

**MONTROSE REGIONAL AIRPORT
MINIMUM STANDARDS**

ADOPTED

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REVISED

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Minimum Standards and Requirements for the Provision of Commercial Aeronautical Services at the Montrose Regional Airport

I. Purpose

The purpose of these minimum standards is to:

- 1) Encourage the provision of high quality products, services, and facilities to airport users,
- 2) Encourage the development of quality improvements at the airport,
- 3) Promote safety,
- 4) Promote the economic health of airport businesses and
- 5) Promote the orderly development of airport property.

These minimum standards specify the standards and requirements that must be met by any entity desiring to engage in one or more aeronautical activities at the airport.

II. Introduction

The Montrose County Board of County Commissioners (“County”) owns and operates the Montrose Regional Airport (“Airport”). To encourage growth and development of the Airport by ensuring adequate aeronautical services and facilities for Airport users, the County 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 County 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 including Airport Rules and 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 County is a prerequisite to providing any commercial aeronautical service on the Airport. Permission must be in writing and may be of two types:

- (1) a written agreement, properly executed by Montrose County and the Operator, establishing a tenancy on the Airport (“Lease”);

(2) a License & Use Agreement (“License”) for Specialized Aviation Service Operators (“SASOs”) operating their own-airport facilities as sublessees.

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 County to negotiate the terms of the required lease or license.

These minimum standards expressly forbid “through the fence” commercial operations except those to which the County has previously committed by written agreements made in August 2001. The County’s obligation to make the airport available for the use and benefit of the public does not extend to providing access from adjacent property. Such “through the fence” operations can adversely affect the ability of the airport to sustain itself financially, result in unfair competitive situations, and contribute to loss of control with respect to airport access. SASOs operating through the fence pursuant to August 2001 agreements with the County shall be required to comply with these Minimum Standards.

Leases, Licenses and Permits in effect on the date of adoption of these minimum Standards will remain in effect for the proscribed terms. Any operator currently engaged in a commercial service will be allowed to continue to do so, however upon renewal or expiration of any Lease, License, or Permit, or upon any change in the nature or scope of any Operator’s business, the Operator or Lessee shall be required to come in compliance with these standards. No existing Operator shall be allowed to engage in new or expanded activities after the adoption of these standards without meeting all the requirements appropriate for the activities contemplated.

These Minimum Standards may be amended by the County at its discretion from time to time as conditions require. Before these Minimum Standards are amended, all licensed Operators at the Airport will be given written notice of the proposed amendments. A hearing will be held no less than ten (10) or nor 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 County and Operators, and Operators will be required to come into compliance.

II. Statement of Policy

The County’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 SASOs 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 and SASOs.

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 that do not meet the “minimum”.**

Contingent upon its qualifications, its meeting the established Minimum Standards, the execution of a Lease, License or Permit by the County, and the payment of rentals, fees and privilege of providing the service(s) selected on the Airport as specified in 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 County reserves and retains the right for use of the Airport resolutions, ordinances, codes, minimum standards and other regulatory measures pertaining to such use. The County 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 Specialized 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 a Specialized Aviation Services Operator (SASO) (references below to “Operators” may encompass both FBOs and SASOs or may refer only to FBOs or to SASOs, as the context indicates). A Fixed Base Operator is further defined as an entity maintaining and operating facilities at the Airport for the purpose of providing one or more of the following services:

- (1) engaging in the retail sale of aviation fuels;
- (2) performing other aircraft line services.

A Fixed Base Operator shall be required to provide aircraft airframe and engine repair maintenance services either directly or by provision of a letter agreement with a Board of County Commissioners approved SASO on the airport to provide such services. It will remain the ultimate responsibility of the FBO to insure such services will be available.

Section Two of these Minimum Standards includes a more detailed list of the aircraft line services and aircraft maintenance services which FBOs must provide. FBOs may also engage in other aeronautical services as identified in their lease or license.

A Specialized 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 repair and maintenance;
- (6) aircraft rental;
- (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 SASOs

Where applicable Federal Certification standards exist, the Specialized 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 Director of Aviation, in writing, the following information, and thereafter, shall provide such additional information as may be requested by the County.

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. All services contemplated must meet the requirements of these Minimum Standards. 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 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/maintained (as applicable).

8. The number of persons to be employed (including the names and qualifications of each key person).

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 County, in evidence of its financial responsibility, from an area bank or trust company or from such other source that may be acceptable to the County 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 County with a statement of past experience of the Operator and its key employees in providing the proposed aviation services, together with a statement that the Operator or its principals have the managerial ability to perform the selected services.

V. **Requirements Applicable to all FBOs and SASOs**

The following standards apply to all FBOs and SASOs necessary. 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 SASO and must be on the Airport.

A. Requirement of a Lease or License

1. Before beginning operations, the prospective Operator must enter into a Lease or License with the County 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 nor 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 County for the Airport. A list of lease terms required to be included in all leases is attached and marked “Attachment 1.”

3. The maximum term of any lease for land having access to the airport runways and taxiways shall be twenty (20) years except for Fixed Base Operators whose maximum term will be forty (40) years, or as amended from time to time by the Board of County Commissioners.

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 then-current Airport Development and Construction Standards and all applicable local building

codes and requirements. Any such construction shall be approved in writing by the County before construction begins.

(c) The Operator shall provide a paved walkway other acceptable all weather surface to be approved in writing by the Airport prior to installation 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, restrooms and telephone facilities.

(d) Landscaping of facilities is required. Each FBO or SASO will be required to provide a plan for landscaping its area to be approved by the County and maintained by the FBO or SASO in a neat, clean and aesthetically pleasing manner, all in accordance with the Rules and Regulations for the Airport. In the case of an existing structure, planted landscape improvements will not be required were it is not practical.

(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 other government entities as may be required.

2. Maintenance

(a) All building maintenance on non-County –owned facilities shall be the Operator's responsibility. For County-owned facilities, structural and external repairs (except for windows and hangar doors) shall be the County's responsibility unless otherwise provided in the lease; 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, snow removal, 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 County 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 provide services established by 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 contacts shall be supplied to the

Director of Aviation including after hour's phone numbers. This list shall be updated when any change occurs.

The individual managing the operations of the Fixed Base Operator shall have at least five (5) years experience in the period of eight (8) years immediately preceding such application, having been engaged in the business of a Fixed Base Operator on an airport at least equal size, facilities, and activity as the Montrose Regional Airport.

D. Bond

The Operator shall post a performance bond in a form acceptable to the Montrose County Attorney in the amount equal to at least 10% of the annual rental established and agreed upon. Bond may be waived by the County Attorney if Operator can demonstrate financial means.

E. Insurance

Insurance shall be provided and paid for by the Operator in the amounts specified in the most current Insurance Requirements on file with the Director of Aviation. Montrose County must be named as an additional insured. A certificate of insurance or a copy of the insurance policies involved will be furnished to the Director of Aviation, or designated representative and 30 days advance written notice of any change to any policy shall be given to the Director of Aviation or Designated representative. 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 County to carry and keep in force shall include the County and all County personnel, officers and agents as additional insured. The Operator shall furnish evidence of its compliance with this requirement to the Director of Aviation with proper certification that such insurance is in force and shall furnish additional certification as evidence of changes in insurance not less than ten (30)

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 County ten (30) days prior notice of cancellation and all operations shall cease.

The applicable insurance coverage 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). Lapses in insurance coverage may result in denial of access to the Airport.

F. Airport Access and Security

Airport access and security shall be maintained at all times in accordance with standards established and required by the Director of Aviation, FAA, TSA or other governmental entity. The Operator is also responsible for its employees', vendors', and agents' compliance with the Airport Security Program as maybe amended from time to time.

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 shall do so only in strict accordance with Airport Rules and Regulations, applicable federal, state and municipal laws, ordinances, codes or other similar regulatory measures now in existence or as may be hereafter modified or amended. The Operator takes responsibility and assumes all liability for the actions of any party, supplier, member, agent or individual that the Operator allows upon the airport's movement areas or any area within the airport perimeter fence. Montrose County 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. Annual Reporting Requirement and Notification of Changes

Operators shall report annually, by June 1 of each calendar year, the information listed in IV.A, and shall provide the Director of Aviation with three weeks advance notice of its intention to start up or discontinue a commercial aeronautical service. However, if said start-up or discontinuation is not permitted under the lease, or not authorized under the lease, an amendment to the Operator's lease is required prior to the initiation or discontinuance of said use. All Operators must additionally file updated FAA certificates and ratings (their own and their employees) annually when received, and must file within two weeks of receipt any changes in their own and their employees' FAA certificates or ratings. All Operators must file FAA certificates of ratings upon hiring new employees.

I. Prohibition on Cross-Ownership

No person or entity may hold or control, directly or indirectly, any ownership, voting, management or debt interests (actual or contingent) in more than one on-airport commercial service provider.

J. General Lease Clauses

Clauses that 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 are set forth in Attachment 1. While the language reflects the currently applicable federal requirements, Leases or Licenses shall include all provisions required by then-current federal law and regulations. The provisions contained in Attachment 1 can be amended from time to time by the County without amending these Minimum Standards.

VI. Combined Operations and Subleases

A. The County will consider reduction in minimum square footage for combined operations.

B. If an FBO or SASO 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 SASO must obtain written approval from the County to sublease the space and function.
3. The FBO or SASO must pay the County fees applicable to the class of services provided by the sub-lessee at the levels set forth in the Airport Rules and Regulations.
4. The FBO or SASO must carry public liability insurance for its lessee or provide a certificate of insurance which shows the lessee and the County as additional insured, in the amounts commensurate with the services provided by the sub-lessee.

**Minimum Standards and Requirements
For the Provision of
Commercial Aeronautical Services
At
Montrose Regional Airport**

Section Two: Fixed Base Operator

I. A fixed Base Operator (FBO) shall provide or enter into an agreement to provide the following essential services to the public at reasonable rates and charges and without unjust discrimination:

A. Aircraft Line Services:

1. Fueling, lubricating and miscellaneous services;
2. Ramp parking and tie-down;
3. Separate 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;
9. 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 (with both oxygen and nitrogen);
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); and
15. Lav service

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 SASOs (set out in Section One) and additional standards (set out in Section Three) for any additional SASO services provided:

A. In connection with aircraft fueling and line services:

1. Contracts for delivery of fuel: Operator shall demonstrate, to the County'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, Aviation Gasoline (Avgas, 100 Low Lead) and Jet Fuel (Jet-A) 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 County to be fuels and oils dispensed for the purpose of calculating rates or charges 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 14 hours per day beginning no later than 6:00A.M. seven (7) days a week. FBO shall be available during other than its regular business hours on an "on-call" with a maximum response time of two hours.

4. 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 commercial and general aviation aircraft. FBO shall have two metered, filter equipped, refueler trucks for dispensing Jet fuel with a capacity of at least 5000 gallons each and one metered, filter equipped, refueler truck for dispensing AV gas with a capacity of at least 1000 gallons. FBO shall have storage tanks having a minimum capacity of 12,000 gallons of AV gas and 36,000 gallons of jet fuel A separate dispensing pump for each grade of fuel is 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 such safety and operational requirements for the storage, handling and dispensing of aviation-grade fuels shall be governed by the applicable National Fire Protection Association (NFPA) and Uniform Fire Code (UFC) regulations and national and local fire codes. Fire suppression systems for fuel storage defined as discretionary by NFPA and UFC regulations shall consist of Fire Rated tanks. All FBO fueling services and systems shall be subject to inspection for fire and other hazards by the Director of Aviation or other representative of Montrose County, by the State Oil Inspector and by the appropriate State and local fire agency. FBO shall be in full compliance with fire codes and federal, state and local laws, ordinances, rules and regulations pertaining to fire safety. The Operator shall have spill kits as required by Airport Rules and Regulations.

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 Director of Aviation. Fueling service by the FBO shall be in full compliance with federal, state and local laws and regulations including ATA 103, and including proper fire protection and electrical grounding of aircraft during fueling operations.

6. Additional line services: 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,

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, lavatory cart contents and other waste. The piling or storage of crates, boxes, barrels and other containers or other items will not be permitted within the leased premises.
8. Disabled Accident Removal: FBO shall be prepared to remove disabled aircraft. They shall have personnel trained and have access to the equipment or be able to arrange for the equipment and/or services required 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 1 hour of notification.
9. Ramp Parking, Tie-Down, Aircraft Storage and FBO Ramp Assistance within the FBO's leased premises: The operator shall have at least one (1) large tug capable of towing up to 150,000lbs and one (1) small tugs capable of towing up to 40,000 lbs. Operator shall have at least one ground power units, one (1) de-icing unit, one (1) lavatory cart, one (1) water cart, and two passenger vans capable of transporting passengers between the FBO and the aircraft ramp. The operator shall have tow bars suitable for towing the General Aviation Aircraft normally frequenting the airport. All equipment shall be maintained and operated in accordance with OSHA and local and state industrial codes.
10. The FBO's rate 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 changes for such services shall be filed with the Director of Aviation.
11. FBO shall provide aircraft-to-lounge ground transportation for in-transit passengers and pilots.
12. 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.

13. FBO shall provide properly trained personnel. Personnel while on duty shall be clean, neat in appearance, courteous, and at all times, properly uniformed. Personnel uniforms shall identify the name of the FBO and shall be clean, professional, and properly maintained at all times. Management and administrative personnel shall not be required to wear uniforms.
14. FBO shall provide services at a minimum fourteen hours per day opening no later than 6:00 am seven days a week.
15. 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.
16. Hangar Storage: FBO shall provide suitable hangar storage facilities constructed in accordance with the Airport Development and Construction Standards.

B. In connection with aircraft airframe and engine repair and maintenance:

1. The FBO shall comply with all requirements for provision of aircraft airframe and engine repair and maintenance services as set out in Section Three of these Minimum Standards.
2. FBO must provide sufficient hangar work space for any aircraft upon which airframe or engine repairs are being performed.
3. FBO must provide suitable storage space for aircraft upon which airframe or engine repairs are being performed.
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 on 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 Line Operation shall be 350,000 square feet with 250,000 square feet allocated as ramp space.
- B. Building improvements shall be permanent in nature, shall contain at least 27,500 square feet for FBO operations and may be contained in one or

more buildings. At least 2500 square feet of building area shall contain at a minimum crew and passenger lounge facilities, clean, sanitary, heated and free public restrooms and at least one working telephone shall be provided for public use

Asphalt or concrete paved surfaced, on-site automobile parking space shall be provided in compliance with parking standards and requirements of the Montrose County Land Use Regulations as amended from time to time, or other applicable federal, state, or local regulations. Proper signage shall also be installed.

Each FBO shall occupy, at least, one heated clear span hangar. Each FBO shall provide hangar space, which may be contained in one or more hangars of a minimum of 25,000 square feet. At least one of the hangars comprising the 25,000 square feet of hangar space shall be required to have a door opening of at least one hundred ten (110) feet in width and twenty-eight (28) feet in height and the hangar must be at least one hundred and ten (110) feet deep. Additional hangar (s) used to meet the 25,000 square feet minimum shall be of adequate dimensions to house general aviation aircraft.

Where an entity has entered into an agreement to provide FBO services on the Airport, the entity may have a reasonable amount of time to construct the foregoing FBO improvements, provided that the FBO services continue to be made available on the Airport without interruption.

- C. All paving and building shall comply with the then current Airport Development and Construction Standards and shall be approved in writing by the County before construction begins.
 - D. FBO shall provide three sets of as-built drawings with at least one of them electronically in AutoCAD or other acceptable format upon completion of construction to Airport management.
- IV. Insurance shall be provided and paid for by the Operator in the amounts specified in the most current Insurance Requirements on file with the Director of Aviation. Montrose County must be named as an additional insured. A certificate of insurance or a copy of the insurance policies involved will be furnished to the Director of Aviation, or designated representative and 30 days advance written notice of any change to any policy shall be given to the Director of Aviation or Designated representative.

Section Three: Specialized Aviation Services Operator

Specialized Aviation Services Operators shall consist of one or more of the following services, comply with the Minimum Standards described in this section and lease, license or sublease property on the Airport.

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 of 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 existing or adequate to erect a building providing a minimum of 2,500 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. Paved automobile parking or other acceptable all weather surface to be approved in writing by the Airport prior to installation 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 qualifications of Class I and Class II FAA designated repair station.
3. Insurance shall be provided and paid for by the Operator in the amounts specified in the most current Insurance Requirements on file with the Director of Aviation. Montrose County must be named as an additional insured. A certificate of insurance or a copy of the insurance policies involved will be furnished to the Director of Aviation, or designated representative and 30 days

advance written notice of any change to any policy shall be given to the Director of Aviation or Designated representative.

4. The Operator shall have its services available (defined as on the Airport or available via telephone or cellular phone) 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 provide services in an efficient manner.

II. 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 services listed below:

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

B. Minimum Standards

1. The Operator shall lease or sublease an area existing or adequate to erect a building providing a minimum of 2,500 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 and additional floor space for office, restrooms, customer lounge and telephone facilities for customer use. Paved automobile parking or other acceptable all weather surface to be approved in writing by the Airport prior to installation 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. MSDS are required to be onsite and two copies shall be provided to the Director of Aviation. 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, Colorado Department of Public Health and Environment and Montrose County Environmental Department regulations governing such activities. Operator shall also provide for the safe storage and containment of all chemical materials. Such facilities will be in a location designated by the County 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 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 and all county and local laws and regulations.
 4. The Operator shall provide and have based on its leasehold, 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. Insurance shall be provided and paid for by the Operator in the amounts specified in the most current Insurance Requirements on file with the Director of Aviation. Montrose County must be named as an additional insured. A certificate of insurance and a copy of the insurance policies involved will be furnished to the Director of Aviation, or designated representative and 30 days advance written notice of any change to any policy shall be given to the Director of or designated representative.
- C. 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.
- D. 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.

B. **Minimum Standards**

1. If the Operator occupies or leases space at the Airport, the Operator must lease at least one aircraft tie-down or own or lease hangar space. The Operator may sub-lease these facilities from an approved airport tenant. In addition, they must provide at least 150-sq. ft. of properly lighted and heated floor space for a classroom/briefing room, office space and restrooms. This space may be subleased and or shared with other airport-approved operators.
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 2,500 square feet to provide for aircraft storage, and space for office, classroom, briefing room, pilot lounge, restrooms and telephone facilities for customer use. Paved automobile parking or other acceptable all weather surface to be approved in writing by the Airport prior to installation and a paved aircraft apron 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. Insurance shall be provided and paid for by the Operator in the amounts specified in the most current Insurance Requirements on file with the Director of Aviation. Montrose County must be named as an additional insured. A certificate of insurance or a copy of the insurance policies involved will be furnished to the

Director of Aviation, or designated representative and 10 days advance written notice of any change to any policy shall be given to the Director of Aviation or Designated representative.

5. The Operator shall have its services available (defined as on the Airport or available via telephone or cellular phone) 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) 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 Operator shall provide at least 150-sq. ft. of properly lighted and heated floor space for office space and restrooms. This space may be subleased and or shared with other airport-approved operators. Paved automobile parking or other acceptable all weather surface to be approved in writing by the Airport prior to installation 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. Insurance shall be provided and paid for by the Operator in the amounts specified in the most current Insurance Requirements on file with the Director of Aviation. Montrose County must be named as an additional insured. A certificate of insurance or a copy of the insurance policies involved will be furnished to the Director of Aviation, or designated

representative and 10 days advance written notice of any change to any policy shall be given to the Director of Aviation or Designated representative.

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

V. Aircraft Airframe and Engine Repair and Maintenance

A. Statement of Concept

An Aircraft airframe and engine repair and maintenance Operator is a person or persons, firm or corporation providing one (or a combination of) airframe and power plant repair services, with at 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 existing or adequate to erect a building providing at least 2,500 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. Paved automobile parking or other acceptable all weather surface to be approved in writing by the Airport prior to installation and a paved aircraft apron 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. Insurance shall be provided and paid for by the Operator in the amounts specified in the most current Insurance Requirements on file with the Director of Aviation. Montrose County must be named as an additional insured. A certificate of insurance or a copy of the insurance policies involved will be furnished to the Director of Aviation, or designated representative and 10 day advance written notice of any change to any policy shall be given to the Director of Aviation or Designated representative.
4. The Operator shall have its services available eight (8) hours per day five (5) days per week.

5. 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 must lease at least one aircraft tie-down or own or lease hangar space. The Operator may sub-lease these facilities from an approved airport tenant. In addition, the Operator shall provide at least 150-sq. ft. of properly lighted and heated floor space for office space and restrooms. This space may be subleased and or shared with other airport-approved operators. Paved automobile parking or other acceptable all weather surface to be approved in writing by the Airport prior to installation 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 certified to handle the proposed scope of its operation.
3. Insurance shall be provided and paid for by the Operator in the amounts specified in the most current Insurance Requirements on file with the Director of Aviation. Montrose County must be named as an additional insured. A certificate of insurance or a copy of the insurance policies involved will be furnished to the Director of Aviation, or designated representative and 10 days advance written notice of any change to any policy shall be given to the Director of Aviation 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 existing or adequate to provide for aircraft storage, including an area to erect a hangar of 2,500 square feet of floor space for aircraft storage, office, restrooms, customer lounge, and telephone facilities for customer use. Paved automobile parking or other acceptable all weather surface to be approved in writing by the Airport prior to installation and a paved aircraft apron 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 an capable of use in instrument conditions, or a sufficient number of aircraft properly certificated to handle the proposed scope of its operation.
3. Insurance shall be provided and paid for by the Operator in the amounts specified in the most current Insurance Requirements on file with the Director of Aviation. Montrose County must be named as an additional insured. A certificate of insurance or a copy of the insurance policies involved will be furnished to the Director of Aviation, or designated representative and 10 days advance written notice of any change to any policy shall be given to the Director of Aviation or Designated representative.

C. The Operator shall have its services available eight (8) hours per day, seven (7) days per week; and shall provide on-call service during hours other than the aforementioned.

D. 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 Operator shall provide reasonable assurance of continued availability of qualified operating crews and approved aircraft within a reasonable or maximum notice period.

- E. Air Taxi Companies Not based on Montrose Regional Airport.
 - 1. Non-scheduled air carrier companies providing service to and from the Airport, but not based on the Airport, are exempt from these Minimum Standards.

ATTACHMENT 1
REQUIRED GENERAL LEASE CLAUSES

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 County 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 County shall have the right to terminate this Lease (License) and any estate created hereunder, without liability therefore, or at the election of the County 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, repair and maintenance); provided that the Airport rules and regulations and Lease (License) provisions are followed.

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 County 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 County 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. County's Right to Maintain the Airport

The County 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 Montrose County, 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 Montrose Regional 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 of object nor permit the growth of any tree on the leased premises above a ground level elevation of 65 feet; or (2) make use of the leased premises in any manner which might interfere with operation or safety of the Montrose Regional Airport or otherwise constitute a hazard; or (3) violate 14 CFR Part 77 Surfaces.

The County 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 County, 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 Rules and Regulations, the Airport Security Plan, and the Airport Operations Manual, as existing at the time the Lease or License is granted or as amended from time to time thereafter at the County'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 County, the Operator shall indemnify the County 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 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 County, any applicable special district, and the sewage operator.

12. Indemnification

a. In concert with and in addition to the insurance requirements set forth herein, operator shall protect, defend, and hold County, 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 County. Operator shall use counsel reasonably acceptable to the County in carrying out its obligations hereunder.

b. County shall give Operator reasonable notice of any claims or actions against the County, 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 County by the U.S. Government,

Operator will reimburse County for all expenses, including attorney fees, incurred by County in defending against the civil penalty action and for any civil penalty or settlement amount paid by County as a result of such incursion or breach of airfield or sterile area security. County 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

a. Any official representative of the County may enter upon the leased premises during normal operating hours, 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 County.

b. Further, any official representative of the County may enter upon the leased premises at any time in response to an emergency.

c. To facilitate 13.b above, the Operator shall either provide escrowed door keys, access codes, etc. to the Airport Manager for the leased premises, or accept responsibility and hold Montrose County harmless for possible damage to the leased premises as a result of a forced entry by County representatives in responding to an emergency.

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. Further, upon expiration or other termination of any agreement, title to any improvements to the premises reverts to Montrose County.

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 County, which shall be exercised in the County's sole discretion after consideration of, among other things, the qualifications of the proposed assignee, the effect of the assignment on the County, 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 County'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) 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 (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 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. County'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 Montrose County, 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.

**Montrose Regional Airport
Minimum Insurance Requirements
For Commercial Aeronautical Activities**

Fixed Base Operator (FBO)

Aircraft Liability - \$5,000,000 per occurrence combined single limit for bodily injury and property damage including passengers

Comprehensive Public Liability and Property Damage (Premises) - \$5,000,000 per occurrence of combined single limit bodily injury and property damage

Hangarkeeper's Liability - \$1,000,000 per occurrence

Products & Completed Operations Liability - \$5,000,000 per occurrence

Environmental Liability - \$1,000,000

Airframe & Power Plant Repair

Premises Liability (hangar operation) - \$1,000,000 per occurrence combined single limit for bodily injury and property damage

Products & Completed Operations Liability for Repairs & Services and Parts not Installed - \$1,000,000 per occurrence

Hangarkeepers Liability – \$600,000 per occurrence

Motor Vehicle Liability – If using vehicles on the air operations area in support of business, \$600,000 per occurrence combined single limit for bodily injury and property damage

Avionics, Instrument & Propeller Repair

Premises Liability - \$1,000,000 per occurrence of combined single limit for bodily injury and property damage

Products & Completed Operations Liability for Repairs & Services and Parts not Installed - \$1,000,000 per occurrence

Hangarkeepers Liability – \$600,000 per occurrence

Motor Vehicle Liability – If using vehicles on the air operations area in support of business, \$600,000 per occurrence combined single limit for bodily injury and property damage

Air Charter

Aircraft Liability Per Occurrence – combined single limit for bodily injury and property damage with respect only to passenger bodily injury, a minimum of \$100,000 each person, based on passenger seating capacity as follows:

<u>Seating Capacity</u>	<u>Amount</u>
1-4 passengers	\$2,000,000
5-9 passengers	\$5,000,000
10 & over	\$15,000,000

Premises Liability - \$1,000,000 per occurrence of combined single limit for bodily injury and property damage

Motor Vehicle Liability – If using vehicles on the air operations area in support of business, \$600,000 per occurrence combined single limit for bodily injury and property damage

Air Cargo

Aircraft Liability - \$5,000,000 per occurrence combined single limit for bodily injury and property damage including passengers

Premises Liability - \$1,000,000 per occurrence of combined single limit for bodily injury and property damage

Motor Vehicle Liability – If using vehicles on the air operations area in support of business, \$600,000 per occurrence combined single limit for bodily injury and property damage

Aircraft Rental

Aircraft Liability - \$1,000,000 per occurrence combined single limit for bodily injury (including passengers) and property damage. With respect only to passenger bodily injury a minimum sublimit of \$100,000 per passenger will be permitted.

Premises Liability - \$1,000,000 per occurrence of combined single limit for bodily injury and property damage

Motor Vehicle Liability – If using vehicles on the air operations area in support of business, \$600,000 per occurrence combined single limit for bodily injury and property damage

Aircraft Sales

Aircraft Liability - \$2,000,000 per occurrence combined single limit for bodily injury and property damage with respect only to passenger bodily injury, a minimum of \$100,000 each person

Premises Liability - \$1,000,000 per occurrence of combined single limit for bodily injury and property damage

Products & Completed Operations Liability for Sale of Aircraft - \$1,000,000 per occurrence

Motor Vehicle Liability – If using vehicles on the air operations area in support of business, \$600,000 per occurrence combined single limit for bodily injury and property damage

Flight Training

Aircraft Liability - \$1,000,000 per occurrence combined single limit for bodily injury (including passengers) and property damage. With respect only to passenger bodily injury a minimum sublimit of \$100,000 per passenger will be permitted.

Premises Liability - \$1,000,000 per occurrence of combined single limit for bodily injury and property damage

Motor Vehicle Liability – If using vehicles on the air operations area in support of business, \$600,000 per occurrence combined single limit for bodily injury and property damage

Commercial Flying Club

Aircraft Liability - \$1,000,000 per occurrence combined single limit for bodily injury (including passengers) and property damage. With respect only to passenger bodily injury a minimum sublimit of \$100,000 per passenger will be permitted.

Premises Liability - \$1,000,000 per occurrence combined single limit for bodily injury and property damage

Motor Vehicle Liability – If using vehicles on the air operations area in support of business, \$600,000 per occurrence combined single limit for bodily injury and property damage

Multiple Commercial Activities

Operator shall provide certificates of insurance coverage in an amount equal to the highest individual insurance requirement stipulated for the specific commercial aeronautical services being performed as stated above.

Air Carrier

Aircraft Liability Per Occurrence – combined single limit for bodily injury and property damage based on passenger seating capacity as follows:

<u>Seating Capacity</u>	<u>Amount</u>
1-19 passengers	\$20,000,000
20-59 passengers	\$50,000,000
60-99 passengers	\$100,000,000
100+ passengers	\$150,000,000

The above insurance limits shall be determined by the capacity in passenger seats of the largest aircraft that services Montrose Airport in the airlines fleet.

Premises Liability - \$1,000,000 per occurrence of combined single limit for bodily injury and property damage

Hangarskeepers Liability – If applicable, while in care, custody and control \$5,000,000 per occurrence.

Motor Vehicle Liability – If using vehicles on the air operations area in support of business, \$600,000 per occurrence combined single limit for bodily injury and property damage