

**MINIMUM STANDARDS AND REQUIREMENTS
FOR THE PROVISION OF
COMMERCIAL AERONAUTICAL SERVICES
AT
CORTEZ MUNICIPAL AIRPORT**

SECTION ONE: GENERAL

I. INTRODUCTION

The City of Cortez ("City") owns and operates the Cortez Municipal Airport ("Airport"). To encourage growth and development of the Airport by ensuring adequate aeronautical services and facilities for Airport users, the City has established these standards and requirements (the "Minimum Standards") for provision of certain commercial aeronautical services at the Airport.

The following sections set forth the Minimum Standards for a person or persons, partnership, company, trust or corporation ("person" or "Operator"), based on the Airport and providing one or more commercial aeronautical services at the Airport. The Minimum Standards do not apply to the City itself. These Minimum Standards are not intended to be all-inclusive, as the operator of a commercial venture who is based on the Airport will be subject additionally to applicable federal, state and local laws, codes, ordinances and other similar laws or regulations pertaining to all such services, and to the terms of its Lease, License, or permit to do business at the Airport, as discussed below.

Permission from the City is a prerequisite to providing any commercial aeronautical service on the Airport. Permission must be in writing and may be of three types: (1) a written agreement, properly executed by City of Cortez and the Operator, establishing a tenancy on the Airport ("Lease"); (2) a License & Use Agreement ("License") for Fixed Base Operators ("FBOs") and/or Aviation Service Operators ("ASOs") operating their on-airport facilities as sublessees; or (3) a Commercial Aeronautical Service Provider Permit ("Permit") for those without on-airport facilities. The provisions of the Lease, License or Permit, however, will be compatible with the Minimum Standards in effect at the time of issuance or as later amended and will not change or modify the Minimum Standards themselves. These Minimum Standards are deemed to be included as part of all Leases, Licenses or Permits.

If the specific commercial service provided is not contemplated or covered herein, the person should approach the City to negotiate the terms of the required lease or license.

Leases, Licenses and Permits in effect on the date of adoption of these Minimum Standards are encouraged to become compliant with these Minimum Standards when practical or possible. Any Operator, License, FBO, ASO, or Permittee that has their agreement or license expire or renegotiated will be required to meet these Minimum Standards or as amended periodically by the City.

The City at its discretion may amend these Minimum Standards from time to time, as conditions require. Verify with the Airport Manager that you have a complete and current document.

Before these Minimum Standards are amended, all Operators at the Airport will be given written notice of the proposed amendments. A hearing will be held not less than ten (10) or more than thirty (30) days after the date of said written notice. Any Operator may appear at the hearing in person or by counsel and state any objections to such proposed amendments. Such amendments shall affect Leases, Licenses and Permits then existing between the City and Operators, and Operators will be required to come into compliance when practical or possible.

II. STATEMENT OF POLICY

The City's goal, in establishing these Minimum Standards, is to assure an adequate minimum level of service to aviation users, to foster competition at the Airport, to put all FBOs and ASOs on an equal footing in qualifying and competing for available Airport facilities and the furnishing of selected aeronautical services, and to avoid unjust or prohibited discrimination between FBOs/ASOs.

Where the words "standards" or "requirements" appear, it shall be understood that they are modified by the word "minimum." All Operators will be encouraged to exceed the "minimum." No Operator will be allowed to operate under conditions below the "minimum."

Contingent upon its qualifications, its meeting the established Minimum Standards, the execution of a Lease, License or Permit by the City, and the payment of rentals, fees and charges as established by the City, the Operator shall have the right and privilege of providing the service(s) selected by it on the Airport as specified by the Lease, License or Permit. 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 may be leased exclusively to it, and then only to the extent provided in a written agreement. The City reserves and retains the right for 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 City further reserves the right to designate the specific Airport areas in which the specific aeronautical services may be conducted. Such designation shall give consideration to the nature and extent of the operation and the land and improvements available for such purpose, consistent with the orderly and safe operation of the Airport.

III. DEFINITION OF FIXED BASE OPERATORS AND AVIATION SERVICE OPERATORS

A commercial aeronautical service provider is a person engaging for compensation in provision of a service 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.

A commercial aeronautical service provider may be classified as either a Fixed Base Operator (FBO) or an Aviation Services Operator (ASO) (references below to "Operators" may encompass both FBOs and ASOs or may refer only to FBOs or to ASOs, as the context indicates). A Fixed Base Operator is further defined as a person maintaining facilities at the Airport for the purpose of: (1) engaging in the retail sale of aviation fuels; (2) performing other aircraft line services; and (3) providing aircraft airframe and engine repair and maintenance services. Section Two of these Minimum Standards includes a more detailed list of the aircraft

line services and aircraft maintenance services which FBOs must provide. FBO may also engage in other aeronautical services as identified in their lease or license.

An Aviation Services Operator is defined as a person maintaining facilities at the Airport for the purpose of providing one or more of the following services: (1) specialized aircraft repair services (radios, painting, upholstery, propellers, instruments, accessories, etc.); (2) specialized commercial flying services; (3) flight training; (4) aircraft sales; (5) aircraft airframe and engine maintenance and repair; (6) aircraft rental; and/or (7) aircraft charter and air taxi service; (8) aircraft ground handling (9) food service specifically for aircraft. Section Three of these Minimum Standards sets out additional specific standards for ASOs.

Where applicable Federal Certification standards exist, the Aviation Services Operator shall provide sufficient equipment, supplies, and availability of parts required for certification as a Federal Aviation Administration approved station.

IV. PREQUALIFICATION REQUIREMENTS

At the time of its application, the prospective Operator shall provide to the Airport Manager, in writing, the following information and, thereafter, shall provide such additional information as may be requested by the City.

A. Intended Scope of Services

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, and the means and methods to be employed to accomplish the contemplated operation, in order to provide high-quality service. That information must include, at a minimum, the following:

1. The name, address and telephone number of the applicant. If the applicant is a corporation, provide the name, address, and telephone number of the corporation's officers and directors and of owners of any corporate stock with the number of total shares and the number of shares owned. If the applicant is a partnership, provide the name, address, and telephone number of the partners.
2. If any person or entity holding or controlling, directly or indirectly, any ownership, voting, management or debt interests (actual or contingent) ("cross-ownership") in any on-airport commercial service provider (aeronautical or non-aeronautical) is involved in the ownership or management of the potential operator, provide complete information about the extent and nature of such cross-ownership.
3. The requested or proposed date for commencement of the service and the term of conducting the same.
4. The services to be offered.

5. The amount, size and location of land to be leased.

6. The size and position of the building(s) to be constructed or leased.
7. The number and type(s) of aircraft to be provided (as applicable).
8. The number of persons to be employed (including the names and qualifications of each person) known at the time of application.
9. The hours of proposed operation.
10. The types and amounts of insurance coverage to be maintained.

B. Financial and Managerial Responsibility and Capability

The prospective Operator must provide a statement, satisfactory to the City, in evidence of its financial responsibility, from an area bank or trust company or from such other source that may be acceptable to the City and readily verified through normal banking channels. The prospective Operator must also demonstrate financial capability to initiate operations, to construct proposed improvements, and to provide working capital to carry on the contemplated operations. The demonstration of financial and managerial capability shall include a cash flow and a profit and loss projection for the first five years of the proposed operation. In order to avoid the potential anti-competitive effects of financial control of potential competitors, prospective Operators shall also disclose their sources and terms of financing.

C. Experience of Operator and Key Employees

The prospective Operator shall furnish the City with a statement of the past experience of the Operator and its key employees in the management of an FBO providing the proposed aviation services, together with a statement that it or its principals have the managerial ability to perform the selected services.

V. REQUIREMENTS APPLICABLE TO ALL FBOs AND ASOs

The following standards apply to all FBOs and ASOs, except where explicitly limited. Additional standards specific to each type of operation can be found in Sections Two and Three of these Minimum Standards. For the purposes of these Minimum Standards, "leased premises" may include, as appropriate, any area leased, subleased or otherwise controlled by an FBO or ASO on the Airport. Standards applicable to Permittees are found in Section Four.

A. Requirement of a Lease or License

1. Before beginning operations, the prospective Operator must enter into a Lease or License with the City reciting the terms and conditions under which it will do business on the Airport, including but not limited to, the term of agreement, the rentals, fees, and charges, the rights, privileges and obligations of the respective parties, and other relevant covenants.

Such provisions of the Lease or License, however, will neither change or modify the Minimum Standards, nor be construed in a way to make the Lease or License less demanding than these Standards.

2. Such a Lease or License shall contain all provisions required by the Federal Aviation Administration ("FAA") as a condition of any Federal Grant to the City for the Airport.
3. The maximum term of any lease for land having access to the airport runways and taxiways shall be thirty (30) years except for Fixed Base Operators whose maximum term will be forty (40) years, or as amended from time to time by the City.

B. Site Development and Maintenance Standards

1. Physical Facilities

- (a) The minimum space requirements as provided in Sections Two and Three of these Minimum Standards shall be satisfied.
- (b) All paving and building shall comply with the local building codes and as established by the Airport Manager and shall be approved in writing by the City before construction begins.
- (c) The Operator shall provide a paved walkway within the leased area to accommodate pedestrian access to the Operator's office; a paved aircraft apron with tie-down facilities within the leased area sufficient to accommodate its services and operations, and telephone facilities. Operator may satisfy the requirement for providing a paved aircraft apron area by sharing a ramp area with another Operator on the airport, if available, and at the prior approval of the Airport Manager.
- (d) Landscaping of facilities is required. Each FBO or ASO will be required to provide a plan for landscaping its area to be approved by the City and maintained by the FBO or ASO in a neat, clean and aesthetically pleasing manner.
- (e) If construction on the leased premises or alteration of existing or future structures on the leased premises is planned, Operator shall comply with the notification and review requirements of Federal Aviation Regulation Part 77 and of the City or other government entities as may be required.

2. Maintenance

- (a) All building maintenance on non-City-owned facilities shall be the Operator's responsibility. For City-owned facilities, structural and external repairs (except for windows and hangar doors) shall be the City's responsibility; all other maintenance, including repair of windows and hangar doors, shall be the Operator's responsibility.
- (b) Operator shall be responsible for trash removal, sewage, grass mowing, landscape maintenance, utility line maintenance, and pavement maintenance within its leased premises.
- (c) Operator shall maintain all premises in a clean, sanitary condition and at the expiration of the lease term shall return said premises to the City in this condition, reasonable wear and tear excepted.

C. Personnel

During all operating hours, the Operator shall employ and have on duty trained personnel in such numbers and with such certificates and ratings as are required to meet the Minimum Standards set forth, in an efficient manner, for each aeronautical service being performed, and shall provide a responsible person authorized to act on its behalf to supervise its operations. A list of responsible parties shall be supplied to the Airport manager including after hour's phone numbers. This list shall be updated regularly.

The management of the operations of such Fixed Base Operator shall be conducted by the individual who executed the Agreement; or if it is to be a partnership, by one of the general partners who shall have a substantial financial interest in the partnership; or if it is to be a corporation, by one of the stockholders, provided that such stockholder shall own at the time of the lease, and retain thereafter, at least 51% of the voting stock of such corporation.

D. Bond

The Operator shall post a performance bond in a form acceptable to the City of Cortez Attorney in the amount equal to 10% of the annual rental established and agreed upon.

E. Insurance

The Operator shall procure, maintain, and pay premiums, during the term of its 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, as described in the "**Attachment 1- Schedule of Minimum Insurance Requirements**". Coverage may be provided through primary or excess policies. The insurance company, or companies, writing the requested policy, or policies, shall be licensed to do business in the State of Colorado.

Where more than one aeronautical service is proposed, the minimum limits will vary (depending upon the nature of individual services in such combination) but will not

necessarily be cumulative in all instances. For example, if three (3) types of services are to be provided, it would not be necessary for the Operator to carry insurance policies providing the aggregate or combined total of the minimum limits for each type of operation; however, if one of the selected services required passenger liability coverage or hangar keeper's liability not required in either of the other two (2) categories, the Operator would be required to provide insurance on the applicable exposures. As a further example, the minimum limit for property damage on a combination of services 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 its application or otherwise during lease negotiations.

All insurance that the Operator is required by the City to carry and keep in force shall include the City and all City personnel, officers and agents as additional insured. The Operator shall furnish evidence of its compliance with this requirement to the Airport Manager with proper certification that such insurance is in force and shall furnish additional certification as evidence of changes in insurance not less than ten (10) days prior to any such change, if the change results in a reduction or increase. In the event of cancellation of **coverage's**, the underwriter shall give the City ten (10) days prior notice of cancellation.

The applicable insurance **coverage's**, such as builders risk, workers compensation and liability, shall be in force during the period of any construction of the Operator's facilities and/or prior to its entry upon the Airport for the conduct of its business.

The Operator shall also furnish evidence of its compliance with the Colorado Statutes with respect to Workmen's Compensation and Unemployment Insurance (where applicable). Lapse in insurance coverage may result in denial of access to the Airport.

Any Operator, who by nature of its size, has become self-insured, shall furnish evidence of such self-insurance and shall hold the City and all **it's** personnel, and the officers and agents and assigns harmless in the event of any claims or litigation arising out of its operation on the airport.

F. Airfield Access and Security

Airfield access and airport security shall be maintained at all times in accordance with standards established and required by the Airport Manager. Participation in and compliance with the Airport Security Program is mandatory. The Operator is also responsible for its employees', vendors', and agents' compliance with the Airport Security Program.

G. Motor Vehicles on Airport

The Operator shall control the on-Airport transportation of pilots and passengers of transient general aviation aircraft using the Operator's facilities and services. The Operator performing this service with motor vehicles driven on the Airport runway-

taxiway system proper shall do so only in strict accordance with rules established by the City and/or Airport Manager, applicable federal, state and municipal laws, ordinances, codes or other similar regulatory measures now in existence or as may be hereafter modified or amended. Vehicles operating on the **Airport's** movement areas shall be required to equip each of these motor vehicles with a functioning aeronautical utility mobile station two-way radio (operating at 122.8 MHZ or as designated by the Airport Manager) and with an operating rotating beacon or FAA approved flag, or such other equipment as FAA or the City shall require.

City of Cortez reserves the right to deny access to any party or business if the party fails to act responsibly while in control of machinery or motor vehicles which may be operated on the Airport.

H. General Lease Clauses

The following language, or language to the same substantive effect, shall be included in all Leases and Licenses and in any contracts between the Operator and any subtenants or subcontractors providing aeronautical services on the Airport. While the language provided below reflects the currently applicable federal requirements, Leases or Licenses shall include all provisions required by then-current federal law and regulations.

1. Premises to be operated for use and benefit of the public

"The Operator agrees to operate the leased premises for the use and benefit of the Public and to furnish good, prompt and efficient service, adequate to meet all demands for its service at the Airport."

2. Federal Requirements; Nondiscrimination

a. Lessee (Licensee) agrees that in conducting its operations under the Lease (License) it shall maintain and operate its facilities and services in compliance with all requirements imposed pursuant to the Airport and Airway Improvement Act of 1982, as amended, and any regulations issued there under, as well as all other requirements imposed pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said regulations may be amended.

b. Lessee (Licensee) agrees: (1) **that no** person on the grounds of race, color, sex, creed or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of premises or 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, sex, creed or national origin shall be excluded from the participation in, denied the benefits of, or otherwise subjected to discrimination, (3) **that** Lessee (Licensee) shall use the premises in compliance with all other requirements imposed by or pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said regulations

may be amended.

c. Lessee (Licensee) agrees that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, Nondiscrimination in Airport Aid Program, or otherwise approved by the FAA, to ensure that no person shall, on the grounds of race, creed, color, national origin, or sex, be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. Lessee (Licensee) assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this Subpart. Lessee (Licensee) assures that it will require that its covered sub organizations provide assurances to Lessee (Licensee) that they similarly will undertake affirmative action programs and that they will require assurance from their sub organizations, as required by 14 CFR Part 152, Subpart E, to the same effect.

d. Lessee (Licensee) agrees that it shall furnish its accommodations and/or services on a fair, equal and not unjustly discriminatory basis to all users thereof, and shall charge fair, reasonable and not unjustly discriminatory prices for each unit or service; provided, that Lessee (Licensee) may make reasonable and non-discriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.

e. Lessee (Licensee) agrees that no person shall be excluded from participation in, denied the benefits of, or otherwise discriminated against in the performance of this Lease (License) on the grounds of race, color, national origin or sex, as provided in 49 CFR Part 23, Participation of Minority Business Enterprise in Department of Transportation Programs, or parallel regulations issued by the FAA.

f. Noncompliance with these nondiscrimination provisions after timely notice of noncompliance is provided to Lessee (Licensee) by either the City or the U.S. Government, and Lessee's (Licensee's) failure to substantially remedy such noncompliance within a reasonable period, shall constitute a material breach of these provisions and the Lease (License). In the event of such noncompliance, the City shall have the right to terminate this Lease (License) and any estate created hereunder, without liability therefore, or at the election of the City or the United States, either or both shall have the right to judicially enforce such provisions."

3. Aircraft Service by Owner or Operator of Aircraft

No right or privilege granted herein shall serve to prevent persons operating aircraft on the Airport from performing any services on their own aircraft with their own regular employees and equipment (including, but not limited to, maintenance and repair); provided that conditions set by the Airport Manager and Lease

(License) provisions are abided by."

4. No Exclusive Rights

Nothing herein contained shall be construed to grant or otherwise authorize the granting of an exclusive right to provide any aeronautical service to the public or to conduct any aeronautical activity on the Airport."

5. Airport Development

The City reserves the right to further develop or improve the Airport as it sees fit, without unreasonable interference or hindrance. If the physical development of the Airport requires the relocation of Operator-owned facilities during the lease term the City agrees to provide a comparable location without any unreasonable interruption to the Operator's activities, and agrees to relocate all Operator-owned buildings or provide similar facilities for the Operator at no cost to the Operator, except as amended by written lease with the Operator."

6. City's Right to Maintain the Airport

The City 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 the Operator in this regard."

7. Right of Flight

There is hereby reserved to City, 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 leased premises, together with the right to cause in said airspace such noise as may be inherent in the operation of aircraft using said airspace for landing at, taking off, from or operating on the Cortez Municipal Airport.

8. Airport Obstructions or Other Hazards

The Lessee (Licensee) expressly agrees for itself, its successors and assigns that it will (1) not erect nor permit the erection of any structure or object nor permit the growth of any tree on the leased premises above a ground level elevation of 35 feet; or (2) make use of the leased premises in any manner which might interfere with operation or safety of the Cortez Municipal Airport or otherwise constitute a hazard.

The City reserves the right to take any action it considers necessary to protect the aerial approaches of the airport against obstruction, and to prevent and abate any

hazard or interference, including (1) the right to prevent the Operator from erecting, or permitting to be erected, any building or other structure on the Airport which, in the opinion of the City, would limit the usefulness of the Airport or constitute a hazard to the aircraft, and (2) the right to enter upon leased premises and to remove the offending structure or object, abate the interference, or cut the offending tree, all of which shall be at the expense of the Lessee (Licensee)."

9. Compliance with Laws, etc.

The Operator shall comply with the Airport Security Plan, the Airport Certification Manual and any other rules or guidelines set forth by the City or Airport Manager, as existing at the time the Lease or License is granted or as amended from time to time thereafter at the City's sole discretion. The Operator shall comply with all federal, state and municipal laws, ordinances, codes and other regulatory measures (specifically including but not limited to all FAA and U.S. Environmental Protection Agency ("EPA") requirements) now in existence or, as may be hereafter modified or amended, applicable to the operation conducted. If the Operator fails to comply with this provision and the requirements referenced herein and such failure results in damage or expense to the City, the Operator shall indemnify the City for that damage or expense."

10. Required Licenses and Certificates

The Operator shall procure and maintain during the term of the agreement all licenses, certificates, permits and other similar authorizations required for the conduct of its business operations."

11. Handling of Waste Liquids

No substances likely to impair the operation of sewage or drainage systems, or otherwise not permissibly placed in such sewage or drainage systems, shall be placed therein; nor shall oils, greases, detergents or other liquid wastes be disposed of by pouring on the ground. All rules, regulations, advisory publications or other requests issued by the United States EPA or competent governmental authority shall be complied with at all times, including but not limited to the installation of a grease and oil trap, when designated by the Airport Manager or required by building Codes, designed to catch all oils, greases, detergents, and other insoluble substances used in the maintenance and washing of the Operator's, or the Operator's customers', aircraft. Installation of said trap shall conform to the recommended specifications of the U.S. EPA, the State of Colorado, the City, any applicable special district, and the sewage operator."

12. Indemnification

- a. Operator shall protect, defend, and hold City, its officers, employees, and agents, and their insurers, completely harmless from and against any

and all liabilities, losses, suits, claims, judgments, fines or demands arising by reason of injury or death of any person or damage to any property, including all reasonable costs for investigation and defense thereof (including but not limited to attorney fees, court costs, and expert fees), of any nature whatsoever arising out of or incident to this Lease (License) and/or the use or occupancy of the leased premises or the acts or omissions of Operator's officers, agents, employees, contractors, subcontractors, licensees, or invitees, regardless of where the injury, death, or damage may occur, unless such injury, death or damage is caused by the sole negligence of the City.

b. City shall give Operator reasonable notice of any claims or actions against the City, which directly or indirectly affect Operator, and Operator shall have the right to compromise and defend the same to the extent of its own interest.

c. Operator agrees that if a prohibited incursion into the Air Operations Area occurs, or the safety or security of the Air Operations Area, the Field and Runway Area, or other sterile area safety or security is breached by or due to the negligence or willful act or omission of any of Operator's employees, agents, or contractors and such incursion or breach results in a civil penalty action being brought against the City by the U.S. Government, Operator will reimburse City for all expenses, including attorney fees, incurred by City in defending against the civil penalty action and for any civil penalty or settlement amount paid by City as a result of such incursion or breach of airfield or sterile area security. City shall notify Operator of any allegation, investigation, or proposed or actual civil penalty sought by the U.S. Government for such incursion or breach. Civil penalties and settlement and associated expenses reimbursable under this paragraph include but are not limited to those paid or incurred as a result of violation of FAR Part 107, Airport Security, FAR Part 108, Airplane Operator Security, or FAR Part 139, Certification and Operations: Land Airports Serving Certain Air Carriers.

d. The provisions of this section shall survive the expiration or early termination of this Lease (License) for matters arising before such expiration or early termination."

13. Right of Entry

Any official representative of the City may enter upon the leased premises at any reasonable time, and for any purpose incidental to, or connected with the performances of the Operator's obligations under the agreement or in the exercise of their function as a representative of the City."

14. Termination

Upon the 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."

15. Assignment

All covenants, stipulations and provisions in the agreement to be entered into shall extend to and bind the Lessee's (Licensee's) legal representatives, successors and assigns.

The Lease (License) may not be assigned without the prior written consent of the City, which shall be exercised in the City's sole discretion after consideration of, among other things, the qualifications of the proposed assignee, the effect of the assignment on the City, and the effect of the assignment on competition at the Airport. Assignment shall not relieve the Lessee (Licensee) from its obligations under the Lease (License) unless expressly so stated in the City's written consent.

As used herein, "assignment" means and includes, but is not limited to, (i) the grant or transfer of any right, title, possession, lien, encumbrance, security interest or other interest in, on or to any party of the stock or other ownership interest of Lessee (Licensee), (ii) grants or transfers to a single person or entity, including to any other person(s) and entity(ies) directly or indirectly controlled by it or which directly or indirectly control it, of any right, title, possession, lien, encumbrance, security interest or other interest in, on or to any part of the stock or other ownership interest of Lessee (Licensee), (iii) a change in the chief operating officer or other person responsible for the day-to-day performance by Lessee (Licensee) of the Agreement, (iv) the grant or transfer of any right, title, lien, encumbrance, security interest or other interest in, on or to some or all of the income or profits (however they may be measured or defined, e.g., gross income, gross profit, operating profit, net profit) of Lessee (Licensee), and (v) the grant or transfer of any right, title, lien, encumbrance, security interest or other interest in, on or to some or all of the cash flow (however it may be measured or defined) of Lessee (Licensee). If Lessee (Licensee) shall assign or attempt to assign its interest in the whole or any part of this Agreement in violation of this Article, such assignment shall be void and this Agreement shall thereupon automatically terminate. City's consent to one assignment shall not be deemed to be a consent to any subsequent assignment."

16. Subordination

This Lease (License) shall be subordinate to the provisions and requirements of any existing or future agreement between City, State of Colorado, and the United States, relative to the development, operation or maintenance of the airport. This Lease (License) and all the provisions hereof shall be subject to whatever right the United States Government now has or in the future may have or acquire,

affecting the control, operation, regulation and taking over of said airport or the exclusive or nonexclusive use of the airport by the United States during the time of war or national emergency.

VI. COMBINED OPERATIONS AND SUBLEASES

A. The City will consider reduction in minimum square footage for combined operations (i.e., an ASO that wishes to operate an Aviation Services repair service and specialized commercial flight service need have only one office, one set of restrooms, one customer lounge, and therefore the hangar need not be 2,000 square feet.)

B. If an FBO or ASO desires to sublease space to another person to provide one or more Commercial Aeronautical Services, the following conditions will apply.

1. The subleasing party must obtain a License to operate at the Airport.
2. The FBO or ASO must obtain written approval from the City to sublease the space and function.
3. The FBO or ASO must pay the City fees applicable to the class of services provided by the sublessee at the levels set forth by the City.
4. The FBO or ASO must carry public liability insurance for its sub-lessee or provide a certificate of insurance which shows the lessee and the City as additional insured, in amounts commensurate with the services provided by the sub-lessee.

VII. FLYING CLUBS

Flying clubs exist to give their members joint noncommercial use of aircraft owned by the flying club itself or in equal shares by club members. This section sets out the requirements that must be met in order for flying clubs basing their aircraft on the Airport to be exempt from the Minimum Standards applicable to all commercial aeronautical service providers.

A. Flying Club Regulations

Each club must be a non-profit corporation or partnership. Each member must be a bona fide owner of an equal share of the club's aircraft or an equal stockholder in the corporation. The club may not derive greater revenues from the use of its aircraft than the amount necessary for the actual operation, maintenance and replacement of its aircraft. The club must file with the Airport Manager and keep current with the City a complete set of the club's organizational documents (articles, by-laws, partnership agreement, tax filing for non-profit status, etc.) which demonstrate its non-profit, joint noncommercial status and function, and a list of the club's membership and the investment share held by each member. The City will review the documents filed for indicia that a so-called "flying club" is in actuality an attempt to evade the Minimum Standards or rules and regulations relating to provision of aeronautical services on the

Airport.

B. Use of Aircraft

The club's aircraft may not be used by other than bona fide club members included in the membership list on file with the Airport Manager, and may not be used by any one for commercial operations including flight instruction for compensation.

C. Self-service

A bona fide flying club is considered a single entity that may perform self-service to the degree permitted an individual aircraft owner. All self-service must be performed by the club's own members or by employees of the club itself (not contractors) with their own equipment. Self-service must be performed in compliance with any applicable local laws and regulations and all federal licensing and certification requirements.

D. Violations

In the event that the club fails to comply with these conditions the City will notify the club in writing of such violations. If the club fails to correct the violations in 15 days, the City may take any action deemed advisable.

E. Insurance

Shall be provided and paid for by the Operator in the amounts specified in Attachment I, hereto, "**Schedule of Minimum Insurance Requirements**" with City of Cortez as additional insured. A certificate of insurance or a copy of the insurance policies involved will be furnished to the Airport Manager, or designated representative and 10 days advance written notice of any change to any policy shall be given to the Airport Manager or Designated representative.

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COMMERCIAL AERONAUTICAL SERVICES
AT
CORTEZ MUNICIPAL AIRPORT**

SECTION TWO: FIXED BASE OPERATOR

I. A Fixed Based Operator (FBO) shall provide the following essential services:

A. Aircraft Line Services:

1. Fueling, lubricating and miscellaneous services;
2. Ramp parking and tie-down;
3. Crew and passenger lounge facilities;
4. Public restrooms and telephone;
5. Loading, unloading and towing;
6. Hangar storage;
7. De-icing service;
8. Engine preheating;
- Oxygen;
10. Aircraft starting;
11. Sale of sectional or W.A.C. aviation maps covering the territory within three hundred miles of the airport, flashlight and batteries, and rulers and computers generally used by pilots for flight planning;
12. Tire inflation;
13. Attendants to direct aircraft to loading and parking areas, to tie down aircraft, to fuel aircraft, to clean windshields, to remove snow from parked aircraft, and generally to provide prompt and courteous service;
14. Sale of food and beverages to General Aviation (vending machines and access to catering service);
15. A dry nitrogen bottle for landing gear inflation.

- B. Aircraft Airframe and Engine Repair and Maintenance
- C. The FBO shall provide no other services or activities except as provided in its Lease or License.

II. An FBO shall meet the following Minimum Standards specifically applicable to management, fueling operations, line service, and aircraft maintenance, as well as general standards applicable to all FBOs and ASOs (set out in Section One) and additional standards (set out in Section Three) for any additional ASO services provided.

- A. In connection with aircraft fueling and line services:
 - 1. Contracts for delivery of fuel: Operator shall demonstrate, to the City's satisfaction, that a reputable aviation gasoline and lubricant distributor will provide the Operator with an enforceable agreement to purchase fuel and oil in quantities necessary to meet the requirements set forth herein. FBO shall maintain an adequate inventory of at least one brand and two generally accepted grades (AV gas and jet fuel) of aviation fuel, engine oil and lubricants.
 - 2. Calculation of fuel flowage: aviation fuels and oils delivered to the Operator by a vendor will be considered by the City to be fuels and oils dispensed by the Operator for the purpose of calculating rates under its Lease.
 - 3. Hours of operation for fuel sales: sales of fuel and lubricants, and into-plane delivery of aviation fuels, lubricants and other related petroleum products, shall be available at a minimum from dawn to dusk 7 days a week and "on call" for all other times.
 - 4. Fueling equipment: FBO shall provide mobile fuel dispensing equipment, with reliable marking devices approved by the FAA, capable of servicing, in an efficient and safe manner all types of general aviation aircraft.

FBO shall have two mobile metered filter-equipped dispensers (1 truck with 2,000 gallon capacity for Jet A and 1 truck for 100 LL with 500 gallon capacity) and two fixed metered filter-equipped dispensers for dispensing two grades of aviation fuel (AV gas and jet fuel) from storage tanks having a minimum capacity of 10,000 Jet A and 5,000 100LL gallons of storage each. Separate dispensing pumps for each grade of fuel are required.

- 5. Safety of fueling operation: in conducting fuel operations, FBO shall install and use adequate electrical grounding facilities at fueling locations to eliminate the hazards of static electricity and shall provide approved types of fire extinguishers or other equipment commensurate with the hazard involved 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 or other representative of the City of Cortez and by the appropriate State and local fire agency. FBO shall meet all applicable fire codes and federal, state and local laws, ordinances, rules and regulations pertaining to fire safety.

The Operator shall take all precautions necessary to ensure that only non-contaminated fuel is delivered into the aircraft serviced. Fuel delivered shall be clean, bright, 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 anytime by the Airport Manager. Fueling service by the FBO shall be in full compliance with federal, state and local laws and regulations, including proper fire protection and electrical grounding of aircraft during fueling operations.

6. Additional line service: servicing of aircraft shall include generally expected services, such as cleaning of the interior and exterior of aircraft and catering. FBO shall provide proper equipment for repairing and inflating aircraft tires, servicing struts, changing engine oil, servicing oxygen systems, washing aircraft and aircraft windows, and recharging or energizing discharged aircraft batteries and starter.
7. Waste disposal: FBO shall provide for adequate and sanitary handling and disposal, away from the airport, of all 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.
8. Accident Removal: FBO shall be prepared and have personnel trained along with the necessary equipment to remove damaged aircraft from the airport movement areas. The FBO shall have personnel on call and be able to respond to a damaged aircraft within 45 minutes of notification.
9. In connection with Ramp Parking, Tie-Down, Aircraft Storage and FBO Ramp Assistance within the FBOs leased premises, the operator shall have at least one (1) aircraft tug or vehicle capable of providing towing services for the typical aircraft usage on the airport. Operator shall have at least one (1) ground power unit and one (1) de-icing unit. All equipment shall be maintained and operated in accordance with OSHA and local and state industrial codes.

B. In connection with general standards:

1. The FBOs rates or charges to General Aviation users for aircraft parking, tie-down and storage shall be determined by the FBO. Such rates or charges shall be reasonable and equally and fairly applied to all users of

the services. All rates and charges for such services shall be filed with the Airport Manager.

2. FBO shall provide aircraft-to-lounge ground transportation for in-transit passengers and pilots.
3. Adequate tie-down facilities and equipment, including ropes, chains and other types of restraining devices, and wheel chocks for the typical number and type of aircraft simultaneously using the FBO during a peak period shall be provided.
4. FBO shall provide properly trained line personnel.
5. FBO shall provide services from dawn to dusk seven days a week and “on call” all other times.
6. 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.
7. Hangar Storage: FBO shall provide suitable hangar storage facilities constructed in accordance with the local codes.

C. In connection with Aircraft Airframe, Engine Repair and Maintenance:

1. The FBO shall comply with all requirements for provision of Aircraft Airframe, Engine Repair and Maintenance services as set out in Section Three of these Minimum Standards.
2. FBO must provide sufficient workspace for any aircraft upon which airframe or engine repairs are being performed.
3. FBO must provide suitable storage space for aircraft before and after repair and maintenance have been accomplished.
4. FBO must provide adequate shop space to house the equipment and adequate equipment and machine tools, jacks, lifts and testing equipment as required for its operation.
5. FBO must employ and have available at the airport at least one FAA certified airframe and power plant mechanic eight hours per day, five days per week.

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

- A. The minimum land to be leased for a Fixed Base Land Operation shall be 22,000 square feet.

- B. Building improvements shall be permanent in nature and shall contain at least 5,000 square feet, in the principal building, for FBO operations and an additional 2,500 square feet of building area allocated for general administration, passenger and crew area, restrooms and telephones. Restrooms shall be conveniently located, free of charge, heated and ventilated and accessible to passengers and crews and shall be maintained in a clean and sanitary manner. At least one working telephone shall be provided for public use.

Adequate on-site automobile parking space shall be provided in sufficient numbers to handle anticipated public needs and employee parking. Proper signage shall also be installed with prior approval from the Airport Manager.

An aircraft ramp area of adequate size shall be built adjacent to the FBO hangar and administrative building to handle aircraft parking, aircraft operations in and out of the hangar areas, transient aircraft needs and loading and unloading of aircraft. In addition, at least twenty (20) tie down spaces shall be leased from the joint-use tie down ramp area located adjacent to the lease premises.

- C. All paving and buildings shall comply with local building codes and shall be approved in writing by the City before construction begins.
- D. FBO shall provide a set of as-built drawings upon completion of construction to Airport management.

IV. Insurance

Shall be provided and paid for by the Operator in the amounts specified in Attachment I, hereto, "**Schedule of Minimum Insurance Requirements**" with City of Cortez as additional insured. A certificate of insurance or a copy of the insurance policies involved will be furnished to the Airport Manager, or designated representative and 10 days advance written notice of any change to any policy shall be given to the Airport Manager or Designated representative.

**MINIMUM STANDARDS AND REQUIREMENTS
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SECTION THREE: AVIATION SERVICES OPERATOR

Aviation Services Operators shall consist of one or more of the following services and comply with the Minimum Standards described in this section.

I. AVIATION REPAIR SERVICES (Radios, Painting, Upholstery, Propellers, Instruments, Accessories, etc.)

A. Statement of Concept

A specialized aircraft repair services Operator is a person engaged in a business capable of providing an FAA certified shop, or a combination shops for the repair and installation of aircraft radios, propellers, instruments, and accessories for general aviation aircraft. The Operator may furnish one, or if desired, any combination of these services. This category includes sale of new and/or used aircraft radios, propellers, instruments and accessories.

B. Minimum Standards

1. The Operator shall lease or sublease an area adequate to erect a building providing a minimum of 1,000 square feet of floor space to hangar at least one (1) aircraft, to house all equipment and additional floor space for an office, shop, restrooms, customer lounge and telephone facilities for customer use. If painting operations are contemplated, the Operator shall provide a separate paint shop that meets all applicable safety requirements. On-site automobile parking space with sufficient accommodations for automobiles, and a paved aircraft apron, all within the leased area and sufficient to accommodate the Operator's services shall be provided.
2. The Operator shall maintain, as necessary, the repair station certificates as required by the FAA, which are applicable to the operation or operations contemplated. The avionics portion of the services offered must maintain current the qualifications of Class I and Class II FAA designated repair station.
3. The Operator performing the services under this category will be required to carry the following types of insurance in the minimum limits specified in Attachment I, hereto, "**Schedule of Minimum Insurance Requirements**" with City of Cortez as additional insured. A certificate of insurance or a

copy of the insurance policies involved will be furnished to the Airport Manager, or designated representative and 10 days advance written notice of any change to any policy shall be given to the Airport Manager or Designated representative.

4. The Operator shall have its services available eight (8) hours per day, five (5) days per week. Hours of operation shall be posted.
5. The Operator shall have in its employ, and on duty during the required operating hours, trained personnel currently certified as FAA radio, instrument or propeller repairmen in such numbers as are required to meet the minimum standards set forth in this category in an efficient manner.

II. SPECIALIZED COMMERCIAL FLYING SERVICES

A. Statement of Concept

A specialized commercial flying service 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 the services listed below:

1. Nonstop sightseeing flights that begin and end at the same airport;
2. Crop-dusting, seeding, or spraying;
3. Banner towing and aerial advertising;
4. Aerial photography or survey;
5. Power line, underground cable or pipeline patrol;
6. Fire fighting; or
7. Any other operations specifically excluded from Part 135 of the Federal Aviation Regulations.

A. Minimum Standards

1. The Operator shall lease or sublease an area adequate to erect a building providing a minimum of 1,000 square feet of floor space for aircraft and other storage sufficient hangar space for the aircraft to be used in its operations and any support equipment, etc., and additional floor space for office, restrooms, customer lounge and telephone facilities for customer use. On-site automobile parking space sufficient to accommodate Operator's services and operations shall also be provided.

2. In case of crop-dusting, aerial application or other commercial use of chemicals, Operator shall provide a centrally drained, paved area adequate for all aircraft loading, unloading, washing and servicing. This area must be built and operated in full compliance with all applicable federal, state and local laws and regulations, specifically including but not limited to the U.S. EPA and Colorado Department of Public Health and Environment regulations governing such activities. Operator shall also provide for the safe storage and containment of all chemical material. Such facilities will be in a location designated by the City on the Airport, which will provide the greatest safeguard to the public.
3. In the case of crop-dusting or aerial application, the Operator shall provide tank trucks for the handling of liquid spray and mixing liquids and aircraft suitably equipped for agricultural operations, and shall take all feasible safeguards against spillage on runways or taxiways or dispersal by wind to any area of the Airport. The Operator shall also provide adequate ground facilities for the safe containment, storage, handling and safe loading of all chemicals and materials in compliance with U.S. EPA and Colorado Department of Public Health and Environment.
4. The Operator shall provide and have based on its lease hold, either owned or under written lease to the Operator, not less than one (1) airworthy aircraft, suitably equipped for, and meeting all the requirements of the FAA with respect to the type of operation to be performed.
5. The Operator performing the services under this category will be required to carry the following types of insurance in the minimum limits specified in Attachment I, hereto, "**Schedule of Minimum Insurance Requirements**" with City of Cortez as additional insured. A certificate of insurance or a copy of the insurance policies involved will be furnished to the Airport Manager, or designated representative and 10 days advance written notice of any change to any policy shall be given to the Airport Manager or Designated representative.
6. The Operator must provide, by means of an office or a telephone, a point of contact for the public desiring to utilize Operator's services.
7. The Operator shall have in its employ trained personnel in such numbers as may be required to meet the minimum standards herein set forth in an efficient manner.

III. 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 operations, in fixed and/or rotary wing

aircraft, in land or sea aircraft, and in providing such related ground school instruction as is necessary to prepare persons for taking a written examination and flight check for the category or categories of pilots' licenses and rating involved. No flight training operations or Operator may be allowed to operate off a tie-down, except insofar as some operations may be conducted under a Permit granted under Section Four of these Minimum Standards.

Flight instruction in ultra light vehicles or the sale of ultra light vehicles is viewed as an aeronautical activity. Any operation on the airport involving ultra lights must be conducted under special review and written approval by the Airport Manager. Such approval will consider the area in which the activities will be conducted and the manner in which operations will take place. A License or Permit Fee will be assessed by the City that is commensurate with the conditions of approval and areas to be used by such activity. A written License or Permit must be obtained by the Operator from the City or Airport Manager prior conducting any such activities.

B. Minimum Standards

1. If the Operator prefers to hangar its aircraft in leased space, the Operator may provide ground school and briefing/debriefing of students off-Airport. Ground school and briefing/debriefing may not be provided in public areas of the Airport and may be provided in leased hangars only with permission of the Airport Manager.
2. If the Operator prefers to build a hangar for aircraft storage, the Operator shall lease or sublease an area adequate to erect a building or buildings containing a minimum of 1,000 square feet to provide for aircraft storage, and space for office, classroom, briefing room, pilot lounge, restrooms and telephone facilities for customer use. On-site automobile parking space with suitable accommodations for automobiles, and a paved aircraft apron all within the leased area and sufficient to accommodate the Operator's services and operations shall also be provided.
3. The Operator shall have available for use in flight training, either owned or under written lease to the Operator, a sufficient number of aircraft properly certificated to handle the proposed scope of its student operation, but not less than one (1) properly certificated aircraft.
4. The Operator performing the service under this category will be required to carry the following types of insurance in the minimum limits specified in Attachment I, hereto, "**Schedule of Minimum Insurance Requirements**" with City of Cortez as additional insured. A certificate of insurance or a copy of the insurance policies involved will be furnished to the Airport Manager, or designated representative and 10 days advance written notice of any change to any policy shall be given to the Airport Manager or Designated representative.

5. The Operator shall have its services available eight (8) hours per day, seven, (7) days per week.
6. The Operator shall have available, on a full-time basis, at least one (1) flight instructor who has been currently certificated by the FAA to provide the type of flight training offered.
7. The Operator shall have on call on a part-time basis, at least one (1) ground instructor who has been currently certificated by the FAA to provide the type of ground training offered. This person may be the same person specified in (5) above.

IV. AIRCRAFT SALES (New and/or Used)

A. Statement of Concept

An aircraft sales Operator is a person engaged in the sales of new and/or used aircraft through franchises, or licensed dealership or distributorship (either on a retail or wholesale basis) of an aircraft manufacturer or otherwise; and providing such repair, services and parts as necessary to meet any guarantee or warranty on new and/or used aircraft sold.

B. Minimum Standards

1. The Operators shall lease or sublease an area adequate to erect a building containing a minimum of 1,000 square feet of floor space, for aircraft storage, and floor space for office, restrooms, customer lounge and telephone facilities for customer use. On-site automobile parking space with suitable accommodations for automobiles, and a paved aircraft apron, all within the leased area and sufficient to accommodate the Operator's services and operations shall also be provided.
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, or availability within 24 hours or less, of spare parts for the type of new aircraft for which sales privileges are granted.
3. The Operator performing the services under this category will be required to carry the following types of insurance in the minimum limits specified in Attachment I, hereto, "**Schedule of Minimum Insurance Requirements**" with City of Cortez as additional insured. A certificate of insurance or a copy of the insurance policies involved will be furnished to the Airport Manager, or designated representative and 10 days advance written

notice of any change to any policy shall be given to the Airport Manager or Designated representative.

4. The Operator shall have its services available on a basis consistent with its franchise agreement.

V. 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 repair services, with a least one (1) person currently certified by the FAA with ratings appropriate to the work being performed. This category of aeronautical services shall also include the sale of aircraft parts and accessories, but such is not an exclusive right.

B. Minimum Standards

1. The Operator shall lease or sublease an area adequate to erect a building providing at least 1,000 square feet of floor space for airframe and power plant repair services and adequate floor space for office, restrooms, customer lounge and telephone facilities for customer use. On-site automobile parking space with suitable accommodations for automobiles, and a paved aircraft apron, all within the leased area sufficient to accommodate the Operator's services and operations shall be provided.
2. The Operator shall provide sufficient equipment, supplies and availability of parts equivalent to that required for certification as a FAA approved repair station.
3. The Operator performing the services under this category will be required to carry insurance in the minimum limits as specified in Attachment I, hereto, "**Schedule of Minimum Insurance Requirements**" with City of Cortez as additional insured. A certificate of insurance or a copy of the insurance policies involved will be furnished to the Airport Manager, or designated representative and 10 days advance written notice of any change to any policy shall be given to the Airport Manager or Designated representative.
5. The Operator shall have its services available eight (8) hours per day, five (5) days per week.
6. The Operator shall have in its 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 an efficient manner, but never less than one (1) person currently certified by the FAA with rating

appropriate to the work being performed and who holds an airframe, power plant, or an aircraft inspector rating.

VI. 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. The Operator shall lease or sublease an area adequate to provide for aircraft storage, including a building of at least 1,000 square feet of floor space for aircraft storage, office, restrooms, customer lounge and telephone facilities for customer use. On-site automobile parking space with suitable accommodations for automobiles, and a paved aircraft apron, all within the leased area and sufficient to accommodate the Operator's services and operations shall also be provided.
2. The Operator shall have available for rental, either owned or under written lease to Operator, a sufficient number of aircraft properly certificated to handle the proposed scope of its operation.
3. The Operator performing the services under this category will be required to carry insurance in the minimum limits specified in Attachment I, hereto, "**Schedule of Minimum Insurance Requirements**" with City of Cortez as additional insured. A certificate of insurance or a copy of the insurance policies involved will be furnished to the Airport Manager, or designated representative and 10 days advance written notice of any change to any policy shall be given to the Airport Manager or Designated representative.
4. The Operator shall have its service available eight (8) hours per day, seven (7) days per week.
5. The Operator shall have available trained personnel in such numbers as are required to meet the minimum standards set forth in an efficient manner.

VII. AIRCRAFT CHARTER AND AIR TAXI SERVICE

A. Statement of Concept

An aircraft charter (Commercial Operator) and an air taxi Operator is a person or persons, firm or corporation engaged in the business of providing air transportation (persons or property) to the public for hire, either on a charter basis or as an air taxi Operator, as defined in the Federal Aviation Act of 1958, or as said Act may be amended

from time to time.

B. Minimum Standards

1. The Operator shall lease or sublease an area adequate to provide for aircraft storage, including an area to erect a hangar of 1,000 square feet of floor space for aircraft storage, office, restrooms, customer lounge and telephone facilities for customer use. On-site automobile parking space with suitable accommodations for automobiles, and a paved aircraft apron all within the leased area and sufficient to accommodate the Operator's

services and operations shall also be provided.

2. The Operator shall have available for hire, either owned or under written lease to Operator, at least one (1) four-place aircraft equipped for and capable of use in instrument conditions, or a sufficient number of aircraft properly certificated to handle the proposed scope of its operation.
 3. The Operator performing the services under this category will be required to carry the following types of insurance as specified in Attachment I, hereto, "**Schedule of Minimum Insurance Requirements**" with City of Cortez as additional insured. A certificate of insurance or a copy of the insurance policies involved will be furnished to the Airport Manager, or designated representative and 10 days advance written notice of any change to any policy shall be given to the Airport Manager or Designated representative.
- E. The Operator shall have its premises open and services available eight (8) hours per day, seven (7) days per week; and shall provide on-call service during hours other than the aforementioned.
- F. The Operator shall have in its 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 and otherwise appropriately rated to permit the flight services offered by Operator. The Operator shall have available sufficient qualified operating crews and satisfactory number of personnel for checking in and ticketing passengers, handling of luggage, and for furnishing or arranging for suitable ground transportation. The prospective Operator shall provide reasonable assurance of continued availability of qualified operating crews and approved aircraft within a reasonable or maximum notice period.
- G. Air Taxi Companies Not Based on Cortez Municipal Airport

Non-scheduled air carrier companies providing service to and from the Airport, but not based on the Airport, are exempt from these Minimum Standards.

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SECTION FOUR: COMMERCIAL AERONAUTICAL SERVICE PROVIDER PERMITS FOR CERTAIN LIMITED OPERATIONS

I. Statement of Concept

Section Four of these Minimum Standards allows the following operations to take place under a Commercial Aeronautical Service Provider Permit ("Permit"):

- A. Flight instruction, as long as the flight instructor in question does not provide such services at the Airport for more than a maximum of 100 hours/year (not including ground school and briefing/debriefing, whether done on or off-Airport); and
- B. Provision of mechanic services, as long as services are performed by a mechanic holding a Permit, the total services performed by that mechanic on the Airport do not exceed 100 hours per year, and such services are performed in an area approved on a case-by-case basis by the Airport Manager.

It is not the City's intent to establish a right to provide aeronautical services through-the-fence, which would both endanger the City's ability to develop and maintain the Airport and to encourage growth of competitive FBOs and ASOs, and endanger the City's ability to comply with contractual obligations entered into as a condition of receipt of federal airport development grants ("sponsors assurances"). The Permit process herein established (1) shall be strictly limited by the terms of these Minimum Standards; (2) shall be evaluated on an ongoing basis by the City in the light of the City's airport development goals and the sponsors assurances; and (3) may be terminated by the City immediately in the event that the City believes this process to be in conflict with its airport development goals or with past or future sponsors assurances, or if FAA advises the City (formally or informally) that such a conflict exists.

II. Minimum Standards

- A. Flight Instruction
 - 1. A Flight Instructor is a person engaged in instructing pilots in dual and solo flight operations, in fixed and/or rotary wing aircraft, in land or sea aircraft, and in providing such related ground school instruction as is necessary to prepare persons for taking a written examination and flight check for the category or categories of pilots' licenses and rating involved.

2. In order to obtain a Permit to provide flight instruction at the Airport, a Flight Instructor must apply to the Airport Manager and must provide (1) proof of required FAA certifications and (2) proof of insurance in the minimum limits specified in Attachment I, hereto, "**Schedule of Minimum Insurance Requirements**" with City of Cortez as additional insured. A certificate of insurance or a copy of the insurance policies involved will be furnished to the Airport Manager, or designated representative and 10 days advance written notice of any change to any policy shall be given to the Airport Manager or Designated representative.
3. The Flight Instructor must pay the required Permit Fee as set forth by the City.
4. Flight instruction may be provided at the Airport by a Flight Instructor holding a current Permit as follows:
 - a. Ground school and briefing/debriefing may be provided on- or off-airport; such instruction may not be provided in public areas of the Airport and may be provided in leased hangars only with permission of the Airport Manager.
 - b. Flight instruction under a permit may be provided by any individual Flight Instructor up to a maximum of 100 hours/year flight time (measured by Hobbs meter reading). Each Flight Instructor holding a permit must allow the City to inspect his or her logbooks periodically to verify that this figure has not been exceeded.
 - c. The Permit holder shall not be considered to have been granted any property right or other right for use of the airport, but only a license fully revocable by the City.

B. Aircraft Mechanic Services

1. An Aircraft Mechanic is a person engaged in repair of aircraft radios, propellers, instruments, and accessories for general aviation aircraft, or in airframe and power plant repair services.
2. In order to obtain a Permit to provide aircraft mechanic services at the Airport, an Aircraft Mechanic must apply to the Airport Manager and must provide (1) proof of required FAA certifications for the type of work proposed and (2) proof insurance in the minimum limits specified in Attachment I, hereto, "**Schedule of Minimum Insurance Requirements**" with City of Cortez as additional insured. A certificate of insurance or a copy of the insurance policies involved will be furnished to the Airport Manager, or designated representative and 10 days advance written notice of any change to any policy shall be given to the Airport Manager or Designated representative.

3. The Aircraft Mechanic must pay the required Permit Fee as set forth by the City.
4. Aircraft mechanic services may be provided at the Airport by an Aircraft Mechanic holding a current Permit as follows:
 - a. Aircraft Mechanics may provide services under a Permit only if services by any individual mechanic holding a Permit do not exceed 100 hours/year, and such services are performed in an area approved on a case-by-case basis by the Airport Manager.
 - b. Each Aircraft Mechanic holding a Permit must contact the Airport Manager when he or she comes on the Airport to do work under the Permit and when he or she completes the work, in order to permit the City to track compliance with these requirements.
 - c. The following types of service may not be performed under a Permit unless they are performed by a mechanic holding a Permit and working under a subcontract with an FBO or ASO providing such services, and on that FBOs or ASO's leased premises: (1) painting of aircraft; (2) service requiring use of hazardous substances or noxious chemicals; or (3) any service involving any risk of fire, explosion, or environmental damage.
 - d. Any Aircraft Mechanic failing to notify the Airport Manager before beginning to do work under the Permit will be considered in noncompliance with the Permit. Such violation period shall be cause for revocation or suspension of the Permit.
 - e. The Permit holder shall not be considered to have been granted any property right or other right for use of the airport, but only a license fully revocable by the City.

**ATTACHMENT I
SCHEDULE OF MINIMUM INSURANCE REQUIREMENTS**

A. FIXED BASE OPERATOR

1. Aircraft Liability

Combined Single Limit
Bodily Injury & Property Damage \$1,000,000 each occ.
2. Comprehensive Public Liability and Property Damage

Combined Single Limit
Bodily Injury & Property Damage \$1,000,000 each occ.
3. Hangars Keeper's Liability \$ 500,000 each occ.
4. Product's Liability \$ 500,000 each occ.
5. Student and Renter's Liability \$ 500,000 each occ.
6. Building fire and Extended Coverage, Vandalism and Malicious Mischief, Earthquake and Volcanic Eruption and Boiler and Machinery Insurance in the amount of 80% of the full insurable value as from time to time determined by the Airport Manager, or designated representative.

B. AIRCRAFT SALES

1. Aircraft Liability

Combined Single Limit
Bodily Injury & Property Damage \$1,000,000 each occ.
2. Comprehensive Public and Property Damage

Combined Single Limit
Bodily Injury & Property Damage \$1,000,000 each occ.
3. Hangars Keeper's Liability \$ 500,000 each occ.
4. Products Liability \$ 500,000 each occ.

C. AIRCRAFT RENTAL

1. Aircraft Liability
Combined Single Limit
Bodily Injury & Property Damage \$1,000,000 each occ.
2. Comprehensive Public and Property Damage
Combined Single Limit
Bodily Injury & Property Damage \$1,000,000 each occ.
3. Student and Renter's Liability \$ 500,000 each occ.

D. FLIGHT TRAINING: UNRESTRICTED FAR PART 61 OR 141

1. Aircraft Liability
Combined Single Limit
Bodily Injury & Property Damage \$1,000,000 each occ.
2. Comprehensive Public and Property Damage
Combined Single Limit
Bodily Injury & Property Damage \$1,000,000 each occ.
3. Student and Renter's Liability \$ 500,000 each occ.
4. Hangars Keeper's Liability \$ 500,000 each occ.

E. PUBLIC AIRCRAFT FUELS AND OIL DISPENSING SERVICE

1. Aircraft Liability
Combined Single Limit
Bodily Injury & Property Damage \$1,000,000 each occ.
2. Comprehensive Public and Property Damage
Combined Single Limit
Bodily Injury & Property Damage \$1,000,000 each occ.
3. Hangars Keeper's Liability \$ 500,000 each occ.
4. Products Liability \$ 500,000 each occ.

F. AIRCRAFT ENGINE AND AIRFRAME MAINTENANCE AND REPAIR

1. Aircraft Liability
Combined Single Limit
Bodily Injury & Property Damage \$1,000,000 each occ.
2. Comprehensive Public and Property Damage
Combined Single Limit
Bodily Injury & Property Damage \$1,000,000 each occ.
3. Hangars Keeper's Liability \$ 500,000 each occ.
4. Products Liability \$ 500,000 each occ.

G. AIRCRAFT CHARTER AND AIR TAXI SERVICE

1. Aircraft Liability
Combined Single Limit
Bodily Injury & Property Damage \$1,000,000 each occ.
2. Comprehensive Public and Property Damage
Combined Single Limit
Bodily Injury & Property Damage \$1,000,000 each occ.
3. Hangars Keeper's Liability \$ 500,000 each occ.
4. Products Liability \$ 500,000 each occ.

H. SPECIALIZED AIRCRAFT REPAIR SERVICES

1. Comprehensive Public and Property Damage
Combined Single Limit
Bodily Injury & Property Damage \$1,000,000 each occ.
2. Hangars Keeper's Liability \$ 500,000 each occ.
3. Products Liability \$ 500,000 each occ.

I. SPECIALIZED COMMERCIAL FLYING SERVICE

1. Aircraft Liability
Combined Single Limit
Bodily Injury & Property Damage \$1,000,000 each occ.
2. Comprehensive Public and Property Damage
Combined Single Limit
Bodily Injury & Property Damage \$1,000,000 each occ.
3. Hangars Keeper's Liability \$ 500,000 each occ.
4. Products Liability \$ 500,000 each occ.

J. FLYING CLUBS

1. Aircraft Liability
Bodily Injury and Property Damage
Including Passengers
(Club Members Must Be Named Insured) \$1,000,000 each occ.

K. NON-COMMERCIAL AIRCRAFT FUELS AND OIL DISPENSING

1. Aircraft Liability
Bodily Injury \$ 100,000 ea. per.
\$ 300,000 ea. occ.
Property Damage \$ 100,000 ea. occ.
2. Comprehensive Public and Property Damage
Bodily Injury \$ 100,000 ea. per.
\$ 300,000 ea. occ.
Property Damage \$ 100,000 ea. occ.

L. MOTOR VEHICLE

Any Operator, airport tenant or person operating a motor vehicle, licensed or unlicensed shall procure and maintain for any of its motor vehicles, which are operated on the Airport proper, Motor Vehicle Liability insurance in the following limits:

Motor Vehicle Liability:

Combined Single Limit	
Bodily Injury & Property Damage	\$ 300,000 ea. occ.