dispensing each grade of aviation fuel from storage tanks having a minimum capacity of 24,000 gallons each. Mobile dispensing trucks shall have a minimum of 500 gallons capacity for each grade of fuel. Separate dispensing pumps for each grade of fuel are required.

In conducting refueling operations, FBO shall install and use adequate electrical bonding facilities at fueling locations to eliminate the hazards of static electricity and shall provide approved types of fire extinguishers or other equipment commensurate with the hazard involved with fueling, defueling and servicing aircraft. All FBO fueling services and systems shall be subject to inspection for fire and other hazards by the Airport Manager and the appropriate State and local fire agency. FBO shall meet all applicable fire codes; federal, state and local laws, statutes, ordinances, rules and regulations pertaining to fire safety.

Only non-contaminated fuel shall be pumped into aircraft being serviced. Fuel delivered shall be bright, clean, pure and free of microscopic organisms, water or other contaminants. Quality control of the fuel is the responsibility of the FBO. The Operator shall maintain current fuel reports on file and available for auditing at any time by the Authority, State or the Federal Aviation Administration. Fueling service by the FBO shall be in full compliance with good safety practices, including proper fire protection and electrical bonding of aircraft during fueling operations as required in NFPA 407.

FBO servicing of aircraft, such as cleaning of the interior and exterior of aircraft:

FBO shall provide proper equipment for repairing and inflating aircraft tires, servicing oleo struts, changing engine oil, washing aircraft and aircraft windows, and recharging or energizing discharged aircraft batteries and starters.

FBO shall provide a location away from the Airport for the adequate and sanitary handling and disposal of his trash, waste and other materials, including but not limited to used oil, solvents, and other waste. The piling or storage of crates, boxes, barrels and other containers will not be permitted within the leased premises or elsewhere on airport property.

b. Ramp Parking and Tie-Down – FBO Ramp Assistance, including the parking, tie-down and storage of only functional aircraft within the FBO's leased area.

Adequate tie-down facilities and equipment, including ropes or other types of restraining devices and wheel chocks for a minimum of five (5) typical aircraft shall be provided.

FBO shall provide properly trained line personnel on duty during the appropriate daylight hours of every calendar day (seven days a week) unless otherwise provided.

- c. Crew and Passenger Lounge Facilities The FBO shall provide a minimum of 250 square feet of conveniently located, heated and air conditioned lounge, or waiting room, for passengers and crews.
- d. Public Restrooms and a Telephone Restrooms will be conveniently located to the Crew and Passenger lounge described in "c." above, heated and ventilated and accessible to the passengers and crews, and will be maintained in a clean and sanitary manner. At least one working telephone will be provided for public use.
- e. Loading, Unloading and Towing FBO shall provide adequate loading, unloading and towing equipment to safely and efficiently move aircraft and store them in times of all reasonably expected weather conditions.
- f. Hangar Storage FBO shall provide, or lease from the Authority, suitable hard-surfaced hangar (multi-plane hangars or T hangars) storage facilities.

2. Aircraft Airframe & Engine Repair and Maintenance

The FBO shall provide:

- a. A minimum of a 60 foot by 100 foot hangar to house any aircraft upon which airframe or engine repairs are being performed.
- b. A minimum of 3 tie-down spaces for aircraft before and after repair and maintenance have been accomplished.
- c. Adequate shop space to house adequate equipment and machine tools, jacks, lifts and testing equipment to perform general aircraft maintenance as required for FAA recertification of general aviation aircraft.
- d. At least one FAA certified airframe and power plant mechanic available 8 hours a day, five days per week and on "on-call" with 3 hours notice on weekends and holidays.

3. Aircraft Rental and Flight Training

An aircraft rental and flight training operator is a person, firm or corporation engaged in aircraft rental and the instructing of student pilots in dual and solo flight training in fixed and/or rotary wing aircraft, and provides such related ground school instruction as is necessary preparatory to taking a written examination and flight check ride for a private pilot's license.

Operator shall provide:

- a. At least one properly certificated flight instructors to instruct student pilots in dual and solo flight in fixed and, at his option, rotary wing aircraft. They will also conduct check flights for customers renting aircraft.
- b. Such related ground school instruction as is necessary, preparatory to a student taking a written examination and flight check ride for a private pilot's license or appropriate rating from the Federal Aviation Administration.
- c. Training which meets the continuing requirements for certification by the Federal Aviation Administration to conduct such training and amendments thereto, for basic ground schools and for primary flying schools.
- d. The flight training operator shall have, on a full-time basis, currently certificated pilots and instructors in sufficient numbers (never less than one) to meet the demands of the number of students expected to be engaged in such flight training. An operator must be able to satisfactorily demonstrate that he has had experience in flight training. The operator has someone available to dispatch the rental aircraft.
- e. The operator shall, own or have leased, (written lease will be available for inspection), at least one certified aircraft equipped for flight instruction and rental.
- f. Adequate facilities for storing, parking, servicing, and repairing the aircraft used in flight training.
- 4. The Operator shall provide 100 square feet of conveniently located, heated and airconditioned space for a flight planning area with appropriate seating, work areas, communication facilities, directories and all items necessary for complete flight planning separate from other public areas.

C. Minimum Land and Improvements Required shall be as follows:

- 1. The <u>minimum</u> land to be leased for a Fixed Base Operation shall be that to provide the facilities required in the minimum standards.
- 2. The Operator shall provide 8 on-site auto parking spaces to accommodate customer and employee parking.
- 3. Each FBO shall lease at least one multi-plane hangar. If an existing large hangar is not available, the FBO shall finance and build his own facility containing a minimum of 3000 square feet (50' X 60') which will become the property of the Authority at the expiration of the lease period.

4. All paving and buildings shall be of permanent construction and shall be in compliance with the design, materials, and landscaping established in the current Airport Master Plan.

D. Some of Lease Terms and Conditions:

- 1. It is the intention of the Authority to write a lease requiring the Fixed Base Operator to provide the preceding services. The minimum standards for these services will be included in the lease as minimum requirements. It is also the intention of the Authority that all leases be "net" leases, that is, that the total costs for amortizing the investment and maintenance costs be borne by the FBO. Hangars may be constructed by FBO's only with the expressed written approval of the Authority and under the conditions stated in the Airport Rules and Regulations.
- 2. All sublease agreements must receive prior written approval of the Authority.
- 3 FBO's, in their operation and use of the Airport, will not, on the grounds of race, color, sex or national origin, discriminate or permit discrimination against any person or group of persons in any manner prohibited by the 49 CFR Part 21.
- 4. Insurance Coverage shall be provided and paid for by the FBO in the following amounts with all Airport personnel as additional insured. A Certificate of Insurance, or a copy of the insurance policies involved, will be furnished to the Authority and 10 days advance written notice of any change to any policy or cancellation of any policy shall be given to the Airport Manager.
 - a. Aircraft Liability:

Bodily Injury (Each Accident)

\$300,000 each person \$1,000,000 for more than one person

Passenger Liability

\$300,000 each passenger, each accident

b. Comprehensive Public Liability and Property Damage:

Bodily Injury (Each Accident)

\$300,000 each person \$1,000,000 for more than one person

c. Property Damage

\$100,000 each accident

d. Hangar Keeper's Liability:

\$1,000,000 each accident

Products' Liability:

\$1,000,000 each accident

e. Student and Renter's Liability:

\$1,000,000 each accident

f. Motor Vehicle Liability:

\$300,000 each person

g. Workman's Compensation and Employer's Liability:

Up to the Statutory Limit

SECTION III SPECIALIZED AVIATION OPERATOR

SECTION III

SPECIALIZED AVIATION OPERATOR

Specialized Aviation Operators (SAO) shall consist of one or more of the following services and activities and comply with the Minimum Standards described **in this Section**.

- 1. <u>Specialized Aircraft Repair Services</u> (Radios, Upholstery, Propellers, Instruments, Accessories, etc)
 - a. Statement of Concept

A specialized aircraft repair services operator is a person or persons, firm or corporation engaged in a business capable of providing a shop, or a combination of Federal Aviation Administration certificated shops for the repair of aircraft radios, propellers, instruments, and accessories for general aviation aircraft. This category shall include the sale of new and/or used aircraft radios, propellers, instruments and accessories, but such is not an exclusive right.

b. Minimum Standards

- 1. The Operator shall lease from the Authority an area of not less than 3,500 square feet of ground space on which shall be erected a building providing at least 2,400 square feet (40' X 60') of floor space to hangar at least one aircraft, to house all equipment and to provide and office, shop, restrooms, customer lounge and telephone facilities for customer use. Hard surfaced on-site auto parking for 4 cars and a paved aircraft apron, all within the leased area and sufficient to accommodate the Operator's activities and operations shall be provided. The avionics portion of the services offered must maintain current the qualifications of Class I and Class II FAA designated repair stations.
- 2. The Operator shall obtain and maintain, as a minimum, the repair station certificates required by the Federal Aviation Administration that are applicable to the operation or operations contemplated. The Operator may furnish one or, if desired, any combination of the services mentioned above.
- 3. The Operator performing the services under this category will be required to carry the following types of insurance in the limits specified:
 - a. Comprehensive Public Liability and Comprehensive Property Damage:

Bodily Injury (Each Accident)

\$300,000 each person

\$1,000,000 for more than one person

Property Damage

\$100,000 each accident

b. Hangar Keeper's Liability, as applicable:

\$1,000,000 each accident

c. Products Liability:

\$1,000,000 each accident

- 4. The Operator shall have his premises open and services available 8 hours daily, 5 days each week.
- 5. The Operator shall have in his employ and on duty during the required operating hours, trained personnel in such numbers as are required to meet the minimum standards set forth in this category in an efficient manner, but never less than one person currently certificated as a Federal Aviation Administration-rated A&P mechanic.

2. Specialized Commercial Flying Services

a. Statement of Concept

A specialized commercial flying services operator is a person or persons, firm or corporation engaged in air transportation for hire for the purpose of providing the use of aircraft for any of the activities listed below:

- 1. Non-stop sightseeing flights that begin and end at the same airport within a 25-mile radius of the Airport.
- 2. Aerial application including crop-dusting, seeding, spraying, bird chasing, fish spotting, etc.
- 3. Banner towing and aerial advertising
- 4. Aerial photography or survey
- 5. Fire Fighting
- 6. Power Line or pipeline patrol
- 7. Any other operations specifically excluded from Part 135 of the Federal Aviation Regulations

b. Minimum Standards

a. The Operator shall lease adequate space and/or land area to meet the requirements of the operation at the Airport subject to the approval of the Authority. In the case of cropdusting or aerial application, the operator shall demonstrate that he will make suitable arrangements and have such space available in his leased area for safe landing and unloading and storage and containment of noxious chemical materials and that he is properly licensed by the appropriate authority for aerial application in the State (see the Airport Rules And Regulations, SECTION II paragraph Q).

3. Flight Training

a. Statement of Concept

A flight training operator is a person or persons, firm or corporation engaged in instructing pilots in dual and solo flight training, in fixed and/or rotary wing aircraft, in land or sea aircraft and providing such related ground school instruction as is necessary preparatory to taking a written examination and flight check ride for the category or categories of pilots' licenses and ratings involved. Flight training is a Fixed Base Operator requirement, and any operator wishing to provide only this service must meet the following standards.

b. Minimum Standards

- 1. Lease from the Authority or provide under terms agreeable to the Authority, for its exclusive use, a minimum of 120 square feet for office space and a flight planning area with equipment, phones and access to restrooms. If providing a proper ground school on the Airport, additional space must be leased for a classroom, which will accommodate at least four students, plus adequate equipment as currently deemed necessary for such training. Provide 6 auto parking space and a paved aircraft apron all within a leased area sufficient to accommodate two (2) aircraft
- 2. The Operator may (Authority discretion) have available for use in flight training, either owned or under written lease to Operator, one (1) aircraft properly certificated to handle the proposed scope of his student operation.
- 3. The Operator performing the services under this category will be required to carry the following types of insurance in the limits specified:
 - a. Aircraft Liability:

Bodily Injury (Each Accident)

\$300,000 each person \$1,500,000 for more than one person

Property Damage

- \$1,500,000 each accident
- b. Comprehensive Public Liability and Comprehensive Property Damage:

Bodily Injury (Each Accident)

\$300,000 each person \$1,500,000 for more than one person

Property Damage

- \$1,500,000 each accident
- c. Student and Renters' Liability
- \$1,000,000 each accident
- d. Hangar Keeper's Liability, as applicable:
- \$1,500,000 each accident
- 4. The Operator shall have his premises open and services available during routine hours (Authority discretion), weather permitting.
- 5. The flight training operator shall have on a full-time basis, currently certificated pilots and instructors in sufficient numbers (never less than one) to meet the demands of the number of students expected to be engaged in such training.

5. Aircraft Sales (New and/or Used)

a. Statement of Concept

An aircraft sales operator is a person engaged in the sale of new and/or used aircraft through franchises, or licensed dealerships or distributorships (either on a retail or wholesale basis) of an aircraft manufacturer and provides such repair, services and parts as necessary to meet any guarantee or warranty on new and/or used aircraft sold by him.

b. Minimum Standards

- (1) Lease from the Authority, or provide under terms agreeable to the Authority, for its exclusive use, a minimum of 200 square feet for office space, public telephones and access to restrooms, hangar space and/or a minimum of two (2) tie-down spaces and 6 auto parking spaces.
- (2) The Operator shall provide necessary and satisfactory arrangements for the repair and servicing of aircraft, but only for the duration of any sales guarantee or warranty

period. Servicing facilities may be provided through written agreement with a repair shop operation at the Airport. The Operator shall provide an adequate inventory of spare parts for the type of new aircraft for which sales privileges are granted. The Operator who is engaged in the business of selling new aircraft shall have available at least one fully-assembled and certificated-airworthy demonstrator aircraft for each category or class of aircraft sold.

- (3) The Operator performing the services under this category will be required to carry the following types of insurance in the limits specified:
 - a. Aircraft Liability:

Bodily Injury (Each Accident)

\$300,000 each person \$1,000,000 for more than one person

Passenger Liability

\$300,000 each person, each accident

Property Damage

\$1,000,000 each accident

b. Comprehensive Public Liability and Comprehensive Property Damage:

Bodily Injury (Each Accident)

\$300,000 each person \$1,000,000 for more than one person

Property Damage

\$300,000 each accident

c. Hangar Keeper's Liability: Applicable and required in the event the Operator shall elect to serve, by himself, the aircraft sold by him, during the guarantee or warranty period.

\$1,000,000 each accident

- (4) The Operator shall have his premises open and services available 8 hours daily, 5 days a week or as approved by the Authority.
- (5) The Operator shall have in his employ and on duty during the required operating hours, trained personnel in such numbers as are required to meet the requirements in an

efficient manner, but never less than one person having a current commercial pilot certificate with appropriate ratings for the type aircraft to be demonstrated.

NOTE: Insurance coverage should specifically include aircraft held for sale and demonstration by the lessee, but owned by others.

6. Aircraft Airframe and Engine Maintenance and Repair

a. Statement of Concept

An aircraft and airframe engine maintenance and repair operator is a person or persons, firm or corporation providing one (or a combination of) airframe and power plant overhaul and repair services, with at least one person currently certified by the Federal Aviation Administration with ratings appropriate to the work being performed. This category of aeronautical services shall also include the sale of aircraft parts and accessories, but is <u>not</u> an exclusive right. This service is a Fixed Base Operator requirement and any operator wishing to provide only this service must meet the following standards.

b. Minimum Standards

- 1. Lease from the Authority, or provide under terms agreeable to the Authority, for its exclusive use, a minimum of 300 square feet of shop and storage space, office, restrooms customer lounge and telephone facilities for customer use and adequate hangar space for at least two single-engine aircraft for airframe and power plant overhaul and repair services. Provide four (4) on-site auto parking spaces and a paved aircraft apron all within the leased area sufficient to accommodate two (2) aircraft. The Operator shall provide sufficient equipment and supplies and have access to the parts necessary to perform the repairs and to recertify each aircraft being repaired.
- 2. Operator performing the services under this category will be required to carry the following types of insurance in the limits specified:

a. Aircraft Liability:

Bodily Injury (Each Accident)

\$300,000 each person \$1,000,000 for more than one person

Passenger Liability

\$300,000 each person, each accident

Property Damage

\$1,000,000 each accident

b. Comprehensive Public Liability and Comprehensive Property Damage:

Bodily Injury (Each Accident)

\$300,000 each person \$1,000,000 for more than one person

Property Damage

\$100,000 each accident

c. Hangar Keeper's Liability, as applicable

\$1,000,000 each accident

d. Products' Liability

\$1,000,000 each accident

- 4. The Operator shall have his premises open and services available 8 hours daily, 5 days a week.
- 5. The Operator shall have in his employ and on duty during the required operating hours, trained personnel in such numbers as are required to meet the minimum standards and requirement set forth in an efficient manner, but never less than one person currently certified by the Federal Aviation Administration with ratings appropriate to the work being performed and who hold an airframe, power plant or an aircraft inspector rating.

7. Aircraft Rental

a. Statement of Concept

An aircraft rental operator is a person or persons, firm or corporation engaged in the rental of aircraft to the public.

b. Minimum Standards

- 1. Lease from the Authority, or provide under terms agreeable to the Authority, for its exclusive use, a minimum of 150 square feet for an office to consummate the rental agreement, access to restrooms and telephone facilities for customer use and a minimum of two (2) tie-down spaces. The Operator shall provide four (4) on site auto parking spaces.
- 2. The Operator shall have available for rental, either owned or under written lease to Operator, two (2) certified and currently airworthy aircraft, one of which must be equipped for, and capable of, flight under instrument weather conditions. Specialty

aircraft for training and rental may be used to substitute for the one of the aircraft requirements if approved by the Airport Manager in writing on a case-by-case basis.

- 3. The Operator performing the services under this category will be required to carry the following types of insurance in the limits specified:
 - a. Aircraft Liability:

Bodily Injury (Each Accident)

\$1,000,000 each person \$1,500,000 for more than one person

Passenger Liability

\$1,000,000 each person, each accident

Property Damage

\$1,500,000 each accident

b. Comprehensive Public Liability and Comprehensive Property Damage:

Bodily Injury (Each Accident)

\$300,000 each person \$1,000,000 for more than one person

Property Damage

\$100,000 each accident

- 2. The Operator shall have his premises open and services available a minimum of 8 hours daily, 6 days a week.
- 3. The Operator shall have in his employ and on duty during the required operating hours, trained personnel in such number as are required to meet the minimum standards set forth in an efficient manner and dispatch the rented aircraft, but never less than one Person currently certified by the Federal Aviation Administration with ratings appropriate to the work being performed.

8. Aircraft Charter and Commercial Operator

a. Statement of Concept

An on-demand air charter Operator engages in the business of providing air

transportation (persons or property) to the general public for hire, on an unscheduled or scheduled basis as defined under Code of Federal Regulations CFR 14 Part 119 and 135. of the Federal Aviation Regulations.

Minimum Standards

- 1. Lease from the Authority, or provide under terms agreeable to the Authority, for its exclusive use, a minimum of 200 square feet for office space, passenger lounge with a public telephone and access to restrooms, hangar space and/or a minimum of two tie-down spaces. If cargo is carried, lessee will lease an additional 200 square feet if cargo storage is required. The Operator shall provide six (6) on-site auto parking spaces to handle all anticipated customer vehicles. Parking of vehicles over an extended period is the subject of specific separate agreements between the Operator and the Authority.
- 2. An Operator shall have and maintain during the term of the tenancy at the Airport, proper licenses and shall operate in conformance with all appropriate Federal Aviation Regulations.
- 3. The Operator shall provide not less than one single-engine (four-Place) aircraft equipped for, and capable of use under instrument condition, either owned or under written lease to Operator, all of which must meet the requirements under Code of Federal Regulations CFR 14 Part 119 and 135 of the Federal Aviation Regulations and hold the proper Commercial Operator Certificate.
- 4. An Operator shall demonstrate that he will hold out for hire, to provide aircraft charter service, as defined under Code of Federal Regulations CFR 14 Part 119 and 135 of the Federal Aviation Regulations.
- 5. The Operator shall provide at least one FAA certified commercial pilot rated for the commercial operation being provided.
- 6. The Operator performing the services under this category will be required to carry the following types of insurance in the limits specified:

a. Aircraft Liability:

Bodily Injury (Each Accident)

\$300,000 each person \$1,000,000 for more than one person

Passenger Liability

\$300,000 each person, each accident

Property Damage

\$1,000,000 each accident

b. Comprehensive Public Liability and Comprehensive Property Damage:

Bodily Injury (Each Accident)

\$300,000 each person \$1,000,000 for more than one person

Property Damage

\$100,000 each accident

c. Hangar Keeper's Liability, as applicable:

\$1,000,000 each accident

d. Products Liability, as applicable:

\$1,000,000 each accident

- 7. The Operator shall have his premises open and services available 8 hours daily, 6 days per week; and shall provide "on-call" service during hours other than the aforementioned.
- 8. The Operator shall have in his employ and on duty during the required operating hours, trained personnel in such numbers as are required to meet the minimum standards set forth in this category in an efficient manner, but never less than one Federal Aviation Administration currently certificated commercial pilot and otherwise appropriately rated to permit the flight activity offered by the Operator. The Operator shall have available sufficient qualified operating crews or satisfactory number of personnel for checking in passengers, handling of luggage, ticketing and/or furnishing or arranging for suitable ground transportation. The prospective Operator shall provide reasonable assurance of a continued availability of qualified operating crews and approved aircraft within a reasonable or specified maximum notice period.

c. Aircraft Charter and Commercial Operator Companies Not Based at Airport

Non-scheduled aircraft charter and commercial operator companies, not based at the Airport but who are providing service to and from the Airport, are subject to these minimum standards, the Airport Rules and Regulations, and additional specific requirements as may be outlined in a written airport use agreement between the Authority and the Aircraft Charter and Commercial Operator.

9. Aircraft Storage

a. Statement of Concept

An aircraft storage operation is a business operated by a person, firm or corporation engaged in the rental of conventional and/or T-type hangars and tie-down areas to the general flying public. Aircraft storage is a Fixed Based Operator requirement. Any operator wishing to provide this service only must meet the following standards.

b. Specific Standards of Operation

- 1. If applicable, the Operator who is to provide a conventional hangar and tie-down storage facility or T-type hangar shall be in accordance with design and construction standards required and established by the Airport for the facility or activity involved.
- 2. If applicable, conventional multi-plane hangars shall be a minimum of 8,000 square feet. If T-Hangars are to be constructed, they shall be in shall be a minimum of eight (8) in one unit.
- 3. The Operator shall demonstrate to the satisfaction of the Authority that he either presently owns the minimum equipment necessary to meet the requirements or is financially able to purchase such equipment and will do so. The basic equipment for this type of operations is as follows:
 - a. Starting equipment (not applicable for T-hangars)
 - b. Fire extinguishers
 - c. Towing equipment
- 4. The Operator performing the services under this category will be required to carry the following types of insurance in the limits specified:
 - a. Aircraft Liability:

Bodily Injury (Each Accident)

\$1,000,000 each person \$500,000 for more than one person

Passenger Liability

\$1,000,000 each person, each accident

Property Damage

\$1,000,000 each accident

b. Comprehensive Public Liability and Comprehensive Property Damage:

Bodily Injury (Each Accident)

\$300,000 each person \$1,000,000 for more than one person

Property Damage

\$100,000 each accident

c. Hangar Keeper's Liability, as applicable:

\$1,500,000 each accident

EXHIBIT A

All lease agreements hereafter executed shall contain the following assurances verbatim:

A. Non-Discrimination

The (grantee, licenses, lessee, permittee, etc., as appropriate) for himself, his personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree (in the case of deeds and leases and "as a covenant running with the land") to operate the premises leased for the benefit of the public, and:

- 1. No person on the grounds of race, color or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities;
- 2. That 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, color or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination:
- 3. That the (grantee, licenses, lessee, permittee, etc.) shall use the premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, 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 Regulations may be amended;
- 4. That said service will be furnished on a fair, equal and not unjustly discriminatory basis to all users thereof; and
- 5. That fair, reasonable and not unjustly discriminatory prices for each unit or service will be charged; provided, that the contractor may be allowed to make reasonable and non-discriminatory discounts, rebates or other similar types of price reduction to volume purchases.

B. Quality of Service

Lessee, its tenants and sublessees shall have the right to and shall conduct a first-class commercial aviation service adequate at all times to meet the demands or such service on the Airport. Lessee, its tenants and sublessees agree to conduct said business in a proper and courteous manner and to furnish good, prompt and efficient commercial aeronautical services at all times.

C. Aircraft Service by Authority or Operator of Aircraft

It is clearly understood and agreed by the Lessee that no right or privilege has been granted which would operate to prevent any person, firm or corporation operating aircraft on the Airport from performing any services on its own aircraft with its own regular

employees (including, but not limited to, maintenance and repair) that it may choose to perform, provided however, that the performance of such service is in compliance with all performance, safety, and operational guidelines and requirements governing such activities at the airport.

D. Non-Exclusive Rights

It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right.

E. Subordination

This lease shall be subordinate to the provisions of any existing or future agreement between Lessor and the United States, relative to the operation of maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the expenditure of federal funds for the development of the Airport. This subordination includes, but is not limited to, the right of the Authority, during times of war or national emergency, the lease the landing area, or any part thereof, to the United States Government for military or naval use, and if any such lease is executed, the provisions of this instrument, insofar as they are inconsistent with the provisions of the lease to the Government, shall be suspended.

F. Airport Obstructions

Lessor reserves the right to take any action it considers necessary to protect the aerial approaches of the Airport against obstructions, together with the right to prevent Lessee from erecting or permitting to be erected, any building or other structure on or adjacent to the Airport, which, in the opinion of the Lessor, would limit the usefulness of the Airport or constitute a hazard to aircraft. Lessee shall, upon approval by Lessor and prior to any construction of any nature within the boundaries of the Airport, prepare and submit to he Manager, _______ Airports District Office, an executed set (four copies) of FAA Form 7460-1, "Notice of Proposed Construction or Alteration", as required by Federal Aviation Regulation Part 77. This notice must be submitted at least thirty days prior to the date of the proposed construction or the date that an application for a construction permit is filed, whichever is earlier. A photocopy will be supplied to Lessor.

G. Authority's Rights

- 1. Authority reserves the right, but shall not be obligated to the operator, to maintain and keep in repair the landing area of the Airport and all publicly-owned facilities of the Airport, together with the right to direct and control all activities of Lessee in this regard.
- 2. In the event of breach of any of the above non-discrimination covenants, the Authority shall have the right to terminate the (license, lease, permit, etc.) and to re-enter and repossess said land and the facilities thereon, and hold the same as if said (license, lease, permit, etc.) had never been made or issued.

3. The Authority reserves the right to further develop or improve the landing area of the Airport as it sees fit, and without unreasonable interference or hindrance. If the physical development of the Airport requires the relocation of Operator-owned facilities, the Authority agrees to provide a comparable location without any unreasonable interruption tot he Operator's activities.

H. Compliance with laws, etc.

The Operator shall at all times comply with the Airport Rules and Regulation, federal, state, and municipal laws, ordinances, codes and other regulatory measures now in existence or, as may be hereafter modified or amended, applicable to the specific type of operation contemplated by him. The Operator shall procure and maintain during the term of the agreement all licenses, permits, and other similar authorization required for the conduct of his business operations.

I. Indemnity

The Operator shall hold the Authority, including the Airport Manager and all other Airport personnel and the officers, agents and employees of the Authority harmless against all suits, claims, demands, actions and/or causes of action of any kind of nature in any way arising out of, or resulting from his tenancy and activities, and shall pay all expenses in defending any claims against the airport.

J. Right of Entry

The Authority may enter upon the premises leased to the Operator at any reasonable time, and for any purpose necessary, incidental to, or connected with, the performance of the Operator's obligations under the agreement or in the exercise of their function as Authority.

K. No-Sham Affidavit

All terms and conditions with respect to the lease are expressly contained herein, and the Operator agrees that no representative or agent of the Authority has made any representation or promise with respect to this lease not expressly contained herein.

L. Termination

Upon expiration or other termination of any agreement the Operator's rights to the premises, facilities, other rights, licensed services and privileges granted in the agreement shall cease, and the Operator shall, upon such expiration or termination, immediately and peacefully surrender such.

K. Assignment

All covenants, stipulations and provisions in the agreement to be entered into shall extend to and bind the legal representatives, successors and assigns. No assignment of any

rights, privileges, or facilities shall be permitted without the express written approval of Authority.

L. Subleases

No Operator shall be afforded the right to sublease or assign an agreement or any portion thereof, between himself and a third party except upon the express written permission of the Authority. Regarding this permission, the overriding concern of the Authority shall be that the aeronautical service activities performed by the Operator, seeking the permission to assign his agreement, will not conceivably be interrupted, abrogated, compromised or diminished in order that good quality services be maintained in the public interest.