

**FRIEDMAN MEMORIAL AIRPORT
MINIMUM STANDARDS FOR
COMMERCIAL AERONAUTICAL SERVICE
PROVIDERS**

Adopted March 1, 2022

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EXHIBIT A – Minimum Insurance Requirements

FORWARD.

The Friedman Memorial Airport Authority (Authority), acting by virtue of the powers granted to it through a Joint Powers Agreement between Blaine County, Idaho, and the City of Hailey, Idaho, as provided under Idaho Code 67-2328, as amended, and amendments thereto, hereby establishes these Minimum Standards for Commercial Aeronautical Service Providers (Minimum Standards) for Friedman Memorial Airport (Airport). These Minimum Standards shall be incorporated into all Operator Agreements.

The Authority reserves the right to amend these Minimum Standards as may be necessary or desirable to improve the quality of services at the Airport, to enhance competition, when deemed to be in the Authority's best interest or the public's best interest, or, when necessary, to comply with Federal Aviation Administration (FAA), Transportation Security Administration, or other governmental regulations.

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

The Airport Director is authorized to act for the Authority in connection with the enforcement of all policies and procedures contained herein.

SECTION 1. ACRONYMS

Below is a list of common acronyms used throughout this Minimum Standards document.

AC	Advisory Circular
ADG	Airplane Design Group
ALP	Airport Layout Plan
AOA	Aircraft Operation Area
CFR	Code of Federal Regulations
CHRC	Criminal History Records Check
FAA	Federal Aviation Administration
FBO	Fixed Base Operator
FMAA	Friedman Memorial Airport Authority
LLC	Limited Liability Company
NPIAS	National Plan of Integrated Airport Systems
SASO	Specialized Aviation Service Operator
SIDA	Security Identification Display Area
SPCC	Spill Prevention Countermeasures and Control
STA	Security Threat Assessment
TSA	Transportation Security Administration
U.S.C.	United States Code
VIP	Very Important Person

SECTION 2. GENERAL STATEMENT OF POLICY

- A.** The Friedman Memorial Airport Authority (Authority), as the operator of Friedman Memorial Airport (Airport), in order to encourage and ensure the provision of adequate aeronautical services and activities at and from the Airport, the economic health of the Airport, and the orderly redevelopment and further development of aeronautical and related support facilities at the Airport, has established these Minimum Standards for Commercial Aeronautical Service Providers (Minimum Standards). Notwithstanding the provisions herein, each Operator providing commercial aeronautical services to the public at the Airport shall conduct its business and activities on and from the Premises in a safe and professional manner consistent with all Federal Aviation Administration (FAA) standards and applicable federal, state, and local laws and regulations.
- B.** It is the intent and policy of the Authority to operate and develop the Airport as a public-use aviation facility serving a wide range of aeronautical uses, consistent with its role as established in the National Plan of Integrated Airport Systems (NPIAS). The Airport is publicly owned and operated and is the recipient of federal grant funds under the Airport Improvement Program. As a grant recipient, the Authority is subject to certain federal grant assurances and sponsor obligations that impose a wide range of operational obligations. Among those most relevant for the Minimum Standards, the federal grant assurances require the Authority to operate the Airport in a financially self-sufficient manner as possible and provide Entities the opportunity to engage in commercial aeronautical activities at the Airport that satisfy a demonstrable need that meet the Minimum Standards as established by the Authority. Those grant assurances also require that the Authority treat aeronautical users without unjust discrimination, and these Minimum Standards are designed to ensure non-discriminatory treatment of commercial Entities. The Authority has established these Minimum Standards with the intent of providing fair and reasonable rules to govern the conduct of Commercial Aeronautical Activity.

- C.** It is the policy of the Authority that any Entity wishing to provide a Commercial Aeronautical Activity(ies), as defined herein, shall be given a not unjustly discriminatory opportunity to compete for the use of available Airport facilities.
- D.** These Minimum Standards establish the threshold operational and facility requirements for those Operators wishing to engage in commercial aeronautical activities at the Airport; they were developed in accordance with industry standards, including FAA Advisory Circular (AC) 150/5190-7, *Minimum Standards for Commercial Aeronautical Activities*, dated August 28, 2006.
- E.** Commercial aeronautical activities not addressed in the Minimum Standards will be addressed by the Authority on a case-by-case basis in an appropriate Agreement.
- F.** Subject to applicable orders, certificates, or permits of the FAA or its successor, no Entity shall use Airport property for a Commercial Aeronautical Activity unless such Entity has first complied with these Minimum Standards and entered into an Agreement with the Authority.
- G.** It is the intent of the Authority to enforce these Minimum Standards in a consistent, uniform, and fair manner to accomplish its goals and promote successful commercial business operations at the Airport.
- H.** All existing Operators shall become subject to the then-current Minimum Standards upon the modification, amendment, extension, or renewal of an existing Agreement.
- I.** The establishment of these Minimum Standards does not alter the Authority's proprietary exclusive right to engage in the delivery of aeronautical services/activities as it may deem at its reasonable discretion to be prudent and appropriate.
- K.** Wherever in these Minimum Standards the approval of the Authority is required, it is assumed (unless stated explicitly otherwise) that such approval may be given by the Airport Director.

SECTION 3. DEFINITIONS

For the purposes of these Minimum Standards, the following definitions shall apply:

- A. Aeronautical Activity or Service** means any activity or service conducted on the Airport that involves, makes possible, or is required for the operation of aircraft, or that contributes to or is required for the safety of aircraft operations. The following services/activities commonly conducted on airports are aeronautical activities within this definition: aircraft charter, pilot training, aircraft rental, sightseeing flights, aerial photography, crop dusting, aerial advertising, air ambulance services, surveying, aircraft sales and transactional services, sale of Aircraft Fuel, repair and maintenance of aircraft, sale of aircraft parts, and any other activities that, because of their direct relationship to the operation of an aircraft, can appropriately be regarded as an aeronautical activity.
- B. Agreement** means a written contract, executed by the Authority and an Operator, and enforceable by law, specifying the terms and conditions under which the Operator may conduct a Commercial Aeronautical Activity(ies) on the Airport. Such Agreements generally will recite the terms and conditions under which the Commercial Aeronautical Activity(ies) will be conducted on the Airport, including the Term of the agreement; rents, fees, and charges to be paid by the Operator; and the rights and obligations of the respective parties. The following terms may be substituted for “Agreement” as used in these Minimum Standards: Airport Business Permit or lease.
- C. Aircraft** means a device that is used or intended to be used for flight in air. Examples of aircraft include airplane, sailplane, glider, rotorcraft (helicopter, gyrocopter, or auto gyro), unmanned aerial vehicle, advanced air mobility vehicle, balloon, and blimp.
- D. Aircraft Fuel** means all flammable liquids composed of a mixture of selected hydrocarbons expressly manufactured and blended for the purpose of effectively and efficiently operating an internal combustion, jet, or turbine engine in an aircraft.
- E. Aircraft Fueling Vehicle** means any vehicle used for the transportation, delivery, and dispensing of Aircraft Fuel.

- F. Aircraft Movement Area** means the Airport's runway and taxiways used for taxiing, takeoff, and landing of aircraft, exclusive of loading ramps and aircraft parking areas.
- G. Airplane Design Group (ADG)** means an FAA-designated grouping of aircraft based upon wingspan and tail height. The groups are as follows:
- a. Group I: up to but not including 49 feet
 - b. Group II: 49 feet up to but not including 79 feet
 - c. Group III: 79 feet up to but not including 118 feet
- H. Airport Layout Plan (ALP)** means the scaled drawing depicting the existing physical layout for the Airport and the location and configuration of current and proposed runways, taxiways, buildings, roadways, utilities, navigational aids, and allocation of Airport land or improvements to specific uses or development. The ALP shall be amended as needed by the Authority to reflect changes in development and infrastructure for the Airport. The ALP is effective upon submission to the FAA.
- I. Aircraft Operations Area (AOA)** means a portion of an airport, specified in an Airport Security Plan, in which security measures specified in Title 49 Code of Federal Regulations (CFR) are carried out. This area includes the Aircraft Movement Areas, aircraft parking aprons, loading ramps, and safety areas for use by aircraft regulated under 49 CFR Parts 1542, 1544, and 1546, as well as any adjacent areas (such as general aviation areas) that are not separated by adequate security systems, measures, or procedures. Except for passengers enplaning or deplaning aircraft, the public is prohibited from the AOA, unless escorted as required by applicable Authority rules.
- J. Airport** means Friedman Memorial Airport located in Hailey, Idaho, including all real property easements or any other interest therein, as well as all improvements and appurtenances thereto, structures, buildings, fixtures, and all tangible personal property or interest in any of the foregoing, now or hereafter owned, leased, or operated by the Authority.

- K. Airport Director** means the Authority’s appointed Airport Director, or such other person designated by the Airport Director, to exercise functions with respect to the rights and obligations of the Authority under these Minimum Standards.
- L. Airport Security Plan** means the Transportation Security Administration (TSA)–approved document, including any amendments or revisions thereto, that governs Airport security.
- M. Authority** means the Friedman Memorial Airport Authority, an administrative entity formed by Blaine County, Idaho, and the City of Hailey, Idaho, and governed pursuant to Section 67-2328 of Idaho Code.
- N. Authority Board** means the seven-member governing body of the Authority, appointed by Blaine County, Idaho, and the City of Hailey, Idaho, responsible for the adoption of policies, rules, and regulations governing the use of the Airport by tenants, Operators, and the public pursuant to the Joint Powers Agreement.
- O. Authority Parties** shall mean the Authority, Blaine County, Idaho, the City of Hailey, Idaho, and their respective Board of Directors, Commissioners, Council persons, Officers, agents, employees, and contractors, and the term “Authority Party” shall be construed accordingly.
- P. Commercial Aeronautical Activity** means any ongoing activity conducted at, on, from, or in conjunction with the Airport intended to result in monetary gain to the Entity conducting such activity, as defined in these Minimum Standards. A Commercial Aeronautical Activity also includes any third-party Specialized Aviation Service Operator (SASO) or contract employee of a fixed base operator (FBO) engaged in the performance of a Commercial Aeronautical Activity for compensation or hire at the Airport who is not an employee of an FBO or a SASO. For purposes of this definition, commercial purposes refers to the conduct of any aspect of a business, concession, operation, or agency providing goods or services to any Entity for compensation or hire, including exchange of services, whether or not such objectives are accomplished. An activity is considered a Commercial Aeronautical Activity regardless of whether the business is nonprofit, charitable, or tax-exempt.

- Q. Entity (or Entities)** means a person; firm; partnership; limited liability company (LLC); or corporation; proprietorship, association, or group; and includes any authorized trustee, receiver, assignee, or other similar representative of the previously noted business organizations.
- R. Environmental Laws** means all applicable local, state, and federal laws, statutes, ordinances, rules, regulations, and orders concerning or relating to public health and safety, worker/occupational health and safety, and pollution or protection of the environment, including the following: the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 United States Code (U.S.C.) §§9601, et seq.; the Hazardous Materials Transportation Act, as amended, 49 U.S.C. §§1801, et seq.; the Federal Water Pollution Control Act (Clean Water Act), as amended, 33 U.S.C. §§1251, et seq.; The Resource Conservation and Recovery Act, as amended, 42 U.S.C. §§6901, et seq.; and the Toxic Substances Control Act, as amended, 15 U.S.C. §§2601, et seq.
- S. FAA** means the Federal Aviation Administration.
- T. Facility** means all Authority-approved buildings, related site improvements, and other improvements, financed and constructed by the Operator on the Airport, including, without limitation, structures, buildings, facilities, hangars, aircraft taxiways, aircraft taxiway markings, aircraft taxiway lighting, aircraft parking aprons and tiedowns, ramps, fencing, access control, lighting, automobile parking, and all utility infrastructure and connections, all as may be applicable and as may be required.
- U. Fixed Base Operator (FBO)** means any Entity duly licensed and authorized by an Agreement with the Authority to operate, under compliance with such Agreement and pursuant to these Minimum Standards, to offer aeronautical services to the public at the Airport as set forth in SECTION 11 of these Minimum Standards.
- V. Fuel Storage Area** means any portion of the Airport designed temporarily or permanently by the Authority as an area in which Aircraft Fuel, motor vehicle fuel, or any other type of fuel or fuel additive may be stored.

- W. Fueling or Fuel Handling** means the transportation, sale, delivery, dispensing, storage, or draining of fuel or fuel waste products to or from fuel storage areas, aircraft, vehicles, or equipment.
- X. General Aviation** means all phases of aviation other than military aviation and scheduled or non-scheduled commercial air carrier operations.
- Y. Minimum Standards** means these Minimum Standards for providing aeronautical services to the public, as amended.
- Z. Operator** means either an FBO or a SASO, as applicable, or the Authority, when performing a Commercial Aeronautical Activity, unless the context clearly indicates another meaning.
- AA. Permitted Area** means an area of Airport Property designated by the Airport Director for use by an Operator to perform a Commercial Aeronautical Activity on the Airport. Permitted Areas may, or may not, include leased Premises. The Permitted Area will include, (but may not be coextensive with, the Premises of the Operator in instances where the Operator leases land from the Authority.
- BB. Person** means any individual, corporation, partnership, association, company, business, trust, joint venture, or other legal entity.
- CC. Personnel** means persons who are employees, or contractors, of an Operator or who are contractually obligated to render services to the public on behalf of an Operator. Operators shall obtain approval from the Airport Director prior to using non-employee contractors to provide a Commercial Aeronautical Activity.
- DD. Premises** means the Permitted Area on the Airport granted to an Operator by the Airport Director where such Permitted Area consists of defined leased areas of land and associated Facilities.
- EE. Rules and Regulations** means the policies, procedures, and regulations promulgated by the Authority for use of the Airport.
- FF. Shall** for purposes of these Minimum Standards and as used herein, the word “shall” is always mandatory and not merely directory.

GG. Space means the volume of land and facilities measured in acres or square feet.

HH. Specialized Aviation Service Operator SASO means any Entity that provides aircraft maintenance, aircraft charter services, aircraft flight instruction, aircraft rental, or any one or more of the commercial aeronautical activities listed in SECTION 12 of these Minimum Standards but does not meet the requirements to be an FBO.

II. Term means a period of time in which an Agreement is in force.

JJ. TSA means the Transportation Security Administration.

SECTION 4. EXCLUSIVE RIGHTS

A. The granting of an exclusive right to provide aeronautical services at the Airport is forbidden by federal law. An exclusive right is a power, privilege, or other right excluding or debarring another from enjoying or exercising a like power, privilege, or right. The Authority will not grant any such special privilege or monopoly in the use of the Airport.

B. The presence on the Airport of only one Operator engaged in a particular Commercial Aeronautical Activity does not, standing alone, indicate that an exclusive right has been granted. In accordance with the Grant Assurances, the Authority will not enter into or promote any understanding or commitment or express agreement to exclude other reasonably qualified Operators. Accordingly, those Entities who desire to enter into an Agreement with the Authority to engage in a Commercial Aeronautical Activity should neither expect nor request the Authority to exclude others who desire to engage in the same or similar activities. The opportunity to engage in a Commercial Aeronautical Activity shall be made available to those meeting these Minimum Standards relevant to such activity and as space may be available at the Airport for such an activity.

SECTION 5. GENERAL REQUIREMENTS

A. Each Operator shall meet or exceed the requirements of this section, as well as the standards applicable to the Operator's Commercial Aeronautical Activity on the Airport.

B. Each Operator shall demonstrate, to the satisfaction of the Authority, that it is capable of consistently providing the proposed Commercial Aeronautical Activity(ies) in a safe, secure,

efficient, prompt, courteous, and professional manner for a fair and reasonable price. This includes, but is not necessarily limited to, demonstrating that the Operator's aviation/business background and experience are appropriate for the proposed Commercial Aeronautical Activity and that the Operator has the resources to realize its business objectives.

- C.** Each prospective Operator shall provide evidence, satisfactory to the Authority, of its financial responsibility. The prospective Operator shall also demonstrate financial capability to initiate operations, to construct proposed Facilities, and to provide working capital to carry on the contemplated business.
- D.** No Operator shall engage in any type of Commercial Aeronautical Activity without first obtaining an Agreement from the Authority authorizing such Commercial Aeronautical Activity in accordance with specifications established by these Minimum Standards. Agreements shall include all provisions required by law and obligations placed upon the Authority by all federal and state agencies and any other contracting provisions deemed necessary by the Authority.
- E.** Each Operator shall pay the Authority fair, reasonable, and not unjustly discriminatory rent, fees, and charges based upon the scope of the Commercial Aeronautical Activity being provided.
- F.** The Authority reserves the right to charge a reasonable fee for use of aircraft parking aprons by individual aircraft operators, FBOs or other Operators, which fees shall be paid promptly by the Operator.
- G.** Each Operator shall comply with applicable federal, state, and local laws and all rules, regulations, orders, certificates, or permits required by the FAA, TSA, Authority, and any other federal, state, or local agencies and successors having jurisdiction over the Airport and the activities at the Airport, as well as comply with Environmental Laws and local fire regulations, as may currently exist, be developed in the future, or be modified from time to time. Additionally, each Operator shall comply with those items outlined in the FAA's Hangar Use

Policy¹ as well as successor policies so provided by the FAA. Operators shall immediately report to the Airport Director all violations of applicable federal, state, and local laws, rules, regulations, orders, certificates, or permits whether caused by the Operator, or its Personnel, tenants, customers, guests, or agents. Operators shall further immediately notify the Airport Director of any unauthorized use of Airport property for non-aeronautical purposes by Personnel, tenants, customers, guests, or agents.

- H.** Each Operator shall conduct its business in a lawful and sanitary manner, including the timely handling and disposal of all solid waste, regulated waste, and other materials. The piling and storage of crates, boxes, barrels, containers, refuse, and surplus property is not permitted on the Airport.
- I.** Each Operator shall, at its sole expense, provide and maintain all equipment and Facilities and Permitted Areas and provide the required services and level of performance as set forth herein.
- J.** Each Operator shall, at its sole expense, be responsible for the prompt and thorough removal of snow and ice from its Premises to areas at the Airport designated by the Airport Director for the placement of snow and ice.
- K.** Each Operator shall furnish good, prompt, courteous, and efficient services adequate to meet all reasonable demands on a fair, reasonable, and nondiscriminatory basis to all users who wish to avail themselves of the Operator's services. Each Operator shall maintain and operate its business in a first-class manner and shall at all times keep its Premises in a safe, clean, and orderly condition, consistent with the business activity contemplated hereunder and the reasonable satisfaction of the Authority.
- L.** The Authority recognizes that the Airport is the gateway to the Wood River Valley and Blaine County for many visitors. For that reason, it is important that not only Authority staff but also all Operators and their Personnel convey a welcoming and professional demeanor, and that Operators provide service to the public that is consistent with best practices of similarly

¹ FAA Policy on Non-Aeronautical Use of Airport Hangars, 81 Federal Regulations 38906 (June 15, 2016).

situated, resort-environment airports elsewhere in the country. The Authority expects that each Operator will provide a standard of service that is at least as high as that which is typical and expected at similarly situated airports elsewhere in the country.

- M.** Each Operator shall follow all applicable security regulations and requirements established by the federal, state, and local governments and shall abide by all the applicable provisions of the Airport Security Plan. The Authority reserves the right to require that principal officers of an Operator, regardless of level of involvement in the actual operation of the business, and any Personnel, customer, contractor, or sublessee of the Operator submit to a Security Threat Assessment (STA) or criminal history records check (CHRC), including fingerprinting, at the expense of the Operator, dependent upon which area of the Airport direct, unescorted access is required. The Airport Director may exclude any Person from Airport property or suspend the authority of an Operator to conduct business at the Airport if the results of the STA or CHRC indicate to the Authority, in its reasonable discretion, that the Person poses a threat to the Airport, local community, state, or nation.
- N.** Each Operator shall obtain a Permitted Area (which may or may not include Premises) from the Authority for the services to be offered, as required by the Authority for the type of services to be offered.
- O.** Each Operator shall control its Premises (if applicable) so as to prevent unauthorized access to the AOA and/or SIDA. Each Operator must use the Authority's approved access control system and vendor to secure AOA access portals on the Operator's site. The cost of the access control system installation and maintenance of all equipment will be borne by the Operator. The Authority reserves the right to change vendors from time to time. The Operator will use the Authority- approved vendor for all installation and maintenance needs. The Operator may request to install an independent access control system, subject to Authority approval. Operator shall submit a construction security plan for all major construction activity occurring inside the AOA or affecting Airport security. The plan must be submitted in writing and approved by the Authority and TSA before beginning construction activity

- P.** No building, structure, tiedowns, aircraft parking aprons, paving, aircraft taxi areas, or other improvements or additions to the Airport shall be altered, removed, placed, or constructed on the Airport without the written prior approval of the Airport Director.
- Q.** Construction of any new Facility or redevelopment of an existing Facility by an Operator shall be subject to all federal, state, and local rules and regulations, including local fire code, zoning, and building regulations.
- R.** Each Operator shall provide a sufficient number of properly certificated, rated, and trained Personnel to carry out their assigned duties for each service provided. Multiple responsibilities may be assigned to Personnel to meet the requirements set forth herein. Where more than one Commercial Aeronautical Activity is being provided by an Operator, multiple uses can be made of aircraft, except aerial applicator (agricultural) aircraft and those aircraft designated as intended for a single use by FAA regulations.
- S.** Each Operator shall make its services available to the public in accordance with the operating schedule described herein for each Commercial Aeronautical Activity being provided.
- T.** Each Operator shall demonstrate to the Authority's satisfaction evidence of its ability to acquire and maintain insurance coverage in the type and amounts as set forth in Exhibit A for each particular type of Commercial Aeronautical Activity as follows:
- a. Comprehensive general liability insurance covering the Operator (and naming the Authority as an additional insured) against all legal liability for injuries to persons (including wrongful death) and damages to Airport property caused by the Operator's use and occupancy of the Airport, or otherwise caused by the Operator's activities or operations, shall be in force prior to the Operator's entry upon the Airport for the construction of Facilities and prior to the conduct of business. Each Operator shall also maintain fire, casualty, pollution liability, cyber liability, business interruption (in sufficient amounts to enable the Operator to meet its rent obligations), flood, and other appropriate types of coverage with insurers acceptable to the Authority, in such amounts as described in Exhibit A, including hazard and extended coverage for

all leasehold improvements (including building, parking lot, and utilities), chattels, furniture, fixtures, machinery, and equipment located within the Operator's Premises.

- b. Evidence of compliance with Idaho law with respect to worker's compensation and unemployment insurance; the insurance company, or companies, writing the required policy, or policies, shall be qualified and licensed to transact business in the State of Idaho.
- c. All insurance that an Operator is required to carry and keep in force pursuant to Exhibit A shall include the Authority, their respective officers, agents, and employees as named additional insured parties, as well as a waiver of subrogation in favor of the Authority.
- d. Each Operator shall furnish evidence of compliance with this requirement to the Authority with proper certification that such insurance is in force and will furnish additional certification as evidence of changes in insurance not less than 10 days prior to any such changes, if the change results in a reduction of coverage, and not more than 5 days after such change if the change results in an increase in coverage.
- e. Where more than one Commercial Aeronautical Activity is proposed by an Operator, the minimum limits will vary, depending upon the nature of individual services, but will not necessarily be cumulative in all instances. Because of variables based upon the particular insurance coverage and the nature of the Commercial Aeronautical Activity(ies), the applicable minimum insurance coverage on combinations of services will be determined by the Authority prior to execution of an Agreement.
- U. Each Agreement shall provide that, except where, and to the extent, it is caused by the negligence or willful misconduct of Authority Parties, each Operator shall protect, defend, reimburse, indemnify, and hold Authority Parties free and harmless at all times from and against any and all claims, liability, expenses, losses, costs, fines, and damages (including actually incurred reasonable attorney's fees and costs, as well as fees and costs of consultants

and experts reasonably and actually incurred in connection with the indemnified incident) and causes of action of every kind and character, whether or not meritorious, against or from Authority Parties by reason of any damage to property, or bodily injury (including death) incurred or sustained by any party hereto, any agent or employee of any party hereto, and any third or other party whomsoever, or any governmental agency, arising out of or incident to or in connection with the Operator's negligent performance of any obligation under an Agreement Operator's, or any of its officers, Personnel, agents, licensees, or contractors, use or occupancy of the Airport, Operator's compliance with the Airport Security Program, Operator's negligent acts, omissions, or operations hereunder, or the performance, non-performance, or purported performance of the Operator or any breach of the terms of an Agreement by the Operator. The Operator shall indemnify, save, hold harmless, reimburse, and defend Authority Parties, individually or collectively, from and against any and all actions, all reasonable expenses, and any fines, which in any way arise from or are based upon the violation of any federal, state, or municipal laws, statutes, ordinances, or regulations, by Operator, or any of its officers, directors, agents, Personnel, licensees, successors, and assigns, or those under its control, except to the extent caused by the negligence or willful misconduct of an Authority Party. Provided, however, that upon the filing by anyone of a claim with the Authority Parties for damages arising out of incidents for which the Operator herein agrees to indemnify and hold the Authority Parties harmless, the Authority Parties shall promptly notify the Operator of such claim and, in the event that the Operator does not settle or compromise such claim, then the Operator shall undertake the legal defense, with legal counsel reasonably approved by the Authority Parties, of such claim both on behalf of the Operator and on behalf of the Authority Parties. It is specifically agreed, however, that the Authority, at its option and at its own expense, may participate in the legal defense of such claim. Any final judgment rendered against the Authority Parties for any cause for which Authority Parties provided the required notice and for which the Operator is liable shall be conclusive against the Operator as to liability and amount upon the expiration of the time for

appeal there from. Each Operator's indemnity and defense obligations shall survive the expiration or sooner termination of its Agreement.

- V.** Each Operator shall comply with applicable Environmental Laws and other applicable environmental regulations as may be required by the State of Idaho. Operators shall be responsible for all cleanup costs caused by their Commercial Aeronautical Activity including but not limited to the spill of lavatories, biohazard products, petroleum products, hazardous materials, firefighting agents, or any material or chemical regulated by the Environmental Laws.
- W.** Each Operator shall pay all applicable sales, use, intangible, and ad valorem taxes of any kind, assessed against any Premises it occupies or uses on the Airport, the real property, and any improvements thereon, or which result from the Operator's occupancy or use of the Airport, whether levied against the Operator or Authority.

SECTION 6. PROHIBITED ACTIVITIES

Operators shall not provide commercial aeronautical activities beyond those authorized in an applicable Agreement; conduct through-the-fence operations; charge for use of public facilities outside their Premises or Permitted Area; conduct unsafe operations; conduct business in a manner that violates FAA Grant Assurances; or provide commercial aeronautical activities or Facilities where the Authority has determined to exercise proprietary exclusive authority to provide such commercial aeronautical activities or Facilities.

SECTION 7. SPECIAL EVENTS

Because of limited property available at the Airport, aircraft parking aprons and other constrained facilities at the Airport reach capacity during certain times of the year and during special events in the community, winter operations, or emergency situations (such as forest firefighting). The Authority reserves the right to require any Operator to adapt its operation or facilities or to manage the aircraft parking aprons in a manner the Authority sees fit to ensure safety and maximized capacity during but not limited to special events, winter operations, and emergencies. Requirements placed upon the Operator may include coordination with the Airport Director, special ground handling of aircraft, and movement of aircraft to optimize available aircraft parking aprons. While special event restrictions will primarily affect FBOs, any Operator may be

subject to special event restrictions and will be notified as long in advance as can reasonably be provided in the circumstances.

SECTION 8. REQUESTS FOR AGREEMENTS TO PROVIDE COMMERCIAL AERONAUTICAL SERVICES

- A.** Any Entity desiring to engage in a Commercial Aeronautical Activity on the Airport shall make a written application to the Airport Director for such permission prior to performing such Commercial Aeronautical Activity.
- B.** Application materials shall consist of all information specified in these Minimum Standards and all documentation deemed necessary by the Authority for a full and complete analysis of the Entity's qualifications.
- C.** The Authority, in its reasonable discretion, will determine whether the Entity meets these Minimum Standards and qualifications as herein set out and whether such Entity should be granted an Agreement in whole or in part and, if so, upon what terms and conditions.
- D.** Each Entity shall be solely responsible for providing to the Authority relevant information as set forth in these Minimum Standards to establish, to the Authority's reasonable satisfaction, its experience, technical ability, and financial responsibility, including the capability to meet the insurance requirements as stated herein.

SECTION 9. APPLICATION PROCESS

Applications made to the Authority for permission to provide a Commercial Aeronautical Activity on the Airport shall be in writing and provide sufficient detail concerning qualifications of the Entity to perform the proposed Commercial Aeronautical Activity and shall include, at a minimum, the following:

- A.** A description of the proposed Commercial Aeronautical Activity, including the following:
 - a.** The name, address, electronic mail address, and telephone number of the primary point of contact for the Entity;
 - b.** The names and addresses of all management and supervisory Personnel, all officers, and directors (if a corporation) and all persons owning, holding, or controlling any equity interest, voting rights, or debt of the Entity;

- c. A detailed description of each proposed Commercial Aeronautical Activity, including the proposed date of commencement of the activity, proposed hours of operation, and proposed schedule of fees and charges therefor;
- d. The proposed structure and amounts of rent and fees to be provided to the Authority;
- e. A map to scale of the amount, configuration, and location of property requested for use as Applicant's Premises should Applicant desire to lease property;
- f. The size and location of the Premises to be occupied, if applicable, and the proposed design and terms for the construction of any space and the ownership, leasing, or subleasing thereof;
- g. If applicant proposes a Permitted Area rather than a leased Premises, the location(s) at which it will conduct its business and its authorizations, if applicable, to use any property on which it proposes to conduct its Commercial Aeronautical Activity;
- h. Descriptions and cost estimates of any proposed capital improvements required to conduct the proposed Commercial Aeronautical Activity, including the Entity's proposed method for financing the same;
- i. The number, type, and basing of aircraft proposed to be provided (as applicable) and a detailed description of all equipment and facilities to be provided;
- j. The number of Personnel proposed to be provided (including their names and qualifications), whether such Personnel will be Airport-based (full-time, part-time, or seasonal) or transient, whether such Personnel will be employees; and the certifications required, if any, for all Personnel to be used in providing the proposed Commercial Aeronautical Activity;
- k. An organizational chart listing the number of positions and Personnel to be assigned to work at the Facility and to provide the Commercial Aeronautical Activity at the Airport, including the professional and technical qualifications of Personnel who will manage and operate the proposed business; and

- I. The types and amounts of insurance coverage to be maintained, as required by the Authority.
- B. A cash flow and a profit and loss projection for the first 5 years for each proposed Commercial Aeronautical Activity proposed to be offered, a 3-year historical profit and loss statement, if applicable, and current (within 60 days) balance sheet, all compiled by a Certified Public Accountant authorized to conduct business in the State of Idaho. The foregoing information must be presented in a form satisfactory to the Authority. The Authority shall review and consider financial statements before determining whether the Entity has sufficient financial ability to provide a responsible, safe, and adequate Commercial Aeronautical Activity. Information presented in this subsection will be kept confidential by the Authority to the extent provided by law.
- C. A written listing of the assets owned, leased, or being purchased that will be used in the business on the Airport. Copies of any relevant leases or purchase contracts shall be attached.
- D. Copies of all licenses and permits required by federal, state, or local law for the conduct of the proposed business, including licenses and permits required for any Personnel who will manage or operate the business or who will perform any services in connection with the proposed business.
- E. A statement of the Entity's past experience in the specified Commercial Aeronautical Activity applied for, including resumes of management and supervisory Personnel directly responsible for the proposed operation, together with business, financial, and managerial references. The foregoing information must be presented in a form satisfactory to the Authority and will be reviewed and considered by the Authority. Information presented in this subsection will be kept confidential by the Authority to the extent provided by law.
- F. A description of the history of the Entity, including a listing of all persons holding ownership, control, management, supervisory, or financing debt interest. Information presented in this subsection will be held confidential to the extent provided by law.

- G.** If the Entity has not been in business for at least 5 years providing a similar Commercial Aeronautical Activity to that proposed, the applicant must attach a statement explaining why the Entity should be considered to be reliable and competent to provide the Commercial Aeronautical Activity.
- H.** Evidence in a form acceptable to the Authority of the Entity's ability to supply a performance bond in the amount equal to 10 percent of the projected annual rental and fees for conducting the Commercial Aeronautical Activity to be provided (cash may be deposited in lieu of a performance bond) and the required insurance.
- I.** Evidence and supporting documentation acceptable to the Authority supporting a request for a waiver or variance of the provisions of the Minimum Standards in accordance with SECTION 13.
- J.** A written acknowledgement that the Entity will execute such forms, releases, or discharges as may be required by the FAA and all appropriate regulatory agencies with oversight or licensing authority over the Entity and the proposed business. The Entity shall further authorize the release of information in each regulatory agency's files relating to the Entity or its current or proposed operation.
- K.** The Application shall be signed and submitted by the owner of the Entity if a sole proprietorship; every partner if a partnership; every member if an LLC; and the President or Chief Executive Officer if a corporation.
- L.** The Entity shall agree to provide any additional information and material necessary or requested by the Authority to establish to the satisfaction of the Authority that the Entity can qualify and will comply with these Minimum Standards.

SECTION 10. ACTION ON APPLICATIONS TO OFFER COMMERCIAL AERONAUTICAL ACTIVITY

- A.** Upon receipt of a completed application, along with all supporting documentation submitted in accordance with SECTION 9, the Airport Director shall review the same and refer the matter to the Authority Board for consideration within 90 days from receipt of a completed application.

- B.** It is the policy of the Authority to encourage competition in the provision of Commercial Aeronautical Activities. If the Authority receives more than one application to provide a Commercial Aeronautical Activity in the same or substantially similar location or it cannot practically accommodate the Commercial Aeronautical Activity requested in two or more applications, the Authority Board shall grant the application or applications that best meet the following criteria, in this order:
- a. Applications for a Commercial Aeronautical Activity that would increase competition at the Airport by reducing the risk of perpetuating an exclusive right;
 - b. Applications for a Commercial Aeronautical Activity that is not presently available at the Airport;
 - c. Applications that optimize efficient use of Airport property;
 - d. Applications for a Commercial Aeronautical Activity that the Authority Board has previously identified as a particular need at the Airport
- C.** In the event of competing Applications, the Authority Board shall disfavor Applications that expand an Operator's existing Commercial Aeronautical Activity if there is a competing application for a new Commercial Aeronautical Activity or for a new Operator,
- D.** If the Authority receives an Application and it has reasonable basis to believe that it may shortly receive a competing Application(s), the Authority Board may, in its reasonable discretion, direct the Airport Director to initiate a competitive procurement process (for example a request for proposals) before acting on the Application or Applications.
- E.** The Authority Board may deny any application if, in its reasonable discretion, any one or more of the following are found:
- a. The Entity does not meet the qualifications, standards, and requirements established by these Minimum Standards.
 - b. The Entity's proposed Commercial Aeronautical Activity will create a safety hazard on the Airport.

- c. The Entity's proposal will require the Authority to spend funds or supply labor or materials in connection with the proposed operation, or the operation is expected to result in a financial loss to the Authority.
- d. Inappropriate, inadequate, or insufficient space exists to accommodate the entire Commercial Aeronautical Activity at the time of the Application, or no available or suitable Airport property for the proposed Commercial Aeronautical Activity exists to accommodate the Commercial Aeronautical Activity at the time of the Application.
- e. The proposal does not comply with the most current ALP.
- f. The development or use of the proposed Premises will result in congestion of aircraft or buildings or will result in unduly interfering with the operations of any existing Commercial Aeronautical Activity.
- g. The Entity has either intentionally or unintentionally misrepresented or omitted any pertinent information in the application or in supporting documents.
- h. The Entity has a record of violating the rules and regulations of the Airport, or of any other airport in the United States, FAA regulations, or any other federal, state, or local statutes, laws, rules, or regulations within 5 years of the date of its application.
- i. The Entity has defaulted in the performance of any contract with the Authority.
- j. The Entity does not, in the reasonable discretion of the Authority, exhibit adequate financial responsibility to undertake the proposed Commercial Aeronautical Activity based on the financial information provided by the Entity in its application .
- k. The Entity cannot provide acceptable surety in the amount required by the Minimum Standards.
- l. The Entity cannot provide a performance bond or applicable insurance in the amounts and types required by the Minimum Standards for that Commercial Aeronautical Activity.
- m. The Entity has been convicted of any felony or of a misdemeanor involving moral turpitude.

- n. The Entity has requested terms of an Agreement that are below the minimum requirements contained in these Minimum Standards or the Authority has determined, in its reasonable discretion, that the Entity is proposing to pay fees, rates, and charges that are unfair, unreasonable, and unjustly discriminatory.
- o. The proposed Commercial Aeronautical Activity or resulting Facility proposed to be constructed by the Entity are not in the best interest of the Airport pursuant to the Minimum Standards, the rules and regulations, and other adopted Authority policies.
- p. The Entity does not, in the reasonable discretion of the Authority, possess the experience or training as required in the Minimum Standards.
- q. The Entity does not, in the reasonable discretion of the Authority, provide sufficient supporting documentation or justification for a waiver or variance as provided in SECTION 13.

SECTION 11. REQUIREMENTS AND STANDARDS FOR FIXED BASE OPERATORS

- A. Premises.** FBOs shall lease Premises consisting of a minimum of 4.0 acres of Authority-owned land to provide all required services described herein. The minimum Premises shall include the following minimum facilities: (i) a 150-foot by 260-foot building properly lighted and conditioned to accommodate a mix of uses, including the following: a public lobby/customer service area; pilot lounge; flight planning area; public restrooms; conference room; flight training; offices; aircraft hangar bays for aircraft storage/maintenance; aircraft maintenance shop; equipment storage; and parts storage space; (ii) mobile aircraft fueling vehicle parking area; and (iii) a public automobile parking area. FBOs shall further have available, either within its Premises or for its continuous use, a contiguous minimum 150,000-square-foot aircraft apron with taxiway access to accommodate the parking, staging, and maneuvering of based and transient aircraft. FBOs shall also lease within its Premises, or build and install, maintain, and manage a fuel storage area in a contiguous or non-contiguous area of Airport Property consisting of aboveground storage tanks, with a minimum aggregate storage capacity of 80,000 gallons for Jet-A fuel and 12,000 gallons of 100LL fuel.

B. Scope of Services and Hours of Operation. FBOs shall provide at least the following comprehensive commercial aeronautical services to the public, regardless of type of operation or type of aircraft:

Service	Provider Requirements	Hours of Operation
Aircraft Fuel and Lubricants	Required; provided by authorized FBO only	0600–2100 daily
Aircraft Ground Handling Services	Required; provided by authorized FBO only	0600–2100 daily
Customer Service	Required; provided by authorized FBO only	0600–2100 daily
Deice Services	Required; provided by authorized FBO only	0600–2100 daily; as needed during winter operations
Disabled Aircraft Assistance	Required; provided by authorized FBO only	0600–2100 daily
Aircraft Maintenance	Required; provided by authorized FBO or through third-party SASO with prior Authority approval	0800–1700; 5 days per week
Flight Training	Optional; provided by authorized FBO or through third-party SASO with prior Authority approval	0800–1700; 6 days per week
Aircraft Rental	Optional; provided by authorized FBO or through third-party SASO with prior Authority approval	0800–1700; 6 days per week
Aircraft Charter Services	Optional; provided by authorized FBO or through third-party SASO with prior Authority approval	0800–1700; 5 days per week
Aircraft Sales	Optional; provided by authorized FBO or through third-party SASO with prior Authority approval	0800–1700; 5 days per week

a. **Hours of Operation.** FBOs may alter their business hours only upon prior written approval of the Airport Director. FBOs shall ensure that at least two fully trained and qualified fuel service Personnel are on duty during the required hours of operation specified in Section 11.B to provide fuel service as applicable. For Aircraft Maintenance Services, FBOs shall provide sufficient Personnel to ensure the availability of service on a call-back basis (not greater than 30 minutes) to address after-hour requests for service from customers.

- b. **Third-Party SASO.** FBOs providing aircraft charter services, aircraft maintenance, aircraft rental, flight instruction, or aircraft sales, through a sublease or third-party contractor arrangement, shall comply with the Minimum Standards for the listed Commercial Aeronautical Activity and obtain written approval from the Airport Director prior to subleasing or entering into a contract arrangement with such Entity for the provision of a required Commercial Aeronautical Activity.
- C. **Insurance.** FBOs shall maintain insurance in the types, amounts, and forms as required by the Authority, and as the same may be occasionally modified by the Authority, as described in SECTION 5.T of these Minimum Standards. FBOs providing Flight Training and Aircraft Rental Services, either directly or through an Authority-approved third-party SASO, shall have student and renter's liability insurance coverage readily available for purchase by students and aircraft renters.
- D. **General.** FBOs shall:
 - a. Provide and maintain, at their sole cost and expense, all equipment, facilities, and aircraft necessary to provide the required Commercial Aeronautical Activity and level of performance in a clean and safe condition at all times.
 - b. Pay a fuel flowage fee as the same may be regularly established by the Authority for all Aircraft Fuel delivered to the Airport.
 - c. Select and appoint a full-time manager of its operations. Such manager shall be highly qualified and experienced and vested with full power and authority to act in the name of the FBO in respect to the method, manner, and conduct of the operation of the FBO's services. Such manager shall be available at the Airport during regular business hours, and during the manager's absence a duly authorized subordinate shall be in charge and available at the Airport.
 - d. Provide at the FBO's sole expense a sufficient number of Personnel to effectively and efficiently offer the commercial aeronautical activities authorized by the Authority.

- e. Control the conduct, demeanor, and appearance of its Personnel and representatives. Such Personnel shall be trained by the FBO and shall possess all technical qualifications and hold certificates of qualification, as may be required for Personnel to carry out assigned duties. It shall be the responsibility of the FBO to maintain close supervision over its Personnel to assure the rendering of a high standard of service to each customer of the FBO. Upon reasonable objection from the Authority concerning the conduct, demeanor, or appearance of any of the FBO's Personnel, the FBO shall take all steps necessary to remove the cause of the objection.
- f. Ensure that all Personnel shall conduct themselves in a courteous and business-like manner at all times. Personnel who have public/customer contact (excluding pilots, office Personnel, marketing Personnel, and off-site salespersons) shall have a professional appearance and shall be clothed in attractive uniforms with appropriate insignia and identification media so they may be readily identified by customers.
- g. Provide to the Airport Director a current written statement of the names, general technical qualifications, addresses, telephone numbers, and other necessary contact information for all Personnel responsible for the operation and management of the FBO. In addition, a point of contact with phone numbers for emergency situations shall be provided to the Airport Director.
- h. Provide escorts for flight crews to and from all aircraft parking aprons.
- i. Train all Aircraft Fuel handling Personnel in the safe and proper handling, dispensing, and storage of Aircraft Fuel. Acceptable training shall be an FAA-approved safety training course in accordance with the latest version of FAA AC 150/5230-4, *Aircraft Fuel Storage, Handling, Training, and Dispensing on Airports*; the National Air Transportation Association's Safety First Program; or an equivalent training program acceptable to the Airport Director. All training records and qualifications shall be

provided to the Authority upon request in accordance with 14 CFR Part 139.321, as applicable.

E. Service Descriptions and Minimum Requirements

a. Aircraft Fuel and Lubricants. FBOs shall:

1. Provide for the sale and into-plane delivery of common and recognized brands of Aircraft Fuel, lubricants, and other aviation petroleum products. FBOs shall further provide, store, and dispense Jet-A or 100LL octane Aircraft Fuel solely from mobile aircraft fueling vehicles for dispensing Aircraft Fuel at aircraft parking/tiedown locations.
2. Provide and supply Aircraft Fuel spill kits on the Premises for use in the event of a release or discharge of Aircraft Fuel onto paved surfaces of the Airport.
3. Provide monthly fuel reports, including total gallons of fuel delivered to the FBO by type and category, to the Airport Director.
4. Respond to requests for Aircraft Fuel within 20 minutes of receiving a request.
5. Develop and maintain an Aircraft Fuel Spill Prevention, Countermeasures, and Control (SPCC) Plan, a copy of which shall be provided to the Airport Director no later than 30 days prior to commencing fueling operations and anytime the SPCC Plan is updated.

- b. Aircraft Fuel Storage Areas.** FBOs shall ensure that all Aircraft Fuel storage areas are provided with filter-equipped Aircraft Fuel dispensers with separate dispensing pumps and meter systems for each grade of Aircraft Fuel provided. The design, construction, and operation of fuel storage areas shall conform to the Authority rules and regulations, as well as all applicable federal, state, and local laws and regulations, including the National Fire Protection Association; Air Transport Association Specification 103, *Standard for Jet Fuel Quality Control at Airports*; Environmental Laws; and state regulations pertaining to Aircraft Fuel spill prevention and

containment measures. The Airport Director shall have the authority and right to inspect all fuel storage areas in accordance with 14 CFR Part 139.327.

- c. **Ground Handling Services.** FBOs shall provide the following aircraft ground handling services during the required hours of operation specified in Section 11.B.a: (i) aircraft apron/tiedown parking assistance for any aircraft occupying or using the aircraft apron/tiedown area used by the FBO (even if such area is not with the Premises), including ramp Personnel and vehicles as needed; (ii) tiedown anchors and ropes/chains; (iii) mobile forced air engine preheat; (iv) mobile ground power units with a minimum 14/28-volt, 2,000-ampere surge capacity; (v) aircraft towing services utilizing motor-driven drawbar vehicles capable of moving ADG III aircraft; (vi) cabin cleaning; (vii) mobile aircraft anti-ice and deice services conducted in areas authorized by the Airport Director; (viii) aircraft lavatory service; (ix) hangar storage; and (x) assistance with enplaning and deplaning all aircraft passengers and baggage.
- d. **Customer Service.** FBOs shall provide the following customer services: (i) services to facilitate airborne customer requests; (ii) a discrete vending area within the Premises with the availability of both hot and cold beverages and prepackaged snacks; (iii) discrete flight planning area properly equipped with desks and chairs and containing appropriate wall charts, a current FAA *Aeronautical Information Manual*, a listing of current and applicable Notice(s) to Airmen, direct communication link with the FAA Automated Flight Service Station, and a monitor for the Automatic Terminal Information Service; (iv) a convenient, comfortably furnished public waiting area that is first-class and representative of a high-end VIP lounge, with adjoining restroom facilities; (v) assistance with ground transportation services and rental car availability; (vi) aviation-grade inflight oxygen refills upon 24-hour prior request; (vii) acceptance of one or more national bank or oil company credit cards for fueling, line, and related services; (viii) accommodation arrangements; (ix) the collection and remittance to the Authority of all general aviation landing fees, parking fees, and international

facilities user fees, as applicable should the Authority so request; and (xi) at least one courtesy vehicle.

- e. **Disabled Aircraft Assistance.** During normal business hours (and outside of normal business hours within 1 hour notice by the Airport Director), FBOs shall provide equipment and trained Personnel to remove disabled aircraft from the runways, taxiways, and other areas of the AOA within 30 minutes' notice. FBOs shall perform such service on request of the owner or operator of the disabled aircraft or the Airport Director. Aircraft with disabled landing gear, flat tires, or damaged wheels that require rigging or other equipment not generally available from an FBO, or that require expertise that is not expected of line Personnel, are exempt; however, FBOs shall provide assistance to such disabled aircraft to the best of their ability.

- f. **Aircraft Maintenance.** FBOs shall provide maintenance, repair, rebuilding, alteration, or inspection of aircraft or any of their component parts. The FBO must be certificated by the FAA under 14 CFR Part 145 as an approved repair station to perform aircraft maintenance and shall provide only those maintenance and inspection services permitted by its FAA certification. All FBO Personnel performing work on aircraft shall hold an airframe, power plant, or an aircraft inspector rating pursuant to FAA regulations. FBOs shall provide Personnel who are trained and certified and possess the appropriate FAA certificate(s) for the work being performed during the required hours of operation specified in Section 11.B.a for aircraft maintenance services. FBOs shall further provide Aircraft Line Maintenance for all Air Carrier Aircraft serving the Airport.

- g. **Flight Instruction.** FBOs may provide instruction to pilots in dual and solo flight training, in fixed-wing aircraft, and any related ground school instruction as is necessary for preparation for taking an FAA written examination and flight check ride for a category or various categories of pilot's licenses and ratings in accordance with SECTION 12.A. Regardless of whether a FBO provides flight instruction services

directly or through a Third Party SASO as provided for in SECTION 11.B.b., each FBO shall be required to provide appropriate, non-exclusive space (i.e. Office, tiedowns, public parking) within its Permitted Area for sublease to a Flight Instruction SASO as provided in SECTION 12.A.

h. **Aircraft Rental.** FBOs may offer the rental of aircraft to the public in accordance with SECTION 12.B. of these Minimum Standards. Regardless of whether a FBO provides aircraft rental directly or through a Third Party SASO as provided for in SECTION 11.B.b., each FBO shall be required to provide appropriate, non-exclusive space (i.e. Office, tiedowns, public parking) within its Permitted Area Premises for sublease to an aircraft rental SASO as provided in SECTION 12.B.

i. **Aircraft Charter Service.** FBOs may provide commercial air transportation of passengers or property to the general public for hire under 14 CFR Part 135, either on a charter basis (commercial operation) or as an air taxi operator (using aircraft with fewer than 60 passenger seats) on a non-scheduled, on-demand basis. FBOs shall have and maintain during the Term of their Agreement proper FAA certifications and licenses and operate in conformance with all appropriate FAA regulations.

FBOs providing Aircraft Charter Service shall also hold a proper commercial operator certificate and own, or have available to them, under written lease, no fewer than one airworthy aircraft suitably equipped for meeting the requirements of the FAA with respect to the type of operation to be performed and be equipped for and capable of use under IFR conditions that meet the requirements of 14 CFR Part 135. Such FBOs shall have on duty trained Personnel in such numbers as are required to meet the Minimum Standards set forth in this category during the required operating hours set forth for this service in Section 11.B, and otherwise appropriately rated to permit the aircraft charter service being offered. If applicable, FBOs shall have available sufficient qualified operating crews or satisfactory number of Personnel for

checking in passengers, handling luggage, ticketing, or furnishing or arranging for suitable ground transportation.

- j. **Aircraft Sales (New or Used).** FBOs may offer the sale of new or used aircraft through franchises or licensed dealerships or distributorships (either on a retail or wholesale basis) of an aircraft manufacturer and provide such repair, services, and parts as necessary to meet any guarantee or warranty on new or used aircraft sold. FBOs authorized by the Authority to provide Aircraft Sales shall have sufficient Personnel available during the required hours of operation specified in Section 11.B.a to meet these requirements in an efficient manner, but never fewer than one person having a current pilot certificate with appropriate ratings for the operation being conducted. Such FBOs shall have available or have access to at least one fully assembled and certificated-airworthy demonstrator aircraft for each category or class of aircraft sold and provide necessary and satisfactory arrangements for the repair and servicing of aircraft for the duration of any sales guarantee or warranty period.

- F. **Prohibited Services and Activities.** Except as incidental to its charter or other operations, FBOs shall not conduct or permit in-flight catering services, ground catering, restaurant, or lounge operations on or from the Premises without prior written consent of the Authority and with provisions for the payment of rent or percentage of rent as the Authority may prescribe. FBOs shall be further prohibited from engaging in commercial automobile leasing, commercial taxi or limousine services, or selling or distributing alcoholic beverages; or operating a paid public parking area or other service not previously authorized by the Authority. FBOs shall also be prohibited from providing services to aircraft operators who are required by Authority policies or rules to use the terminal building without advance approval from the Airport Director, in their reasonable discretion.

SECTION 12. MINIMUM STANDARDS FOR SPECIALIZED AVIATION SERVICE OPERATORS

SASOs shall provide one or more of the following commercial aeronautical activities and shall comply with the Minimum Standards described herein. SASOs are encouraged to sublet Premises from an FBO if required; however,

if suitable land or Premises are not available or cannot be obtained from an FBO, then SASOs shall sublease Premises from either another SASO or lease directly from the Authority land or existing facilities, if available.

A. Aircraft Flight Instruction

- a. **Scope of Service.** An aircraft flight instruction SASO is a person or persons, firm, or corporation engaged in instructing pilots in dual and solo operation of aircraft and providing such related ground school instruction as is necessary for taking a written examination and flight check ride for the category or categories of pilots' licenses and ratings involved.
- b. **Minimum Standards.** An Aircraft Flight Instruction SASO shall:
 1. Provide flight instruction services certificated by the FAA in compliance with either 14 CFR Part 61 or 14 CFR Part 141.
 2. Have and maintain during the Term of their Agreements a 14 CFR Part 61 or 14 CFR Part 141 certification or other proper license and operate in conformance with all appropriate FAA regulations.
 3. Provide sufficient Personnel, properly certificated by the FAA as a flight instructor, to provide the type of instruction being offered.
 4. Have the Permitted Area open and services available a minimum of 8 hours daily, 6 days a week.
 5. Provide sufficient Personnel to provide on-demand ground school instruction sufficient to enable students to satisfactorily pass the FAA written examinations for an instrument rating and commercial pilot's license.
 6. Provide no fewer than two airworthy aircraft suitably equipped for and meeting all the requirements of the FAA with respect to the type of operation to be performed; one of these aircraft must be instrument flight rules (IFR) capable with four seats.

7. Provide an IFR flight simulator capable of simulating flight in a reciprocating-engine aircraft.
8. Have for sale, and make available for sale to the public, flight training textbooks, manuals, and other miscellaneous pilot supplies, such as plotters, computers, and navigational charts.

B. Aircraft Rental

- a. **Scope of Service.** An aircraft rental SASO is a person or persons, firm, or corporation engaged in the rental of aircraft to the public.
- b. **Minimum Standards.** An Aircraft Rental SASO shall:
 1. Have available for rental, either owned or under written lease to the SASO, a minimum of three aircraft to handle the proposed scope of the operation or as sufficient to provide for public demand.
 2. Have available on a full-time basis at least one flight instructor who is currently certificated by the FAA to provide aircraft checkout training services for customers renting aircraft.
 3. Have the Permitted Area open and services available a minimum of 8 hours daily, 6 days a week.
 4. Maintain during the Term of their Agreement proper licenses and operate its aircraft rental service in conformance with all appropriate FAA regulations.

C. Independent Aircraft Maintenance and Repair (Minor and Specialized).

- a. **Scope of Service.** Independent aircraft maintenance and repair operators will be permitted to provide aircraft maintenance services on a part-time basis at times of their choosing with prior written authorization from the Airport Director.
- b. **Minimum Standards.** Independent Aircraft Maintenance and Repair SASOs shall:
 1. Obtain a Business License as may be required by City of Hailey, Idaho, or Blaine County, Idaho, and provide a copy to the Airport Director.

2. Demonstrate to the Authority that adequate Facilities and Premises are available to conduct the proposed Commercial Aeronautical Activity at the Airport.
3. Obtain an Independent Aircraft Maintenance and Repair Business Permit from the Airport Director, which requires:
 - i. Proof of proper and current licenses certified by the FAA, with appropriate ratings to cover the type of training offered.
 - ii. Proof of a Business License, if required.
 - iii. Proof that insurance in the types, amounts, and forms, as required by the Authority, and as the same may be occasionally modified by the Authority as described in Section 5.T of these Minimum Standards, is in place prior to commencing services.
 - iv. Written assurance that all federal, state, and local statutes, rules, and regulations will be complied with at all times.
 - v. A certification indemnifying and holding harmless the Authority for operations on the Airport.
 - vi. Written assurance that not more than 40 hours of aircraft maintenance will be provided in any month.

D. Independent Flight Instructor.

- a. **Scope of Service.** Independent flight instructors will be permitted to provide aircraft flight instruction on a part-time basis at times of their choosing with prior written authorization from the Airport Director.
- b. **Minimum Standards.** Independent Flight Instructor SASOs shall:
 1. Obtain a Business License as may be required by City of Hailey, Idaho, or Blaine County, Idaho, and provide a copy to the Authority.

2. Demonstrate to the Airport Director that an adequate Permitted Area is available to conduct the proposed Commercial Aeronautical Activity at the Airport.
3. Obtain an Independent Flight Instructor's Airport Business Permit from the Airport Director, which requires:
 - i. Proof of proper and current licenses certified by the FAA, with appropriate ratings to cover the type of training offered.
 - ii. Proof of a Business License, if required.
 - iii. Proof that insurance in the types, amounts, and forms, as required by the Authority, and as the same may be occasionally modified by the Authority as described in Section 5.T of these Minimum Standards, is in place prior to commencing services. In addition, student and renter's liability shall be readily available for purchase by students and renters for the delivery of aircraft flight training and aircraft rental services.
 - iv. Written assurance that all federal, state, and local statutes, rules, and regulations will be complied with at all times.
 - v. A certification indemnifying and holding harmless the Authority for operations on the Airport.
 - vi. Written assurance that not more than 40 hours of flight instruction will be provided in any month.

E. Aircraft Detailing Services.

- a. **Scope of Service.** Aircraft detailing services will be permitted to provide aircraft cleaning and detailing services on a part-time basis at times of the Operator's choosing with prior written authorization from the Airport Director.
- b. **Minimum Standards.** An Aircraft Detailing Service provider SASO shall:

1. Obtain a Business License as may be required by City of Hailey, Idaho, or Blaine County, Idaho, and provide a copy to the Authority.
2. Demonstrate to the Airport Director that an adequate Permitted Area is available to conduct the proposed Commercial Aeronautical Activity at the Airport.
3. Obtain an Aircraft Detailing Airport Business Permit from the Airport Director, which requires:
 - i. Proof of a Business License, if required.
 - ii. Proof that insurance in the types, amounts, and forms, as required by the Authority, and as the same may be occasionally modified by the Authority as described in Section 5.T of these Minimum Standards, is in place prior to commencing services.
 - iii. Written assurance that all federal, state, and local statutes, rules, and regulations will be complied with at all times.
 - iv. Written assurance that not more than 40 hours of aircraft detailing service shall be provided in any month.
 - v. A certification indemnifying and holding harmless the Authority for operations on the Airport.

F. Specialized Commercial Flying Services.

- a. **Scope of Service.** A Specialized Commercial Flying Services Operator is an Entity engaged in air transportation for hire for the purpose of providing the use of aircraft for any of the following activities:
 1. Glider operations;
 2. Nonstop sightseeing flights (those that operate within a 50-mile radius of the Airport and begin and end at the same Airport);
 3. Aerial application, including crop dusting, seeding, spraying, bird chasing, fish spotting, etc.;

4. Aerial photography or survey;
5. Skydiving;
6. Power line or pipeline patrol; and
7. Any other operations specifically excluded from 14 CFR Part 135.

b. **Minimum Standards.**

1. **Qualifications.** A Specialized Commercial Flying Services Operator shall:
 - i. Demonstrate to the Authority that adequate Facilities and Premises are available to conduct the proposed Commercial Aeronautical Activity at the Airport.
 - ii. Provide, by means of an office, electronic mail address, and a telephone, a point of contact for the public desiring to use its services.
 - iii. Have Personnel on duty during the required operating hours, trained Personnel in such numbers as may be required to meet the Minimum Standards herein set forth in an efficient manner, but never fewer than one person holding a current FAA commercial certificate, properly rated for the aircraft to be used and the type of operation to be performed.
2. **Hours of Operation.** Hours of operation shall be determined in conjunction with the Airport Director based upon the nature of the proposed Commercial Aeronautical Activity.
3. **Premises and Equipment.** A Specialized Commercial Flying Services Operator shall:
 - i. Provide within its Premises sufficient automobile parking space in accordance with local building and zoning code requirements.
 - ii. Demonstrate that it has available (either within its Premises or within its Permitted Area) a paved aircraft parking apron, with

taxiway access, sufficient for the parking of aircraft to be used in the operation.

- iii. In the case of crop dusting, aerial application, or other commercial use of chemicals, the 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 Environmental Laws and State of Idaho regulations governing such activities. The Operator shall also provide for the safe storage and containment of all chemical material. Such facilities will be in a location on the Airport that will provide the greatest safeguard to the public.
- iv. Provide and have based on the Premises, either owned or under written lease to the Operator, no fewer than one airworthy aircraft, suitably equipped for and meeting all the requirements of the FAA with respect to the type of operation to be performed.
- v. In the case of crop dusting or aerial application, the Operator shall provide tank trucks for the handling of liquid spray and mixing liquids. The Operator shall also provide adequate ground facilities and equipment for the safe containment, storage, handling, and safe loading of all noxious chemicals and materials in compliance with US Environmental Protection Agency and State of Idaho regulations.

- 4. Insurance. Provide insurance in the types, amounts, and forms, as required by the Authority, and as the same may be occasionally modified by the Authority as described in Section 5.T of these Minimum Standards.

G. Commercial Hangar Operator. A Commercial Hangar Operator finances, develops, constructs, owns, or manages facilities for the purpose of subleasing conventional or nested T-hangars to

the general flying public.² Facilities constructed by a Commercial Hangar Operator are not to be used for any business or purpose other than that authorized by the Authority and, in particular, are not to be used for a SASO or FBO, unless explicitly and separately authorized by the Airport Director. All Facilities shall be constructed in accordance with the design, zoning, and construction standards required and established by the Authority, City of Hailey, Idaho, and Blaine County, Idaho. In addition, a Commercial Hangar Operator shall provide towing equipment capable of maneuvering aircraft to and from a Facility.

Commercial Hangar Operators constructing a clear span hangar for the storage of multiple aircraft shall have Premises sufficient in size to construct a building, as well as have access (either within its Premises or within its Permitted Area) to an aircraft apron and customer automobile parking, based on available space, as approved by the Airport Director.

Commercial Hangar Operators constructing a T-hangar(s) shall have Premises sufficient in size to construct a building, as well as have access (either within its Premises or within its Permitted Area) to an aircraft apron and customer automobile parking, based on available space, as approved by the Airport Director.

Commercial Hangar Operators shall provide insurance in the types, amounts, and forms, as required by the Authority, and as the same may be occasionally modified by the Authority as described in Section 5.T of these Minimum Standards.

SECTION 13. WAIVERS & VARIANCES

For purposes of this document, a waiver is a grant of a permanent exemption from one or more requirements of the Minimum Standards. A variance is a grant of a temporary modification to one or more requirements of the Minimum Standards designed to address unique facts or hardship for a defined period of time.

- A.** Waivers. The Authority may issue a permanent Waiver for all or any portion of the Minimum Standards for the benefit of any government or government agency providing public or

² The lease of Airport property to an entity, or entities, for the purpose of constructing or occupying a hangar for the non-commercial storage of the lessee's own aircraft is not considered a Commercial Aeronautical Activity and is not subject to these Minimum Standards.

emergency services, including, for example and without limitation, law enforcement, disaster relief, search and rescue, fire prevention, and firefighting.

The Authority may issue a permanent Waiver for all or any portion of the Minimum Standards for a Commercial Aeronautical; Operator under the same standards as for issuance of a temporary Variance so long as the Authority also makes the following additional findings:

1. The special condition or unique circumstance that makes the application of the Minimum Standards unduly burdensome is one that is not likely to abate or change over the term of the lease;
2. Failure to issue a Waiver would burden Airport users in a manner that would be adverse to the policies and legal obligations of the Authority; and
3. The scope of the Waiver is no broader than necessary to ensure that the proposed aeronautical service can be provided at reasonable prices to users of the Airport.

B. Variances. The Airport Director may approve a *temporary* Variance of the Minimum Standards upon a finding that all of the following conditions exist:

1. The Commercial Aeronautical Operator seeking the Variance will be the only Commercial Aeronautical Operator providing a specific product, service, or facility at the Airport as of the effective date of its lease, permit, license, or other Agreement;
2. A special condition or unique circumstance makes the application of the Minimum Standards unduly burdensome;
3. The temporary Variance is narrowly tailored (in time and scope) to mitigate the special condition or unique circumstance;
4. The Commercial Aeronautical Operator has agreed to fully comply with the Minimum Standards within a prescribed schedule not to exceed six (6) months;

5. The Authority may enforce the Commercial Aeronautical Operator's compliance with the schedule through its lease, permit, license, or other Agreement;
6. The temporary Variance will not create an unfair competitive relationship among Commercial Aeronautical Operators at the Airport; and
7. The Commercial Aeronautical Operator will provide high quality products, services, and facilities to Airport users that are deemed by the Airport Director to be important to users of the Airport, which could not otherwise be provided absent the temporary Variance.

Prior to issuing a Waiver or Variance, the Airport Director shall provide written notice to all other Commercial Aeronautical Operators at the Airport and request comment on the request and its potential impact.

Issuance of a Waiver or Variance will be accompanied by a public report and findings demonstrating compliance with requirements of this section.

A Waiver or Variance issued by the Authority hereunder shall apply only to the specific Commercial Aeronautical Operator and the specific circumstance, and shall not serve to amend, modify, or alter the Minimum Standards and shall be transferrable or assignable only with the prior approval of the Authority.

SECTION 14. FEDERAL AVIATION ADMINISTRATION REQUIRED AGREEMENT PROVISIONS

Each Agreement shall contain the following provisions regarding subordination, emergency leasing to the United States, and non-discrimination, as such provisions may be amended. The language for these provisions is as follows:

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

- C.** All facilities located on the Airport and developed with federal financial assistance and all facilities usable for landing and taking off of aircraft will be available to the United States for use by government aircraft in common with other aircraft at all times without charge, except if the use by government aircraft is substantial, then a charge may be made for a reasonable share, proportional to such use, of the cost for operating and maintaining the facilities used.
- D.** As a condition of the use of the Airport, each Operator shall undertake an affirmative action program as required by FAA regulations, 14 CFR Part 152, Subpart E, "Nondiscrimination in Airport Aid Program," or as otherwise approved by the FAA, to ensure that no person shall on the grounds of race, creed, color, national origin, sex, or handicap be excluded from participation in any employment activities covered in such Subpart E. Each applicable Operator shall not exclude any person on such grounds from participating in or receiving the services or benefits of any program or activity covered by such Subpart E. Each applicable Operator shall require that its covered suborganizations provide assurances to the Operator that they similarly will undertake affirmative action programs and that they will require assurances from their suborganizations, as required by 14 CFR Part 152, Subpart E, to the same effect.
- E.** The Operator shall furnish all services authorized or licensed on a fair, equal, and not unjustly discriminatory basis to all users and shall charge fair, reasonable, and not unjustly discriminatory prices for each unit or service, provided that it may make reasonable and non-discriminatory discounts, rebates, or other similar types of price reductions to volume purchasers, if permitted by law.
- F.** As required by FAA regulations, 14 CFR Part 152, Subpart E, "Nondiscrimination in Airport Aid Program," or as otherwise approved by the FAA, each Operator for itself, its personal representatives, its successors in interest, and its assignees shall agree that:
- a. No person on the grounds of race, creed, color, national origin, sex, or handicap shall be excluded from participation in, denied the benefits of, or be otherwise subjected

to discrimination in the use of said facilities, including participation in any employment activities covered in such Subpart E.

- b. In the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, creed, color, national origin, sex, or handicap shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination.
- c. The Premises are to be used in compliance with all other requirements imposed by or pursuant to 49 CFR, *Transportation, Subtitle A, Office of the Secretary of Transportation, Part 21, "Nondiscrimination in Federally-Assisted Programs of the Department of Transportation – Effectuation of Title VI of the Civil Rights Act of 1964,"* and as said regulation may be amended.
- d. In the event of breach of any of the above non-discrimination covenants, the Authority shall have the right to terminate the Agreement and re-enter and repossess said land and the facilities thereon and hold the same as if said Agreement had never been made or issued.

SECTION 15. VIOLATIONS

Any violation of these Minimum Standards may result in the loss of the right to operate at the Airport or termination of an Agreement. In addition, any violation of these Minimum Standards may result in the imposition of criminal penalties pursuant to Ordinance No. 534 of the City of Hailey, Idaho and those of Blaine County. These Minimum Standards shall be in full force and effect from and after their passage and adoption.

EXHIBIT A

MINIMUM INSURANCE REQUIREMENTS