AGENDA ITEM or FINAL CONTRACT REVIEW SUBMITTAL FORM

Agenda Item: Airline Operating Agreement and Lease of Airport;

Action Requested: Board of County Commissioners' Signature

Parties to the Agreement: United Airlines, Inc. and Gunnison County

Term Begins: 11/1/2020 **Term Ends:** 10/31/2022 **Grant Contract #:**

Summary:

The current operating agreement with United Airlines expires on October 31st, 2020. This is a new operating agreement with a 2 year term and no option to renew due to the terminal renovation. At that time, a new operating agreement with be configured. Same rules, regulations and minimum

Fiscal Impact: Common Airline Area rental fee: $23,001.18/year; Preferential Premises rental fee: $76,670.60/year

Submitted by: Stephanie Williams **Submitter's Email Address:** swilliams@gunnisoncounty.org

Finance Review: (●) Required ( ) Not Required

Comments:
No concerns. kw

Reviewed by: GUNCOUNTY1\kweak Discharge Date: 10/16/2020

County Attorney Review: (●) Required ( ) Not Required

Comments:
ok db 10/15/20

Reveiwed by: GUNCOUNTY1\dBaumgarten Discharge Date: 10/15/2020 Certificate of Insurance Required Yes ( ) No (●)

County Manager Review:

Comments:

Reveiwed by: GUNCOUNTY1\mbirnie Discharge Date: 10/16/2020

(●) Consent Agenda ( ) Regular Agenda ( ) Worksession Time Allotted: 0

Agenda Date: 10/20/2020

Revised April 2015

AIRLINE OPERATING AGREEMENT AND LEASE OF AIRPORT FACILITIES

GUNNISON-CRESTED BUTTE REGIONAL AIRPORT
Gunnison, Colorado

Lessor:
BOARD OF COUNTY COMMISSIONS
OF GUNNISION COUNTY, COLORADO
200 East Virginia
Gunnison, Colorado 81230
Facsimile: (970) 641-3061

Lessee:
AMERICAN AIRLINES, Inc.

Dated: _____, 2020

TABLE OF CONTENTS

RECITALS 1
1. DEFINITIONS 1
2. USE OF AIRPORT FACILITIES 2
2.1 GRANT OF AIRPORT USE 2
2.2 TERMINAL BUILDING AND ADJACENT SPACE 2
2.3 ACCESS TO AIRPORT 3
2.4 PUBLIC ADDRESS AND PAGING SYSTEM 4
2.5 LIMITATION ON USE 4
2.6 ACCEPTANCE BY AIRLINE 4
2.7 AIR CARRIER ACCOMMODATION 4
2.8 ACKNOWLEDGMENT OF FACILITIES LIMITATIONS 6
2.10 ENTRY AND INSPECTION BY COUNTY 6
2.12 AIRLINE'S USE OF AFFILIATES 6
3. OBLIGATIONS OF AIRLINE 7
3.1 RENTALS AND CHARGES 7
3.2 TERMS AND CONDITIONS OF PAYMENT 9
3.3 SECURITY DEPOSIT 9
3.4 INSURANCE 9
3.5 INDEMNIFICATION OF THE COUNTY 10
3.6 SECURITY REQUIREMENTS 10
3.8 MAINTENANCE OF PREFERENTIAL PREMISES 11
3.9 IMPROVEMENTS TO PREFERENTIAL PREMISES 11
3.10 AIRLINE'S EMPLOYEES 12
3.11. RECORDS 12
3.12 LIENS 12
3.14 UTILITIES 12
3.15 REMOVAL OF DISABLED AIRCRAFT 13
4. OBLIGATIONS OF THE COUNTY 14
4.1. QUIET ENJOYMENT 14
4.2 MAINTENANCE AND UTILITIES 14
4.3 SNOW REMOVAL 14
4.2 AIRLINE SNOW REMOVAL 14

4.3 AIRPORT SECURITY 14
5. TERM 14
5.1 TERM 14
5.2 HOLDING OVER 15
6. TERMINATION, SURRENDER AND DAMAGES 15
6.1 TERMINATION BY AIRLINE 15
6.2 AIRLINE'S DEFAULT AND COUNTY REMEDIES 16
6.3 SURRENDER OF POSSESSION 16
6.4 DAMAGE OR DESTRUCTION OF PREMISES 17
7. ASSIGNMENTS AND SUBLETTING 18
7.1 ASSIGNMENT AND SUBLETTING 18
7.2 SUCCESSORS TO THE COUNTY 18
8. OTHER AGREEMENTS 18
8.1 COMPLIANCE WITH LAWS, RULES AND REGULATIONS 18
8.2 LEASE SUBORDINATE 19
8.3 LEASES WITH OTHER AIR CARRIERS 19
8.4 NON-DISCRIMINATION 19
8.5 SERVICE ENTRANCES 19
8.6 AVAILABILITY OF GOVERNMENTAL FACILITIES 20
8.7 RELOCATION BY THE BOARD 20
8.8 FORCE MAJEURE 20
8.9 RESERVATION OF COUNTY RIGHTS 20
9. MISCELLANEOUS PROVISIONS 21
9.1 NON-EXCLUSIVE RIGHT 21
9.2 AIRLINE'S SUBCONTRACTS 21
9.3 HEADINGS 21
9.4 TIME OF ESSENCE 21
9.5 NON-WAIVER 22
9.6 LIMITATION OF BENEFIT AND LIABILITY 22
9.7 SEVERABILITY 22
9.8 EFFECT OF LEASE 22
9.9 NOTICES 22
9.10 GOVERNING LAW AND VENUE 22
9.11 ENTIRE LEASE 22

9.12 ATTORNEYS' FEES 22
9.13 MODIFICATION OF LEASE 22
9.14 CAPACITY TO EXECUTE 23

EXHIBIT 1: Diagram of Existing Airport Terminal Building
EXHIBIT 2 Minimum Standards and Requirements
EXHIBIT 3: Rules and Regulations

AIRLINE OPERATING AGREEMENT AND
LEASE OF AIRPORT FACILITIES

THIS LEASE made effective as of November 1, 2020 between the BOARD OF COUNTY COMMISSIONERS OF GUNNISON COUNTY, COLORADO, herein called the "County" and AMERICAN AIRLINES, INC., herein called the "Airline."

RECITALS

The parties recite and declare that:

A. The County is a political subdivision of the State of Colorado, and owns and operates the Gunnison-Crested Butte Regional Airport located within and adjacent to the City of Gunnison;

B. The Airline is engaged in the business of transporting persons, property, cargo and mail by aircraft; and

C. For and in consideration of the mutual covenants and agreements contained herein, the County is willing to lease and grant to the Airline and the Airline is willing to rent and obtain from the County certain premises and facilities on the Airport, together with certain rights, licenses and privileges thereon.

1. DEFINITIONS

As used in this Lease, defined words and terms shall have the following meanings:

1.1 "Airport" is the Gunnison-Crested Butte Regional Airport located within and adjacent to the City of Gunnison, Gunnison County, Colorado, including the Terminal and other public improvements and facilities located thereon.

1.2 "Affiliate" means any domestic air transportation company, that (i) is designated by Airline to the County as its Affiliate; and, (ii) has executed an Affiliated Airline Use Agreement with the County containing insurance, indemnification, and other standard provisions as required by the County; and either (iii) is operating at the Airport for the benefit of Airline, under the same or substantially similar livery as Airline, and (a) is owned by Airline, or (b) is a subsidiary of the same corporate parent of Airline, or (c) is under contract to Airline in respect of such operation; or, (iv) if operating under its own livery, is not selling any seats on an aircraft in its own name and all seats on such aircraft are being sold in the name of Airline; or, (v) is operating at the Airport under a shared International Air Transport Association ("IATA") flight designator code with Airline at the Airport.

1.3 "Airport Manager" is the manager of the Airport as may be designated from time to time by the County.

1.4 “Employees” means Airline’s officers, employees, contractors and/or agents performing activities at the Airport.

1.5 "Common Airline Areas" shall mean the security hold room, baggage claim area, passenger waiting areas, and passenger queuing areas in front of airline ticket counters in the Terminal,

1.6 “Lease” is this Airline Operating Agreement and Lease of Airport Facilities.

1.7 “Leased Premises” refers to the premises described in Sections 2.2.1 and 2.2.4 of this Lease, including that which may be described for Airline’s preferential use and use in common with others.

1.8 “Terminal” is the existing Passenger Terminal Building at the Airport.

1.9 “Preferential Premises” consists of the preferential use counter, office and other space described in Section 2.2.4 of this Lease, if any.

1.10 “Ramp” is that portion of the aircraft ramp/apron at the Airport designated by the Airport Manager from time to time for use by air carrier aircraft.

1.11 “Weight” shall mean the maximum certified landing weight (MLW) of an aircraft as designated by the Federal Aviation Administration.

2. USE OF AIRPORT FACILITIES

Subject to the terms, conditions and covenants of this Lease, Airline is granted the following:

2.1 Grant of Airport Use. Airline is granted the use of the Airport, in common with others similarly authorized, together with all public facilities, improvements and services which have been or may hereafter be provided at or in connection with the Airport from time to time, including, but not limited to, the landing field and any extensions thereof or additions thereto, roadways, runways, aprons, taxiways, sewage and water facilities, floodlights, landing lights, beacons, control tower, signals, radio aids and all other conveniences for flying, landings and takeoffs.

2.2 Terminal Building and Adjacent Space. Airline is also granted the use of the following space in and adjacent to the Terminal:

2.2.1 In common with others, use with other air carriers of the security holding area, baggage claim area, aircraft loading bridges and waiting areas;

2.2.2 In common with others, use of portions of the Ramp to permit the taxiing, servicing, loading and unloading of Airline’s aircraft, provided, however, that the Airport Manager shall at all times have the right to establish and enforce such non-

discriminatory rules and regulations as he reasonably deems necessary to control the parking and movement of aircraft on the common aircraft areas. Such rules may prohibit the long-term parking or storage of aircraft, including disabled aircraft, on ramp and apron areas. Long-term parking is hereby defined as parking that exceeds forty-eight (48) consecutive hours. If Airline works in good faith to repair and/or remove a disabled aircraft, but is unable to do so within forty-eight (48) hours, Airline shall not be deemed to have breached the terms of this Section;

2.2.3 In common with others, the use of all public space in the Terminal for Airline, its employees, customers, guests and other invitees, subject to such reasonable policies as the County may establish; and

2.2.4 Preferential use of the Preferential Premises identified in **Exhibit 1** as Terminal **Spaces 103, and 203** consisting of approximately **2401.50 square feet**; together with such additional space as may be granted by the County for Airline's preferential use in written Addenda hereto. The Preferential Premises may be utilized by the Airline for the sale of tickets and the reservation of space, manifesting of passengers and cargo, handling of mail, baggage and cargo and a traffic operation and communications office. Airline may distribute and display on the Preferential Premises airline schedules and promotional materials so long as in the Airport Manager's reasonable discretion the same are tasteful and compatible with Terminal design and the other provisions of this Lease. Airline shall not display or distribute from such Premises (except with written permission of the Airport Manager) advertising or promotional materials for non-airline businesses or service.

2.3 Access to Airport.

2.3.1 Airline, its passengers, agents, servants, invitees, employees and furnishers of goods or services shall have an unimpeded and unobstructed right of ingress to and egress from the Terminal. Such access shall, without exception, be in common with such other persons (including, at the option of the County, the general public) as the County may authorize or permit; and the County may, at any time or times, close, relocate, reconstruct, change, alter or modify such means of access, either temporarily or permanently, provided that another reasonably convenient and adequate means of ingress and egress is available for the same purposes.

2.3.2 The County may charge the operators of vehicles carrying passengers and property for the privilege of entering upon Airport property or using the roadways in or on the Airport, parking vehicles on the Airport, soliciting passengers on the Airport, or otherwise operating on the Airport. Provided, however, that the County will make available a reasonable number of parking spaces on Airport property for the use of Airline's employees, at no charge to Airline or its employees, and the County's failure to charge fees for such parking areas shall not affect its ability to charge and collect fees from other users.

2.4 Public Address and Paging System. Airline and others similarly authorized shall have the right to use the public address and paging system in the Terminal for flight announcements, paging, and similar purposes, subject to reasonable rules and policies established by the Airport Manager.

2.5 Limitation on Use.

2.5.1 Airline's use of the Airport authorized and granted herein shall be limited to the operation of a transportation system by aircraft for the carriage of persons, property, cargo and mail, including without limitation, the landing, take-off, parking, servicing, repairing, storing and testing of Airline's aircraft; the loading and unloading of persons, property, cargo and mail at the Airport: all of the uses shall be subject to County rules and policies then in effect.

2.5.2 Nothing contained herein is or shall be construed to prevent the County from enforcing the provisions of applicable ordinances, resolutions or regulations relating to the control of landside parking at the Airport or the collection of fees for such parking.

2.5.3 The County reserves the right to install or lease space in the public areas of the Airport for concessions (including, but not limited to, ground transportation and rental cars), which the County, in its sole discretion, deems desirable. Concessions will not adversely impact Airline's rights, use or access to the Preferential and Common Airline Areas.

2.5.4 Airline shall assure that no amusement, vending machines, public pay phones, facsimile, copy machines or other machines operated by coins, tokens, or credit cards are installed or maintained in or at the Preferential Premises unless approved by the Airport Manager. Airline self ticket machines shall only be installed, operated or maintained with the prior written approval of the Airport Manager, and will be installed within the Preferential Premises in specific locations approved by the Airport Director.

2.6 Acceptance by Airline. Airline has inspected the Airport, Terminal and Leased Premises and is fully aware of the equipment, location and condition thereof. Airline accepts the same in their present "as is" condition.

2.7 Air Carrier Accommodation. To accommodate the public interest, including to maximize the efficient use of Terminal space; to comply with the County's obligations under federal law to provide reasonable access to the Airport for commercial aeronautical operators and to accommodate entry to the Airport of new scheduled air carriers; and to ensure uniform treatment of all airlines, the County reserves the right unilaterally to change, during the term of this Lease, the rights and obligations of Airline in areas designated as Preferential Premises, in accordance with the standards and process set forth below:

2.7.1 If an airline desires to begin or renew service to the Airport and desires space in the Terminal, such airline (the "Requesting Airline") may file a request for access with the Airport Manager, containing details of the proposed airline operations including, the amount, type and location of facilities requested; the type, schedule and seasonal duration of aeronautical services proposed; the proposed commencement date; the number and type of aircraft and ground support equipment; and the types and number of personnel to be used. Upon receipt of such a request, the Airport Manager will determine whether the Requesting Airline requires Preferential Premises within the air carrier counter, office and/or ops/cargo area of the Terminal.

2.7.2 If the Airport Manager determines that the Requesting Airline needs Preferential Premises in the Terminal and such space is not then vacant, the Airport Manager shall forward the request for access to all airlines renting space in the Terminal. The Requesting Airline and tenant airlines all shall then have the obligation to negotiate in good faith to reach an agreement to accommodate the Requesting Airline, whether by sublease, sub-license, "handling agreement" or the like.

2.7.3 If negotiations are fruitless and the Requesting Airline demonstrates to the satisfaction of the Airport Manager that it has pursued all reasonable efforts to secure accommodation by the tenant airlines without success, the Airport Manager shall notify all tenant airlines in writing that, if the Requesting Airline is not accommodated within a reasonable period, not less than forty-five (45) days, from the receipt of such notice, the Airport Manager shall select one or more of the tenant airlines to accommodate the Requesting Airline.

2.7.4 If, at the end of the specified period, the Requesting Airline has not been accommodated, the Airport Manager shall select Airline and/or another airline tenant or tenants to accommodate the Requesting Airline, by sharing all or a portion of the Preferential Premises assigned to one or more tenant airlines, including possibly the Airline, with Requesting Airline in the manner determined by the Airport Manager. Such reduction and reallocation shall be determined by taking into consideration factors including, but not necessarily limited to: current relative utilization of Preferential Premises (on a gross flight number and/or enplaned passenger basis), schedule compatibility, union work rules, and competitive relationships. Once a decision is made, the Airport Manager shall send written notice to the tenant airline(s) selected to accommodate the Requesting Airline to begin accommodation of such Requesting Airline within ten (10) business days from the receipt of such notice. Airline shall not be required to bear the expense of any such reduction in size or reconfiguration of the Preferential Premises and Airline may require the Requesting Airline to enter into an agreement, acceptable to the Airline, for Requesting Airlines' use of Airline's Preferential Use Space. The Airport Manager shall include in such notice the basis for the decision. The decision of the Airport Manager shall be final.

2.7.5 If during the term of this Agreement, Airline suspends flight operations at the Airport for a period in excess of sixty (60) days, during the months of December through March inclusive, and another airline makes application for use of new or additional space in the Terminal, the County reserves the right to delete all or a portion of the Preferential Premises from this Lease for the remainder of its term, and to make such space available to the Requesting Airline.

2.8 Acknowledgment of Facilities Limitations. The County has advised Airline, and Airline acknowledges and understands, that the scheduling of service to the Airport by large aircraft, during the same or in close proximity to periods in which the Airport is being served by other large aircraft may result in schedule delays, and inconvenience and discomfort to passengers. The County encourages Airline and other airline tenants to take these considerations into account when scheduling service by large aircraft at the Airport. Upon request of Airline, the County will share with Airline all non-confidential information in its possession regarding the scheduling and proposed scheduling of airline service at the Airport.

2.9 Entry and Inspection By County. County and its authorized officers, employees, agents and other representatives shall have the right (at such times as may be reasonable under the circumstances and with as little interruption to the Airline's operations as is reasonably practicable, and with prior written notice to the Airline) to enter upon the Airline's Preferential Premises for the following purposes:

2.9.1 To inspect such Premises at reasonable intervals during regular business hours (or at any time in case of emergency) to determine whether the Airline has complied and is complying with the terms and conditions of the Lease with respect to such Premises.

2.9.2 To perform maintenance and make repairs and replacements in any case where Airline is obligated to do so and has failed after reasonable written notice to do so, in which event Airline shall reimburse County for the reasonable cost thereof promptly upon demand.

2.9.3 To perform maintenance and make repairs and replacements in any case where the County is obligated to do so, and in any other case where the County, in its reasonable judgment, determines that it is necessary or desirable to do so in order to preserve the structural safety of such Premises or the building in which they are located or to correct any condition likely to cause injuries or damages to persons or property.

2.9.4 In the exercise of the County's police power, nothing herein shall limit the rights of County to enter the Preferential Premises with or without notice in the event of an emergency. No such entry by or on behalf of the County upon such Premises shall in and of itself cause or constitute a termination of this Lease or be deemed to constitute an interference with Airline's possession of the Premises.

2.10 Airline's Use of Affiliates.

2.10.1 If Airline desires to utilize an Affiliate at the Airport pursuant to this Lease, it shall notify the County in writing, providing the name, address and contact information for the proposed Affiliate, together with the nature of the qualifying relationship between Airline and Affiliate, the proposed starting date, and contact information for the Affiliate. Affiliate shall be required to execute a separate Affiliated Airline Use Agreement with the County. Execution of the Affiliated Airline Use Agreement and approval by County shall be required before the Affiliate is granted affiliated status. Upon execution and approval of the Affiliated Airline Use Agreement the Affiliate shall be treated as an Affiliate of Airline, provided Airline remains signatory to this Lease.

2.10.2 Aircraft operated by an Affiliate, employees of an Affiliate, and passengers enplaned on and deplaned from an Affiliate's aircraft, shall be considered as Airline's aircraft, employees and passengers for all purposes related to this Lease. Without limiting the generality of the foregoing, (a) Affiliate shall be charged at the same landing fee rates as Airline, without payment of any seasonal or non-signatory premiums; (b) Passengers of an Affiliate shall be included as Airline's passengers for purposes of allocating the *per capita* portion under any allocation formula, and (c) Airline shall be entitled to sublease or license part of the Premises to, or ground handle from the Premises any Affiliate of Airline, with prior written notice to, but without prior consent of the County.

3. OBLIGATIONS OF AIRLINE

3.1 Rentals and Charges. Airline agrees to pay the County rentals and charges for the use of the Leased Premises, and the services and privileges granted hereunder, according to the following schedule:

3.1.1 For the use of Common Airline Areas, the Airline agrees to pay a rental of $26,879.99 per year, which is 30% of the annual rent for its Preferential Premises payable $2,239.99 per month based on $37.31 per square foot.

3.1.2 For the use of the Terminal boarding bridges, Airline shall pay $100 per use payable monthly.

3.1.3 For Airport services connected with its operations scheduled to be landed and non-scheduled operations actually landed at the Airport, Airline shall pay a landing fee based on the maximum certified landing weight of the aircraft landed, which landing fee shall be $5.35 per 1,000 pounds of Weight.

3.1.4 For the use of the 2,401.5 square feet of Preferential Premises expressly identified in Paragraph 2.2.4 above, if any, Airline shall pay the County a rental of $89,599.97 per year, payable $7,466.66 per month, based on $37.31 per square foot.

3.1.5 County and Airline agree that the rates and charges for the Lease Term, as described in Sections 5.1 and 5.2 below, may at the beginning of each year be adjusted by the County to an amount which shall not exceed one hundred and six percent (6%) of the rate for the previous annual period.

3.1.6 Such additional fees or charges as are necessary to reimburse the County for expenditures required to comply with standards, regulations, orders or directives from the Federal Aviation Administration and/or Transportation Security Administration concerning security to the extent that the federal government is not obligated to provide such reimbursement. To the extent that the Airline provides such services at its own expense, it shall be relieved of any obligation to reimburse the County under this section.

3.1.7 Airline agrees to faithfully collect and promptly remit to County (without notice or demand by County and in accordance with FAR Part 158) the proceeds of the County's Passenger Facility Charge as long as the County has an FAA approved Passenger Facility Charge in effect. Airline shall pay the County interest for late payment of Passenger Facility Charge proceeds to County in accordance with Section 3.1.8 below. Both Airline and County hereby covenant to fulfill their responsibilities under the terms of FAR Part 158. If legislation and regulations, in effect on the date of this Lease, governing passenger facilities charges, use fees, or similar charges on Airline's passengers using the Airport are amended, changed, or eliminated during the term of this Lease, the County reserves the right to appropriately adjust such charges, levy new charges, revise charges, or implement additional charges as reasonably determined by the County to be necessary. In the event that any rental, fee or charge set forth in this Lease shall not be paid to the County within the calendar month of the due date, Airline agrees to pay a late charge equal to one and one-half percent (1 1/2%) per month on the unpaid balance, accruing from the due date until paid.

3.1.8 Airline shall pay for any identification badges required for its or its assigns or subtenants' employees, at a rate established by the County from time to time, and the cost of finger print based FBI background checks in addition to any other requirements of the TSA. The initial badge rate currently charged by the County is $75.00 per badge. Airline shall also pay fees as established by the County from time to time for the replacement of said badges. When requested by Airline, the County shall issue keys to Airline employees, to provide access to those areas of the Terminal which the County in its discretion deems necessary or appropriate for Airline's activities. Airline agrees to pay the County $10.00 for each such key issued. If any such key is lost or stolen, Airline agrees to pay the County $100, plus the actual cost incurred by the County for re-keying the affected locks and

producing replacement keys**.** Airline acknowledges that, depending on the key lost, the cost incurred for re-keying locks and providing replacement keys may be significant.

3.2 Terms and Conditions of Payment.

3.2.1 Rentals under subparagraph 3.1.1 and 3.1.4 above shall be paid in advance in monthly installments due the first day of each month and payable no later than the 15th day of each month. The first such payment shall be due on November 1, 2014.

3.2.2 Airline shall provide to the County information required in calculating fees set forth in subparagraphs 3.1.2 and 3.1.3, above, and warrants that all information contained in these reports shall be true and accurate as of the date the same is given. By the second business day of each month during the Lease term, Airline shall deliver to the County, on a form to be provided by the County, all information concerning Airline's aircraft landed and landed Weight for the previous calendar month, together with flight cancellations and the reasons therefore. The County will thereafter invoice Airline the appropriate fee for the previous month, which amount shall be paid by Airline within twenty (20) days following billing by the County.

3.2.3 Payment for any cost reimbursement shall be made within thirty (30) days following receipt by the Airline of a statement or invoice itemizing such costs unless Airline, at its option, exercised in writing upon notice to the county, elects to carry forward.

3.2.4 Payments shall be made to the Gunnison County Finance Office, 200 East Virginia, Gunnison, Colorado 81230, and should be made payable to the "Gunnison County Treasurer." Any check or other order shall be accepted subject to collection and the Airline agrees to pay any bank charges made for the collection of any such check.

3.3 Security Deposit. With the execution of this Lease, the sum of $2,000.00 has been deposited by Airline which shall be held by the County as a security deposit for the faithful performance by Airline of Airline's obligations under this Lease. The County, upon request, may in its discretion accept an Irrevocable Letter of Credit, bond or other surety satisfactory to the County in lieu of a cash deposit. In addition to other remedies, the County may call upon and use the security deposit to pay and setoff any amounts due and owing by Airline. Said sum or surety shall be returned to Airline without interest at such time as Airline ceases to provide scheduled service to the Airport and has fully performed the terms of this Lease. If the County calls upon and uses all or any portion of the security deposit to pay and set off any amount due and owing by Airline, then within fifteen (15) days notice by the County, Airline shall re-deposit an amount necessary to restore the balance of the security deposit to the sum of $2,000.

3.4 Insurance. Airline shall have the obligation to maintain, during the Term of this Lease and at Airline's expense, aircraft liability insurance and comprehensive general form liability insurance , covering bodily injury, personal injury, property damage, products/completed

operations liability, premises liability and contractual liability, with liability limits of at least those set forth in the County's Minimum Standards and Requirements of Commercial Aeronautical Activities (the "Minimum Standards") at the Airport, as the same now exist or as they may be hereafter amended after notice to Airline, including acceptable sub-limits. A copy of the Minimum Standards is annexed to this Lease at **Exhibit 2**. Said aircraft liability shall be applicable to owned, non-owned, and hired aircraft, and shall cover Airline's use and occupation of the Leased Premises and aircraft operations at or upon the Airport. Said policy shall include an endorsement covering the indemnity owed by Airline to the County under this Lease. Airline may insure in such amounts as Airline shall deem appropriate with respect to any other risk, including risk to personal property or trade fixtures located on the Preferential Premises. Airline shall also maintain worker's compensation insurance or evidence of self-insurance, in accordance with the laws of the State of Colorado, covering all its employees who may from time to time be at the Airport in such capacity. Airline shall furnish current certificates of insurance to the County within 30 days of executing this agreement.

3.5 Indemnification of the County. Airline agrees to indemnify the County against all liability for injuries to persons or damage to property caused by Airline's intentional and/or negligent operations at or upon, or use or occupancy of the Leased Premises, except to the extent that such injuries or damage are caused by the gross negligence or willful misconduct of the County.

3.6 Security Requirements.

3.6.1 Airline shall conduct criminal and such other checks on its employees as may be required by applicable federal law and/or regulations, whether the same applies to Airline directly, or to the operation of any part of the Airport. Airline shall also timely provide the County with such information as may be necessary for the County to comply with federal law or regulation, including those relating to the issuance of SIDA badges. Employees will not be assigned duties in which they are required to have unescorted access to controlled areas until such checks have been made and appropriate authority granted by the County. Airline further agrees that Airline and its Employees shall fully comply with the County's security program. If a flight departure will be significantly delayed or cancelled, Airline shall make all reasonable efforts to inform the supervising passenger security screener on duty of such delay or cancellation, at the earliest opportunity, to avoid unnecessary, premature and/or repeated screening activity.

3.6.2 Airline shall maintain the Premises in such a manner as to keep them reasonably secure from unauthorized intrusion, provided County has supplied Airline with locks and keys, and shall, with respect to any area of the Premises opening to an Air Operations Area of the Airport, provide for an adequate security procedure designed to prevent unauthorized persons or vehicles from entering such Air Operations Area. An "Air Operations Area" is defined to mean any area of the Airport used or intended to be used for landing, takeoff or surface maneuvering of aircraft. An

"adequate security system" is further defined as providing for security at the standard no less than required and set out in Part 1542 of the Federal Aviation Regulations of the Federal Aviation Administration, as may be amended.

3.6.3 At any time during the term hereof, when requested in writing by the Airport Manager, the Airline shall, within a reasonable period following such request, submit to the Airport Manager written descriptions of the security procedures that are to be used and are being used by the Airline on any or all of the Leased Premises.

3.7 Maintenance of Preferential Premises. If Airline is granted Preferential Premises under paragraph 2.2.4 above, the following shall apply:

3.7.1 Airline shall furnish, install, operate and maintain the Preferential Premises and the furniture, fixtures and equipment installed therein and thereon, all in good and clean order, condition and repair. Within the Preferential Premises, the Airline shall be responsible for taking actions and making alterations or installations necessary to comply with the Americans with Disabilities Act of 1990, as amended, and regulations adopted pursuant thereto. Upon expiration or sooner termination of this Lease, Airline shall deliver up the Preferential Premises to the County in good and clean order, condition and repair, reasonable wear and tear excepted.

3.7.2 Airline shall provide its own janitorial services within its Preferential Premises and shall at all times keep the Preferential Premises in a neat and clean condition and in good repair (ordinary wear and tear and damage due to casualty and fire excepted).

3.7.3 Airline shall ensure that trash generated by its operations is immediately placed in covered containers, no fugitive trash is generated, the Preferential Premises are policed for trash on a daily basis, and trash and other wastes are disposed of lawfully and promptly. Airline shall not use or store hazardous materials on the Airport except in strict compliance with federal, state and local laws and regulations.

3.8 Improvements to Preferential Premises. If Airline is granted Preferential Premises under paragraph 2.2.4 above:

3.8.1 Construction plans, specifications, budgets and schedules for any proposed improvements by Airline to the Preferential Premises, shall be submitted by Airline and subject to County approval. The County may reject submissions that are not in accordance with applicable codes, rules, regulations, ordinances and statutes, which are incompatible with Airport conditions, or inconsistent with Airport architectural style and design or with uses typically made of public use airports.

3.8.2 No signs or advertising displays shall be painted on or erected in any manner upon the Preferential Premises without the prior written approval of the Airport Manager. Signs identifying the Airline will conform to reasonable standards established by the

Airport Manager with respect to type, size, design and location. The Airport Manager shall not unreasonably withhold approval of standard industry trade fixtures or signage.

3.8.3 If Airline has altered the Preferential Premises, then upon expiration or sooner termination of this Lease, at the option of the County, Airline shall restore the same to its original condition to the extent reasonably practicable. Provided, however, that Airline shall not be required to make repairs which were not occasioned by damage caused by Airline or its Employees, invitees, contractors or customers. Otherwise, any permanent modifications or permanent fixtures attached to the Preferential Premises shall become the property of the County at the termination of this Lease unless the Airport Manager reasonably determines that such can be removed without significant damage to such Premises. Any other fixtures, equipment, improvements or other property installed, erected, purchased or placed by the Airline in, on or about the Preferential Premises will be considered personal property and shall remain the property of the Airline.

3.9 Airline's Employees. Airline hereby covenants and agrees, that with respect to operations authorized under this Lease;

3.9.1 Airline shall require all of its Employees, representatives, contractors, subcontractors, licensees, subtenants, invitees excluding passengers, and suppliers hired by Airline and working about the Terminal to wear clean and neat attire and to display appropriate identification.

3.9.2 Airline shall not permit its Employees to enter the Airport's security areas without the Employee's valid identification or an approved escort; and it shall immediately notify the Airport Manager or his designee whenever an Employee's access authority has been revoked, an access medium has been lost or stolen, or it becomes aware that the access control system or its components have been compromised or threatened.

3.10 Records. Airline agrees that it shall keep or cause to be kept at the Airport true, accurate and complete records of Airline's activity conducted at the Airport upon which reports required in Subparagraph 3.2.2 above are based, for a period of two (2) years after the activity conducted, and shall permit the County to inspect the same at all reasonable times.

3.11 Liens. Airline shall immediately cause to be removed, and shall cause a bond to be posted for the benefit of County to secure the payment of any and all liens or encumbrances of any nature arising out of or imposed because of any improvements or repairs performed by Airline or any of its contractors or subcontractors upon the Preferential Premises or arising out of or because of the performance of any work or labor upon or the furnishing of any materials for use on the Preferential Premises.

3.12 Utilities. The County has, at its own expense, brought certain public utility services to the Terminal and the Leased Premises. Within the limits of capacity and without charge other

than as set forth herein, the Airline shall have the right to use and make connection therewith; provided, however, that the County has, at its sole option, installed metering devices to determine the amount of electrical power consumed by computers, de-icing equipment, APU's and similar equipment utilized solely by and for the benefit of the Airline. Airline shall pay for the electrical power measured by such meter in accordance with Sections 3.2.3 and 3.2.4 above. If additional or expanded utility services or lines are required by the Airline's operations, the cost of such services and lines shall be paid by the Airline.

3.13 Removal of Disabled Aircraft. Airline shall promptly remove any of its disabled aircraft from any part of the Airport (including, without limitation, runways, taxiways, aprons and gate positions) and place any such disabled aircraft in such storage areas as may be designated by Airport Manager. Airline may store such disabled aircraft only for such length of time and on such terms and conditions as may be established by Airport Manager. If Airline fails to remove any of its disabled promptly, County may, but shall not be obligated to, cause the removal of such disabled aircraft, provided, however, the obligation to remove or store such disabled aircraft shall not be inconsistent with federal and state laws and regulations. Airline agrees to reimburse County for all costs of such removal. Airline further releases County from any and all claims for damage to the disabled aircraft or otherwise arising from or in any way connected with such removal by County.

3.14 Access Gate. If Airline uses any access gate or door ("Access Gate") providing access to the Security Identification Display Area ("SIDA") of the Airport. Any such Access Gate shall be constantly monitored by Airline while open to prevent access to the SIDA by any person who does not properly display a County-issued security badge, or by any person who is not actively escorted by such a properly badged person. If unauthorized access to the SIDA occurs though an Access Gate being used by Airline it shall be a violation of this Lease and of the County's security program. For any such violation, Airline shall pay the County liquidated contract damages, which shall not be considered a penalty, in accordance with the following schedule, for violations occurring during the same calendar year:

1st Violation	Notice of Violation—Next Offense to Result in Fine
2nd Violation	$250 (gate will be locked by County until fee is paid)
3rd Violation	$500 (gate will be locked by County until fee is paid and

Airline shall provide assurances which, in the sole discretion of the County, are sufficient to prevent future Access Gate violations). Regardless of the number of such Access Gate violations which occur, should any such violation(s) result in a damage award, citation, or fine being assessed against the County, then Airline shall promptly reimburse the County for said damage award, citation, or fine, and for all costs and expenses, including reasonable attorney's fees, incurred by the County in defending against and satisfying the same

4. OBLIGATIONS OF THE COUNTY

4.1. Quiet Enjoyment. The County covenants that on paying the rent and performing the covenants herein contained, Airline shall peacefully and quietly have, hold and enjoy the rights granted herein for the agreed term.

4.2. Maintenance and Utilities. During the term of this Lease, the County shall maintain and keep in good repair so much of the Airport, including the Terminal, as is not under the preferential or exclusive control of individual tenants, in accordance with applicable laws, rules and regulations. The County shall also maintain and operate sewage and water facilities, janitorial services, electrical and electronic facilities, and such other appurtenances and services as are now or may hereafter be connected with the operation of the Airport, for the common areas of the Terminal.

4.3. Snow Removal. The duties of the County shall include the removal of snow from the ramps, runways and taxiways of the Airport, to the standard of a reasonable airport operator under similar circumstances and in light of equipment and personnel reasonably available to the County except as provided for in 4.4.

4.4. Airline Snow Removal. Airline agrees to remove ice and snow from (a) an area around each aircraft measuring ten (10) feet from the nose, tail, and wings, and (b) a ramp area designated by the Airport Manager for housing airline ground handling equipment, such areas identified as the "Exterior Exclusive Use Premises" if any taking into account the equipment and personnel reasonably available to the Airline except as provided in Section 4.3 above. Airline shall indemnify and hold the County harmless from any and all claims arising out of airline's failure to clear ice and snow from the Exterior Exclusive Use Premises. Airline assumes full responsibility for the safety of its employees, contractors, agents, and passengers moving between the boarding gates and its own aircraft, regardless of weather conditions.

4.5. Airport Security. The County shall provide special security in the air operations area necessary or reasonably appropriate to meet the obligations of the County, if any, in accordance with the provisions of applicable federal regulations as they exist on the date of this Lease. Subject to recovery of costs, as set forth in Paragraph 3.1.5 of this Lease, the County shall provide such additional security measures as are imposed upon it by future federal regulations.

5. TERM

5.1 Term. Subject to earlier termination as hereinafter provided, the term of this Lease shall be a two (2) year period commencing November 1, 2020 and ending October 31, 2022. Provided, however, and notwithstanding anything contained herein to the contrary, the Airline may

sooner terminate this Lease at any time upon 30-days advance written notice if, the Rural Transportation Authority and the Airline fail or are unable to agree to re-sign or extend the Air Service Agreement, as defined in Section 6.1.3 hereof, for Airline to provide air service to the Airport for any such Option Term (the "Airline Operating Agreement and Lease of Airport Facilities").

5.2 Holding Over. Holding over or failure to vacate the Preferential Premises at the end of the term shall not be construed to be the granting or exercise of an additional term, but shall create only a month to month tenancy, under the other terms and conditions of this Lease, which may be terminated by either party upon 30-days notice to the other.

6. TERMINATION, SURRENDER AND DAMAGES

6.1 Termination by Airline.

6.1.1 Airline may terminate this Lease at any time if it withdraws from providing scheduled air service to the Airport, providing that it first delivers to the County a written notice specifying an early termination date, which date shall not be less than thirty (30) days from the date of delivery of said notice to the County. In such event, this Lease shall terminate on the date specified in the notice, provided that Airline is not then in default under the terms of this Lease and all amounts due and owing to the County are fully paid on and to the termination date specified. If Airline continues to provide service after the date specified, is in default hereunder or otherwise continues to owe monetary obligations to the County on said date, Airline's obligations under this Lease shall not terminate, but shall continue during the term.

6.1.2 If the County fails to perform any material act or acts or render any service required to be performed or rendered by the County under the terms of this Lease, and if the County fails to remedy any such default within thirty (30) days following Airline's written notice to remedy the same, Airline may terminate this Lease.

6.1.3 If the Airline fails to agree to re-sign or extend its agreement with the Rural Transportation Authority to provide air service to the Airport for any Option Term of this Lease, the Airline may terminate this Lease on thirty (30) days written notice to the County, but in no event shall such termination be effective prior to the expiration of the Air Service Agreement.

6.1.4 Airline shall also have the right to terminate this Lease in the event of any of the following: the order or action of a federal agency terminating or suspending Airline's right to operate into and from the Airport; issuance by any court of competent jurisdiction of any injunction preventing or restraining the use of the Airport or any part thereof for airport purposes, and the remaining in force of such injunction for a period of at least thirty (30) days; any action of a federal agency

hereafter refusing to permit Airline to operate into, from or through the Airport such aircraft as Airline may reasonably desire to operate thereon; the inability of Airline to use said premises and facilities continuing for a longer period of thirty (30) days due to any deficiency of the Airport or unsafe condition for operating at the Airport of the type of aircraft then being flown by Airline or any law, order, rule or regulation of any appropriate governmental authority having jurisdiction over the operations of Airline or due to war or other casualty; the assumption by the United States or any authorized agency thereof of control of the Airport or any substantial part thereof; or the erection of any obstacle on or in the vicinity of the Airport which would occasion a modification of Airline's air carrier operating certificate or similar authorization establishing minimum safety standards for the operation of Airline.

6.2 Airline's Default and County Remedies.

6.2.1 County may terminate this lease if Airline is in default under this Lease in the event of any of the following:

6.2.1.1 appointment of a receiver or trustee of Airline's assets;

6.2.1.2 default by Airline in the performance of any covenant or agreement herein required to be performed by Airline other than the payment of money or the occurrence of the events described in this paragraph, and failure of Airline to remedy such default for a period of thirty (30) days after receipt of written notice to remedy the same; or

6.2.1.3 failure of the Airline to make any payment due hereunder within fifteen (15) days after receipt of notice of such overdue payment.

6.2.2 In the event of default, the County may, at its option, in addition to other remedies, and with or without terminating this Lease, utilize Airline's security deposit to satisfy all or a portion of Airline's obligations to the County. The County need not terminate this Lease upon Airline's default, but at its discretion and without terminating the Lease, may seek specific performance, damages incurred by it as a result of Airline's default, and/or such other and further relief as may be available at law or equity. In the event of Airline's default, the County need not elect remedies, but may pursue any combination of remedies available to it at law or equity.

6.3 Surrender of Possession.

6.3.1 On the expiration or other termination of this Lease, Airline's rights to use the Leased Premises, facilities and services described herein shall cease, and Airline shall promptly vacate the Preferential Premises, if any.

6.3.2 Except as otherwise provided in this Lease, all fixtures, improvements, equipment and other property bought, installed, erected or placed by Airline in, on or about the

Airport shall be deemed to be person property and shall remain the property of Airline. Airline shall have the right at any time during the term of this Lease, or any renewal or extension hereof, and for an additional period of thirty (30) days after the expiration or sooner termination of this Lease, to remove any or all of such property from the Airport, subject, however, to Airline's obligation to repair all damage, if any, resulting from such removal, reasonable wear and tear excluded. Any and all property not removed by Airline prior to the expiration of the aforesaid period shall be deemed abandoned thereupon become a part of the land on which it is located and title thereto shall vest in the County. The County may, however, require and accomplish the removal of said property at its option and at the expense of Airline. Neither the County, nor its officers, employees or contractors shall have any liability to Airline with respect to such abandoned property.

6.4 Damage or Destruction of Premises.

6.4.1 If the Preferential Premises are partially damaged by fire, the elements, the public enemy or other casualty, and the damage is so extensive as to render the Preferential Premises untenantable, but said damage is capable of being repaired in 60 days or prior to the termination date hereof, whichever date first occurs, the Preferential Premises shall be repaired with due diligence by the County at its own cost and expense, and the rent payable hereunder with respect to that portion damaged, if any, shall be proportionately paid up to the time of such damage and shall thenceforth abate in the ratio the space rendered unusable bears to the total space leased until such time as the Preferential Premises shall be fully restored. If the Preferential Premises are completely destroyed or are so damaged that they will remain untenantable for more than 60 days or beyond the termination date hereof, whichever date first occurs, either party may, at its option, cancel so much of this Lease as relates to the untenantable space, such cancellation to be effective as of the date the Preferential Premises were damaged or destroyed. In such event, County shall make reasonable efforts to provide Airline with substitute space, to the extent the same is reasonably available.

6.4.2 Except as provided in subparagraph 6.4.1 above, destruction of all or part of the Preferential Premises shall not affect the obligation of Airline to pay the rents and charges set forth in this Lease.

6.4.3 In the event that the Preferential Premises are rendered untenantable for reasons other than those set forth above, there shall be a reasonable and proportionate abatement of the rentals, fees and charges provided for herein during the period that the same are so untenantable or unusable.

6.4.4 Notwithstanding any of the foregoing, in the event any damage or destruction to the Airport is caused by a negligent act or omission by Airline, its subtenants or Employees, Airline shall reimburse the County for its actual costs incurred in repairing such damage. Nothing herein shall be construed as a waiver of the right of

the County to recover damages from Airline arising out of the fault or negligence of Airline.

6.4.5 In the application of this Paragraph 6.4, the County's obligations shall be limited to repair or reconstruction of the Preferential Premises to the extent and of equal quality as obtained at the commencement of operations hereunder, and the County shall not be responsible for any consequential damages. Redecoration or replacement of Airline's furniture, equipment and supplies shall be the responsibility of Airline, unless damage thereto is caused by a negligent act or omission of the County, its agents or employees, in which event the County shall be responsible for such redecoration and replacement. Any such redecoration or refurnishing shall be of equivalent quality to that originally existing at the commencement of the Lease.

7. ASSIGNMENTS AND SUBLETTING

7.1 Assignments and Subletting. Airline shall not at any time assign or sublet its rights under this Lease or any part thereof without the prior written consent of the County; provided, however, that the foregoing shall not prevent the assignment of such rights to any corporation with which Airline may merge or consolidate, or which may succeed to the business of Airline. No such assignment or subletting shall release Airline from its obligations to pay any and all of the rentals and charges and to otherwise perform Airline's obligations set forth herein.

7.2 Successors to the County. The rights and obligations of the County under this Lease may be assigned by the County, at the option of the County, and without the necessity for the concurrence of the Airline in any such assignment.

8. OTHER AGREEMENTS

8.1 Compliance with Laws, Rules and Regulations.

8.1.1 Airline shall obtain and pay for all licenses, fees, permits or other authorization or charges as required under federal, state or local laws and regulations insofar as they are necessary to comply with the requirements of this Lease and the privileges extended hereunder. Airline shall also pay all taxes lawfully imposed upon it with respect to its property or operations on the Airport.

8.1.2 Airline shall, at all times, faithfully obey and comply with all applicable existing and future laws, rules and regulations adopted by federal, state, local and other governmental bodies and applicable to or affecting Airline and its operations and activities in and at the Airport.

8.1.3 Airline agrees to abide by and be subject to all (a) the Minimum Standards, and (b) rules and regulations which are now, or may from time to time be, lawfully promulgated by the County and/or other agencies with authority concerning management, operation or use of the Airport. A copy of the County's existing rules and regulations relating to operations at the Airport are annexed to this Lease as Exhibit 4.

8.1.4 Nothing herein shall limit the right of Airline to challenge any rule or regulation, or the application of such rule or regulation to Airline, or to seek any legal or equitable remedy.

8.1.5 Airline acknowledges that it has reviewed and is familiar with Assurances which are imposed upon the County by the Federal Aviation Administration by nature of its having received grant funding. Airline agrees that it will faithfully comply with such Assurances to the extent that they apply or hereafter apply to the Airline, and shall take no action or make no omission which would cause the County to be in default under such Assurances.

8.2 Lease Subordinate. This Lease shall be subordinate to any existing or future agreement between the County and the United States relative to the operation or maintenance of the Airport, the execution of which has been or may be required as a condition to the expenditure of federal funds for development of the Airport. If such an Agreement is entered into between the County and the United States, the parties agree to execute an amendment to this Lease so as to remove any material inconsistencies between this document and any agreement with the United States. In the event that by reason of any such Agreement with the United States, it becomes necessary to modify, relocate or remove any improvements or other structures situated on the Leased Premises, Airline agrees to modify, relocate or remove any such improvements or structures, as directed by the County, and the County shall compensate and reimburse Airline for reasonable costs and expenses (including modification, removal or relocation costs) so incurred by Airline.

8.3 Leases with Other Air Carriers. The County shall not grant to any other air carrier a lease on materially more favorable terms and conditions than as set forth in this Lease.

8.4 Non-Discrimination. In operations at and use of the Airport, the Airline shall not, on the grounds of race, color, national origin or sex, discriminate or permit discrimination against any person or group of persons in any manner prohibited by applicable law, shall abide by the provisions of Part 21 of the Rules and Regulations of the Office of the Secretary of Transportation effectuating Title VI of the Civil Rights Act of 1964.

8.5 Service Entrances. The County shall have no obligation to provide any special service entrances for utilities other than those, which presently exist in the Terminal. In the event Airline requires any additional or special service entrances, the same shall be installed at the cost and expense of Airline, and only upon prior County approval.

8.6 Availability of Governmental Facilities. In the event that air navigation aids or other facilities now or hereafter supplied by the United States and needed for Airline's operation at the Airport are discontinued, the County shall have no obligation to furnish such aids or facilities.

8.7 Relocation by the County. If in the opinion of the County, proper development or operation of the Airport requires that any part of the Leased Premises be devoted to a different use, the County shall have the right, upon six (6) months advance written notice to Airline, and without cost or expense to Airline, to relocate all or a part of the Leased Premises, on a temporary or permanent basis. If the Preferential Premises is so relocated it shall be of no less area, and as conveniently located with reference to the Security Holding Area as is reasonable, considering all demands for space at the Airport. In such event, all of Airline's improvements and trade fixtures shall, without cost or expense to Airline, be relocated or replaced on said relocated Preferential Premises, and this Lease shall continue in effect with respect to such relocated Preferential Premises.

8.8 Force Majeure. Neither the County nor Airline shall be deemed in violation of this Lease if it is prevented from performing any of its obligations hereunder by reason of strikes, boycotts, labor disputes, embargoes, shortage of aircraft or fuel or tires as the direct result of governmental decree, acts of God, acts of the public enemy, acts of superior governmental authority, weather condition, riots, rebellion, sabotage or any other circumstances for which it is not responsible and which is not under its control.

8.9 Reservation of County Rights. Notwithstanding anything herein to the contrary, the County reserves the following rights:

8.9.1 For the use and benefit of the public, the right of flight for the passage of aircraft in the air space above the surface of the Leased Premises, together with the right to cause in that air space such noise as may be inherent in the operation of aircraft utilizing the Airport.

8.9.2 The right to protect the aerial approaches of the Airport against obstruction, including the right to prohibit Airline from erecting, or permitting to be erected, any building or other structure on the Leased Premises which would, in the reasonable judgment of the County, constitute a hazard to aviation.

8.9.3 During time of war or national emergency, the right to lease the Airport or any part thereof, including the Leased Premises or any part thereof, to the United States Government for military purposes, and, in the event of such lease to the United States for military purposes, the provisions of this Lease shall be suspended insofar as such provisions may be inconsistent with the provisions of the lease to the United States.

8.9.4 The right to direct all activities of Airline at the Airport in the event of an emergency.

8.9.5 The right to grant other leases, licenses, permits or rights to occupancy or use of the Airport so long as such other grants do not unreasonably interfere with or impair Airline's rights hereunder or Airline's occupancy or use of the Leased Premises, and the right to direct changes in the way Airline conducts its Airport operations in the event that the County determines, in the exercise of its reasonable judgment, that one or more aspects of Airline's method of operation is unreasonably interfering with the lawful and proper occupancy or use by others of the Airport. Provided, that this reserved right is not intended to allow the County to deny Airline the basic right to use the Leased Premises for any of the uses permitted hereunder.

8.9.6 The right to further develop and/or improve the Airport, including the Leased Premises, as the County deems appropriate, without interference or hindrance by Airline, and the County shall have no liability hereunder to Airline by reason of any interruption to its operations on the Leased Premises occasioned by such development and/or improvement of the Airport; provided, that if Airline shall be unable to conduct reasonably normal business operations on the Leased Premises by reason of any such development and/or improvement of the Airport, then rent and other fees payable by Airline hereunder shall be subject to an equitable adjustment during the period of such interruption.

8.9.7 Prior to taking any such action which would adversely affect the operations of the Airline, the County agrees to consult with the Airline's local and/or designated representative; provided, however, that this shall not preclude the County from taking any action it deems necessary for the immediate protection of persons or property or which is necessitated by circumstances which the Airport Manager or other authorized person reasonably believes to be a threat to the general welfare.

9. MISCELLANEOUS PROVISIONS

9.1 Non-Exclusive Right. Nothing herein contained shall be construed to grant or authorize the granting of an exclusive right prohibited by Section 308 of the Federal Aviation Act of 1958, as amended, and the County reserves the right to grant to others the privilege and right of conducting any one or all of the aeronautical activities specified herein, or any other activities of an aeronautical nature.

9.2 Airline's Subcontracts. The requirements of this Lease shall apply to Airline's approved subcontractors hereunder, and Airline shall ensure that such subcontractors agree to and comply with the obligations of paragraphs hereof to the same extent required of Airline.

9.3 Headings. The section headings contained herein are for convenience in reference and are not intended to define or limit the scope of any provision of this Lease.

9.4 Time of Essence. Time is of the essence in this Lease.

9.5 Non-Waiver. Waiver by either party of or the failure of either party to insist upon the strict performance of any provision of this Lease shall not constitute a waiver of the right or prevent any such party from requiring the strict performance of any provision in the future.

9.6 Limitation of Benefit and Liability. This Lease does not create in or bestow upon any other person or entity not a party to this Lease any right, privilege or benefit unless expressly provided in this Lease. This Lease does not in any way represent, nor should it be deemed to imply, any standard of conduct to which the parties expect to conform their operations in relation to any person or entity not a party. No director, officer, official or employee of either party shall be held personally liable under the terms of this Lease.

9.7 Severability. Any covenant, condition or provision herein contained that is held to be invalid by any court of competent jurisdiction shall be considered deleted from this Lease, but such deletion shall in no way affect any other covenant, condition or provision herein contained so long as such deletion does not materially prejudice the County or Airline in their rights and obligations contained in valid covenants, conditions or provisions.

9.8 Effect of Lease. All covenants, conditions and provisions in this Lease shall extend to and bind the successors of the parties hereto, the assigns of the County and the permitted assigns of Airline.

9.9 Notices. Notices provided for in this Lease shall be sufficient if sent by First Class Mail and Certified Mail, Return Receipt Requested, postage prepaid, to a party at its address set forth above or to such other addresses as the parties may from time to time designate to the other in writing. Notices sent in such manner shall be deemed to have been delivered on the date of mailing.

9.10 Governing Law and Venue. This Lease shall be governed by and construed in accordance with the laws of the State of Colorado. Any action to enforce or interpret this Lease shall be brought in a court in and for Gunnison County, Colorado, or in the United States District Court for the District of Colorado.

9.11 Entire Lease. This Lease embodies the entire agreement between the parties hereto concerning the subject matter hereof and supersedes all prior conversations, proposals, negotiations, understandings and agreements, whether written or oral.

9.12 Attorneys' Fees. In any action to enforce or interpret the provisions of this Lease, the court may award reasonable attorney fees and costs to the prevailing party.

9.13 No Personal Liability. No director, officer or employee of either party hereto shall be held personally liable under this Lease.

9.14 Modification of Lease. This Lease may not be altered, modified or changed in any manner whatsoever except by a writing signed by all parties hereto.

9.15 Capacity to Execute. The County and Airline each warrant and represent to one another that this Lease constitutes the legal, valid and binding obligation of that party.

IN WITNESS WHEREOF, the parties have executed this Lease effective as of the day and year first above written.

BOARD OF COUNTY COMMISSIONERS
OF GUNNISON COUNTY, COLORADO

By:_____

Jonathan Houck, Chairperson

_____

Roland Mason, Commissioner

Attest:

_____

Elizabeth Smith, Commissioner

_____

Katherine Haase
Deputy Clerk

AMERICAN AIRLINES, INC.

Attest:

_____

Corporate Real Estate

_____

AIRLINE OPERATING AGREEMENT AND LEASE OF AIRPORT FACILITIES

GUNNISON-CRESTED BUTTE REGIONAL AIRPORT
Gunnison, Colorado

Lessor:
BOARD OF COUNTY COMMISSIONS
OF GUNNISION COUNTY, COLORADO
200 East Virginia
Gunnison, Colorado 81230
Facsimile: (970) 641-3061

Lessee:
UNITED AIRLINES, Inc.

Dated: _____, 2020

TABLE OF CONTENTS

RECITALS 1
1. DEFINITIONS 1
2. USE OF AIRPORT FACILITIES 2
2.1 GRANT OF AIRPORT USE 2
2.2 TERMINAL BUILDING AND ADJACENT SPACE 2
2.3 ACCESS TO AIRPORT 3
2.4 PUBLIC ADDRESS AND PAGING SYSTEM 4
2.5 LIMITATION ON USE 4
2.6 ACCEPTANCE BY AIRLINE 4
2.7 AIR CARRIER ACCOMMODATION 4
2.8 ACKNOWLEDGMENT OF FACILITIES LIMITATIONS 6
2.10 ENTRY AND INSPECTION BY COUNTY 6
2.12 AIRLINE'S USE OF AFFILIATES 6
3. OBLIGATIONS OF AIRLINE 7
3.1 RENTALS AND CHARGES 7
3.2 TERMS AND CONDITIONS OF PAYMENT 9
3.3 SECURITY DEPOSIT 9
3.4 INSURANCE 9
3.5 INDEMNIFICATION OF THE COUNTY 10
3.6 SECURITY REQUIREMENTS 10
3.8 MAINTENANCE OF PREFERENTIAL PREMISES 11
3.9 IMPROVEMENTS TO PREFERENTIAL PREMISES 11
3.10 AIRLINE'S EMPLOYEES 12
3.11. RECORDS 12
3.12 LIENS 12
3.14 UTILITIES 12
3.15 REMOVAL OF DISABLED AIRCRAFT 13
4. OBLIGATIONS OF THE COUNTY 14
4.1. QUIET ENJOYMENT 14
4.2 MAINTENANCE AND UTILITIES 14
4.3 SNOW REMOVAL 14
4.2 AIRLINE SNOW REMOVAL 14

4.3 AIRPORT SECURITY 14
5. TERM 14
5.1 TERM 14
5.2 HOLDING OVER 15
6. TERMINATION, SURRENDER AND DAMAGES 15
6.1 TERMINATION BY AIRLINE 15
6.2 AIRLINE'S DEFAULT AND COUNTY REMEDIES 16
6.3 SURRENDER OF POSSESSION 16
6.4 DAMAGE OR DESTRUCTION OF PREMISES 17
7. ASSIGNMENTS AND SUBLETTING 18
7.1 ASSIGNMENT AND SUBLETTING 18
7.2 SUCCESSORS TO THE COUNTY 18
8. OTHER AGREEMENTS 18
8.1 COMPLIANCE WITH LAWS, RULES AND REGULATIONS 18
8.2 LEASE SUBORDINATE 19
8.3 LEASES WITH OTHER AIR CARRIERS 19
8.4 NON-DISCRIMINATION 19
8.5 SERVICE ENTRANCES 19
8.6 AVAILABILITY OF GOVERNMENTAL FACILITIES 20
8.7 RELOCATION BY THE BOARD 20
8.8 FORCE MAJEURE 20
8.9 RESERVATION OF COUNTY RIGHTS 20
9. MISCELLANEOUS PROVISIONS 21
9.1 NON-EXCLUSIVE RIGHT 21
9.2 AIRLINE'S SUBCONTRACTS 21
9.3 HEADINGS 21
9.4 TIME OF ESSENCE 21
9.5 NON-WAIVER 22
9.6 LIMITATION OF BENEFIT AND LIABILITY 22
9.7 SEVERABILITY 22
9.8 EFFECT OF LEASE 22
9.9 NOTICES 22
9.10 GOVERNING LAW AND VENUE 22
9.11 ENTIRE LEASE 22

9.12 ATTORNEYS' FEES 22
9.13 MODIFICATION OF LEASE 22
9.14 CAPACITY TO EXECUTE 23

EXHIBIT 1: Diagram of Existing Airport Terminal Building
EXHIBIT 2 Minimum Standards and Requirements
EXHIBIT 3: Rules and Regulations

AIRLINE OPERATING AGREEMENT AND
LEASE OF AIRPORT FACILITIES

THIS LEASE made effective as of November 1, 2020 between the BOARD OF COUNTY COMMISSIONERS OF GUNNISON COUNTY, COLORADO, herein called the "County" and UNITED AIRLINES, INC., herein called the "Airline."

RECITALS

The parties recite and declare that:

A. The County is a political subdivision of the State of Colorado, and owns and operates the Gunnison-Crested Butte Regional Airport located within and adjacent to the City of Gunnison;

B. The Airline is engaged in the business of transporting persons, property, cargo and mail by aircraft; and

C. For and in consideration of the mutual covenants and agreements contained herein, the County is willing to lease and grant to the Airline and the Airline is willing to rent and obtain from the County certain premises and facilities on the Airport, together with certain rights, licenses and privileges thereon.

1. DEFINITIONS

As used in this Lease, defined words and terms shall have the following meanings:

1.1 "Airport" is the Gunnison-Crested Butte Regional Airport located within and adjacent to the City of Gunnison, Gunnison County, Colorado, including the Terminal and other public improvements and facilities located thereon.

1.2 "Affiliate" means any domestic air transportation company, that (i) is designated by Airline to the County as its Affiliate; and, (ii) has executed an Affiliated Airline Use Agreement with the County containing insurance, indemnification, and other standard provisions as required by the County; and either (iii) is operating at the Airport for the benefit of Airline, under the same or substantially similar livery as Airline, and (a) is owned by Airline, or (b) is a subsidiary of the same corporate parent of Airline, or (c) is under contract to Airline in respect of such operation; or, (iv) if operating under its own livery, is not selling any seats on an aircraft in its own name and all seats on such aircraft are being sold in the name of Airline; or, (v) is operating at the Airport under a shared International Air Transport Association ("IATA") flight designator code with Airline at the Airport.

1.3 "Airport Manager" is the manager of the Airport as may be designated from time to time by the County.

1.4 “Employees” means Airline’s officers, employees, contractors and/or agents performing activities at the Airport.

1.5 "Common Airline Areas" shall mean the security hold room, baggage claim area, passenger waiting areas, and passenger queuing areas in front of airline ticket counters in the Terminal,

1.6 “Lease” is this Airline Operating Agreement and Lease of Airport Facilities.

1.7 “Leased Premises” refers to the premises described in Sections 2.2.1 and 2.2.4 of this Lease, including that which may be described for Airline’s preferential use and use in common with others.

1.8 “Terminal” is the existing Passenger Terminal Building at the Airport.

1.9 “Preferential Premises” consists of the preferential use counter, office and other space described in Section 2.2.4 of this Lease, if any.

1.10 “Ramp” is that portion of the aircraft ramp/apron at the Airport designated by the Airport Manager from time to time for use by air carrier aircraft.

1.11 “Weight” shall mean the maximum certified landing weight (MLW) of an aircraft as designated by the Federal Aviation Administration.

2. USE OF AIRPORT FACILITIES

Subject to the terms, conditions and covenants of this Lease, Airline is granted the following:

2.1 Grant of Airport Use. Airline is granted the use of the Airport, in common with others similarly authorized, together with all public facilities, improvements and services which have been or may hereafter be provided at or in connection with the Airport from time to time, including, but not limited to, the landing field and any extensions thereof or additions thereto, roadways, runways, aprons, taxiways, sewage and water facilities, floodlights, landing lights, beacons, control tower, signals, radio aids and all other conveniences for flying, landings and takeoffs.

2.2 Terminal Building and Adjacent Space. Airline is also granted the use of the following space in and adjacent to the Terminal:

2.2.1 In common with others, use with other air carriers of the security holding area, baggage claim area, aircraft loading bridges and waiting areas;

2.2.2 In common with others, use of portions of the Ramp to permit the taxiing, servicing, loading and unloading of Airline’s aircraft, provided, however, that the Airport Manager shall at all times have the right to establish and enforce such non-

discriminatory rules and regulations as he reasonably deems necessary to control the parking and movement of aircraft on the common aircraft areas. Such rules may prohibit the long-term parking or storage of aircraft, including disabled aircraft, on ramp and apron areas. Long-term parking is hereby defined as parking that exceeds forty-eight (48) consecutive hours. If Airline works in good faith to repair and/or remove a disabled aircraft, but is unable to do so within forty-eight (48) hours, Airline shall not be deemed to have breached the terms of this Section;

2.2.3 In common with others, the use of all public space in the Terminal for Airline, its employees, customers, guests and other invitees, subject to such reasonable policies as the County may establish; and

2.2.4 Preferential use of the Preferential Premises identified in **Exhibit 1** as Terminal Spaces 105, 106 and 205 consisting of approximately 2,180 square feet; together with such additional space as may be granted by the County for Airline's preferential use in written Addenda hereto. The Preferential Premises may be utilized by the Airline for the sale of tickets and the reservation of space, manifesting of passengers and cargo, handling of mail, baggage and cargo and a traffic operation and communications office. Airline may distribute and display on the Preferential Premises airline schedules and promotional materials so long as in the Airport Manager's reasonable discretion the same are tasteful and compatible with Terminal design and the other provisions of this Lease. Airline shall not display or distribute from such Premises (except with written permission of the Airport Manager) advertising or promotional materials for non-airline businesses or service.

2.3 Access to Airport.

2.3.1 Airline, its passengers, agents, servants, invitees, employees and furnishers of goods or services shall have an unimpeded and unobstructed right of ingress to and egress from the Terminal. Such access shall, without exception, be in common with such other persons (including, at the option of the County, the general public) as the County may authorize or permit; and the County may, at any time or times, close, relocate, reconstruct, change, alter or modify such means of access, either temporarily or permanently, provided that another reasonably convenient and adequate means of ingress and egress is available for the same purposes.

2.3.2 The County may charge the operators of vehicles carrying passengers and property for the privilege of entering upon Airport property or using the roadways in or on the Airport, parking vehicles on the Airport, soliciting passengers on the Airport, or otherwise operating on the Airport. Provided, however, that the County will make available a reasonable number of parking spaces on Airport property for the use of Airline's employees, at no charge to Airline or its employees, and the County's failure to charge fees for such parking areas shall not affect its ability to charge and collect fees from other users.

2.4 Public Address and Paging System. Airline and others similarly authorized shall have the right to use the public address and paging system in the Terminal for flight announcements, paging, and similar purposes, subject to reasonable rules and policies established by the Airport Manager.

2.5 Limitation on Use.

2.5.1 Airline's use of the Airport authorized and granted herein shall be limited to the operation of a transportation system by aircraft for the carriage of persons, property, cargo and mail, including without limitation, the landing, take-off, parking, servicing, repairing, storing and testing of Airline's aircraft; the loading and unloading of persons, property, cargo and mail at the Airport: all of the uses shall be subject to County rules and policies then in effect.

2.5.2 Nothing contained herein is or shall be construed to prevent the County from enforcing the provisions of applicable ordinances, resolutions or regulations relating to the control of landside parking at the Airport or the collection of fees for such parking.

2.5.3 The County reserves the right to install or lease space in the public areas of the Airport for concessions (including, but not limited to, ground transportation and rental cars), which the County, in its sole discretion, deems desirable. Concessions will not adversely impact Airline's rights, use or access to the Preferential and Common Airline Areas.

2.5.4 Airline shall assure that no amusement, vending machines, public pay phones, facsimile, copy machines or other machines operated by coins, tokens, or credit cards are installed or maintained in or at the Preferential Premises unless approved by the Airport Manager. Airline self ticket machines shall only be installed, operated or maintained with the prior written approval of the Airport Manager, and will be installed within the Preferential Premises in specific locations approved by the Airport Director.

2.6 Acceptance by Airline. Airline has inspected the Airport, Terminal and Leased Premises and is fully aware of the equipment, location and condition thereof. Airline accepts the same in their present "as is" condition.

2.7 Air Carrier Accommodation. To accommodate the public interest, including to maximize the efficient use of Terminal space; to comply with the County's obligations under federal law to provide reasonable access to the Airport for commercial aeronautical operators and to accommodate entry to the Airport of new scheduled air carriers; and to ensure uniform treatment of all airlines, the County reserves the right unilaterally to change, during the term of this Lease, the rights and obligations of Airline in areas designated as Preferential Premises, in accordance with the standards and process set forth below:

2.7.1 If an airline desires to begin or renew service to the Airport and desires space in the Terminal, such airline (the "Requesting Airline") may file a request for access with the Airport Manager, containing details of the proposed airline operations including, the amount, type and location of facilities requested; the type, schedule and seasonal duration of aeronautical services proposed; the proposed commencement date; the number and type of aircraft and ground support equipment; and the types and number of personnel to be used. Upon receipt of such a request, the Airport Manager will determine whether the Requesting Airline requires Preferential Premises within the air carrier counter, office and/or ops/cargo area of the Terminal.

2.7.2 If the Airport Manager determines that the Requesting Airline needs Preferential Premises in the Terminal and such space is not then vacant, the Airport Manager shall forward the request for access to all airlines renting space in the Terminal. The Requesting Airline and tenant airlines all shall then have the obligation to negotiate in good faith to reach an agreement to accommodate the Requesting Airline, whether by sublease, sub-license, "handling agreement" or the like.

2.7.3 If negotiations are fruitless and the Requesting Airline demonstrates to the satisfaction of the Airport Manager that it has pursued all reasonable efforts to secure accommodation by the tenant airlines without success, the Airport Manager shall notify all tenant airlines in writing that, if the Requesting Airline is not accommodated within a reasonable period, not less than forty-five (45) days, from the receipt of such notice, the Airport Manager shall select one or more of the tenant airlines to accommodate the Requesting Airline.

2.7.4 If, at the end of the specified period, the Requesting Airline has not been accommodated, the Airport Manager shall select Airline and/or another airline tenant or tenants to accommodate the Requesting Airline, by sharing all or a portion of the Preferential Premises assigned to one or more tenant airlines, including possibly the Airline, with Requesting Airline in the manner determined by the Airport Manager. Such reduction and reallocation shall be determined by taking into consideration factors including, but not necessarily limited to: current relative utilization of Preferential Premises (on a gross flight number and/or enplaned passenger basis), schedule compatibility, union work rules, and competitive relationships. Once a decision is made, the Airport Manager shall send written notice to the tenant airline(s) selected to accommodate the Requesting Airline to begin accommodation of such Requesting Airline within ten (10) business days from the receipt of such notice. Airline shall not be required to bear the expense of any such reduction in size or reconfiguration of the Preferential Premises and Airline may require the Requesting Airline to enter into an agreement, acceptable to the Airline, for Requesting Airlines' use of Airline's Preferential Use Space. The Airport Manager shall include in such notice the basis for the decision. The decision of the Airport Manager shall be final.

2.7.5 If during the term of this Agreement, Airline suspends flight operations at the Airport for a period in excess of sixty (60) days, during the months of December through March inclusive, and another airline makes application for use of new or additional space in the Terminal, the County reserves the right to delete all or a portion of the Preferential Premises from this Lease for the remainder of its term, and to make such space available to the Requesting Airline.

2.8 Acknowledgment of Facilities Limitations. The County has advised Airline, and Airline acknowledges and understands, that the scheduling of service to the Airport by large aircraft, during the same or in close proximity to periods in which the Airport is being served by other large aircraft may result in schedule delays, and inconvenience and discomfort to passengers. The County encourages Airline and other airline tenants to take these considerations into account when scheduling service by large aircraft at the Airport. Upon request of Airline, the County will share with Airline all non-confidential information in its possession regarding the scheduling and proposed scheduling of airline service at the Airport.

2.9 Entry and Inspection By County. County and its authorized officers, employees, agents and other representatives shall have the right (at such times as may be reasonable under the circumstances and with as little interruption to the Airline's operations as is reasonably practicable, and with prior written notice to the Airline) to enter upon the Airline's Preferential Premises for the following purposes:

2.9.1 To inspect such Premises at reasonable intervals during regular business hours (or at any time in case of emergency) to determine whether the Airline has complied and is complying with the terms and conditions of the Lease with respect to such Premises.

2.9.2 To perform maintenance and make repairs and replacements in any case where Airline is obligated to do so and has failed after reasonable written notice to do so, in which event Airline shall reimburse County for the reasonable cost thereof promptly upon demand.

2.9.3 To perform maintenance and make repairs and replacements in any case where the County is obligated to do so, and in any other case where the County, in its reasonable judgment, determines that it is necessary or desirable to do so in order to preserve the structural safety of such Premises or the building in which they are located or to correct any condition likely to cause injuries or damages to persons or property.

2.9.4 In the exercise of the County's police power, nothing herein shall limit the rights of County to enter the Preferential Premises with or without notice in the event of an emergency. No such entry by or on behalf of the County upon such Premises shall in and of itself cause or constitute a termination of this Lease or be deemed to constitute an interference with Airline's possession of the Premises.

2.10 Airline's Use of Affiliates.

2.10.1 If Airline desires to utilize an Affiliate at the Airport pursuant to this Lease, it shall notify the County in writing, providing the name, address and contact information for the proposed Affiliate, together with the nature of the qualifying relationship between Airline and Affiliate, the proposed starting date, and contact information for the Affiliate. Affiliate shall be required to execute a separate Affiliated Airline Use Agreement with the County. Execution of the Affiliated Airline Use Agreement and approval by County shall be required before the Affiliate is granted affiliated status. Upon execution and approval of the Affiliated Airline Use Agreement the Affiliate shall be treated as an Affiliate of Airline, provided Airline remains signatory to this Lease.

2.10.2 Aircraft operated by an Affiliate, employees of an Affiliate, and passengers enplaned on and deplaned from an Affiliate's aircraft, shall be considered as Airline's aircraft, employees and passengers for all purposes related to this Lease. Without limiting the generality of the foregoing, (a) Affiliate shall be charged at the same landing fee rates as Airline, without payment of any seasonal or non-signatory premiums; (b) Passengers of an Affiliate shall be included as Airline's passengers for purposes of allocating the *per capita* portion under any allocation formula, and (c) Airline shall be entitled to sublease or license part of the Premises to, or ground handle from the Premises any Affiliate of Airline, with prior written notice to, but without prior consent of the County.

3. OBLIGATIONS OF AIRLINE

3.1 Rentals and Charges. Airline agrees to pay the County rentals and charges for the use of the Leased Premises, and the services and privileges granted hereunder, according to the following schedule:

3.1.1 For the use of Common Airline Areas, the Airline agrees to pay a rental of **$24,400.74** per year which is 30% of the annual rent for its Preferential Premises payable **$2033.40** per month based on **$37.31** per square foot.

3.1.2 For the use of the Terminal boarding bridges, Airline shall pay $100 per use payable monthly.

3.1.3 For Airport services connected with its operations scheduled to be landed and non-scheduled operations actually landed at the Airport, Airline shall pay a landing fee based on the Maximum Landing Weight of the aircraft landed, which landing fee shall be **$5.35** per 1,000 pounds of Weight.

3.1.4 For the use of the 2,180 square feet of Preferential Premises expressly identified in Paragraph 2.2.4 above, if any, Airline shall pay the County a rental of **$81,335.80** per year, payable **$6777.98** per month, based on **$37.31** per square foot.

3.1.5 County and Airline agree that the rates and charges for the Lease Term, as described in Sections 5.1 and 5.2 below, may at the beginning of each year be adjusted by the County to an amount which shall not exceed one hundred and six percent (6%) of the rate for the previous annual period.

3.1.6 Such additional fees or charges as are necessary to reimburse the County for expenditures required to comply with standards, regulations, orders or directives from the Federal Aviation Administration and/or Transportation Security Administration concerning security to the extent that the federal government is not obligated to provide such reimbursement. To the extent that the Airline provides such services at its own expense, it shall be relieved of any obligation to reimburse the County under this section.

3.1.7 Airline agrees to faithfully collect and promptly remit to County (without notice or demand by County and in accordance with FAR Part 158) the proceeds of the County's Passenger Facility Charge as long as the County has an FAA approved Passenger Facility Charge in effect. Airline shall pay the County interest for late payment of Passenger Facility Charge proceeds to County in accordance with Section 3.1.8 below. Both Airline and County hereby covenant to fulfill their responsibilities under the terms of FAR Part 158. If legislation and regulations, in effect on the date of this Lease, governing passenger facilities charges, use fees, or similar charges on Airline's passengers using the Airport are amended, changed, or eliminated during the term of this Lease, the County reserves the right to appropriately adjust such charges, levy new charges, revise charges, or implement additional charges as reasonably determined by the County to be necessary. In the event that any rental, fee or charge set forth in this Lease shall not be paid to the County within the calendar month of the due date, Airline agrees to pay a late charge equal to one and one-half percent (1 1/2%) per month on the unpaid balance, accruing from the due date until paid.

3.1.8 Airline shall pay for any identification badges required for its or its assigns or subtenants' employees, at a rate established by the County from time to time, and the cost of finger print based FBI background checks in addition to any other requirements of the TSA. The initial badge rate currently charged by the County is $75.00 per badge. Airline shall also pay fees as established by the County from time to time for the replacement of said badges. When requested by Airline, the County shall issue keys to Airline employees, to provide access to those areas of the Terminal which the County in its discretion deems necessary or appropriate for Airline's activities. Airline agrees to pay the County $10.00 for each such key issued. If any such key is lost or stolen, Airline agrees to pay the County $100, plus the actual cost incurred by the County for re-keying the affected locks and

producing replacement keys**.** Airline acknowledges that, depending on the key lost, the cost incurred for re-keying locks and providing replacement keys may be significant.

3.2 Terms and Conditions of Payment.

3.2.1 Rentals under subparagraph 3.1.1 and 3.1.4 above shall be paid in advance in monthly installments due the first day of each month and payable no later than the 15th day of each month. The first such payment shall be due on November 1, 2014.

3.2.2 Airline shall provide to the County information required in calculating fees set forth in subparagraphs 3.1.2 and 3.1.3, above, and warrants that all information contained in these reports shall be true and accurate as of the date the same is given. By the second business day of each month during the Lease term, Airline shall deliver to the County, on a form to be provided by the County, all information concerning Airline's aircraft landed and landed Weight for the previous calendar month, together with flight cancellations and the reasons therefore. The County will thereafter invoice Airline the appropriate fee for the previous month, which amount shall be paid by Airline within twenty (20) days following billing by the County.

3.2.3 Payment for any cost reimbursement shall be made within thirty (30) days following receipt by the Airline of a statement or invoice itemizing such costs unless Airline, at its option, exercised in writing upon notice to the county, elects to carry forward.

3.2.4 Payments shall be made to the Gunnison County Finance Office, 200 East Virginia, Gunnison, Colorado 81230, and should be made payable to the "Gunnison County Treasurer." Any check or other order shall be accepted subject to collection and the Airline agrees to pay any bank charges made for the collection of any such check.

3.3 Security Deposit. With the execution of this Lease, the sum of $2,000.00 has been deposited by Airline which shall be held by the County as a security deposit for the faithful performance by Airline of Airline's obligations under this Lease. The County, upon request, may in its discretion accept an Irrevocable Letter of Credit, bond or other surety satisfactory to the County in lieu of a cash deposit. In addition to other remedies, the County may call upon and use the security deposit to pay and setoff any amounts due and owing by Airline. Said sum or surety shall be returned to Airline without interest at such time as Airline ceases to provide scheduled service to the Airport and has fully performed the terms of this Lease. If the County calls upon and uses all or any portion of the security deposit to pay and set off any amount due and owing by Airline, then within fifteen (15) days notice by the County, Airline shall re-deposit an amount necessary to restore the balance of the security deposit to the sum of $2,000.

3.4 Insurance. Airline shall have the obligation to maintain, during the Term of this Lease and at Airline's expense, aircraft liability insurance and comprehensive general form liability insurance , covering bodily injury, personal injury, property damage, products/completed

operations liability, premises liability and contractual liability, with liability limits of at least those set forth in the County's Minimum Standards and Requirements of Commercial Aeronautical Activities (the "Minimum Standards") at the Airport, as the same now exist or as they may be hereafter amended after notice to Airline, including acceptable sub-limits. A copy of the Minimum Standards is annexed to this Lease at **Exhibit 2**. Said aircraft liability shall be applicable to owned, non-owned, and hired aircraft, and shall cover Airline's use and occupation of the Leased Premises and aircraft operations at or upon the Airport. Said policy shall include an endorsement covering the indemnity owed by Airline to the County under this Lease. Airline may insure in such amounts as Airline shall deem appropriate with respect to any other risk, including risk to personal property or trade fixtures located on the Preferential Premises. Airline shall also maintain worker's compensation insurance or evidence of self-insurance, in accordance with the laws of the State of Colorado, covering all its employees who may from time to time be at the Airport in such capacity. Airline shall furnish current certificates of insurance to the County within 30 days of executing this agreement.

3.5 Indemnification of the County. Airline agrees to indemnify the County against all liability for injuries to persons or damage to property caused by Airline's intentional and/or negligent operations at or upon, or use or occupancy of the Leased Premises, except to the extent that such injuries or damage are caused by the gross negligence or willful misconduct of the County.

3.6 Security Requirements.

3.6.1 Airline shall conduct criminal and such other checks on its employees as may be required by applicable federal law and/or regulations, whether the same applies to Airline directly, or to the operation of any part of the Airport. Airline shall also timely provide the County with such information as may be necessary for the County to comply with federal law or regulation, including those relating to the issuance of SIDA badges. Employees will not be assigned duties in which they are required to have unescorted access to controlled areas until such checks have been made and appropriate authority granted by the County. Airline further agrees that Airline and its Employees shall fully comply with the County's security program. If a flight departure will be significantly delayed or cancelled, Airline shall make all reasonable efforts to inform the supervising passenger security screener on duty of such delay or cancellation, at the earliest opportunity, to avoid unnecessary, premature and/or repeated screening activity.

3.6.2 Airline shall maintain the Premises in such a manner as to keep them reasonably secure from unauthorized intrusion, provided County has supplied Airline with locks and keys, and shall, with respect to any area of the Premises opening to an Air Operations Area of the Airport, provide for an adequate security procedure designed to prevent unauthorized persons or vehicles from entering such Air Operations Area. An "Air Operations Area" is defined to mean any area of the Airport used or intended to be used for landing, takeoff or surface maneuvering of aircraft. An

"adequate security system" is further defined as providing for security at the standard no less than required and set out in Part 1542 of the Federal Aviation Regulations of the Federal Aviation Administration, as may be amended.

3.6.3 At any time during the term hereof, when requested in writing by the Airport Manager, the Airline shall, within a reasonable period following such request, submit to the Airport Manager written descriptions of the security procedures that are to be used and are being used by the Airline on any or all of the Leased Premises.

3.7 Maintenance of Preferential Premises. If Airline is granted Preferential Premises under paragraph 2.2.4 above, the following shall apply:

3.7.1 Airline shall furnish, install, operate and maintain the Preferential Premises and the furniture, fixtures and equipment installed therein and thereon, all in good and clean order, condition and repair. Within the Preferential Premises, the Airline shall be responsible for taking actions and making alterations or installations necessary to comply with the Americans with Disabilities Act of 1990, as amended, and regulations adopted pursuant thereto. Upon expiration or sooner termination of this Lease, Airline shall deliver up the Preferential Premises to the County in good and clean order, condition and repair, reasonable wear and tear excepted.

3.7.2 Airline shall provide its own janitorial services within its Preferential Premises and shall at all times keep the Preferential Premises in a neat and clean condition and in good repair (ordinary wear and tear and damage due to casualty and fire excepted).

3.7.3 Airline shall ensure that trash generated by its operations is immediately placed in covered containers, no fugitive trash is generated, the Preferential Premises are policed for trash on a daily basis, and trash and other wastes are disposed of lawfully and promptly. Airline shall not use or store hazardous materials on the Airport except in strict compliance with federal, state and local laws and regulations.

3.8 Improvements to Preferential Premises. If Airline is granted Preferential Premises under paragraph 2.2.4 above:

3.8.1 Construction plans, specifications, budgets and schedules for any proposed improvements by Airline to the Preferential Premises, shall be submitted by Airline and subject to County approval. The County may reject submissions that are not in accordance with applicable codes, rules, regulations, ordinances and statutes, which are incompatible with Airport conditions, or inconsistent with Airport architectural style and design or with uses typically made of public use airports.

3.8.2 No signs or advertising displays shall be painted on or erected in any manner upon the Preferential Premises without the prior written approval of the Airport Manager. Signs identifying the Airline will conform to reasonable standards established by the

Airport Manager with respect to type, size, design and location. The Airport Manager shall not unreasonably withhold approval of standard industry trade fixtures or signage.

3.8.3 If Airline has altered the Preferential Premises, then upon expiration or sooner termination of this Lease, at the option of the County, Airline shall restore the same to its original condition to the extent reasonably practicable. Provided, however, that Airline shall not be required to make repairs which were not occasioned by damage caused by Airline or its Employees, invitees, contractors or customers. Otherwise, any permanent modifications or permanent fixtures attached to the Preferential Premises shall become the property of the County at the termination of this Lease unless the Airport Manager reasonably determines that such can be removed without significant damage to such Premises. Any other fixtures, equipment, improvements or other property installed, erected, purchased or placed by the Airline in, on or about the Preferential Premises will be considered personal property and shall remain the property of the Airline.

3.9 Airline's Employees. Airline hereby covenants and agrees, that with respect to operations authorized under this Lease;

3.9.1 Airline shall require all of its Employees, representatives, contractors, subcontractors, licensees, subtenants, invitees excluding passengers, and suppliers hired by Airline and working about the Terminal to wear clean and neat attire and to display appropriate identification.

3.9.2 Airline shall not permit its Employees to enter the Airport's security areas without the Employee's valid identification or an approved escort; and it shall immediately notify the Airport Manager or his designee whenever an Employee's access authority has been revoked, an access medium has been lost or stolen, or it becomes aware that the access control system or its components have been compromised or threatened.

3.10 Records. Airline agrees that it shall keep or cause to be kept at the Airport true, accurate and complete records of Airline's activity conducted at the Airport upon which reports required in Subparagraph 3.2.2 above are based, for a period of two (2) years after the activity conducted, and shall permit the County to inspect the same at all reasonable times.

3.11 Liens. Airline shall immediately cause to be removed, and shall cause a bond to be posted for the benefit of County to secure the payment of any and all liens or encumbrances of any nature arising out of or imposed because of any improvements or repairs performed by Airline or any of its contractors or subcontractors upon the Preferential Premises or arising out of or because of the performance of any work or labor upon or the furnishing of any materials for use on the Preferential Premises.

3.12 Utilities. The County has, at its own expense, brought certain public utility services to the Terminal and the Leased Premises. Within the limits of capacity and without charge other

than as set forth herein, the Airline shall have the right to use and make connection therewith; provided, however, that the County has, at its sole option, installed metering devices to determine the amount of electrical power consumed by computers, de-icing equipment, APU's and similar equipment utilized solely by and for the benefit of the Airline. Airline shall pay for the electrical power measured by such meter in accordance with Sections 3.2.3 and 3.2.4 above. If additional or expanded utility services or lines are required by the Airline's operations, the cost of such services and lines shall be paid by the Airline.

3.13 Removal of Disabled Aircraft. Airline shall promptly remove any of its disabled aircraft from any part of the Airport (including, without limitation, runways, taxiways, aprons and gate positions) and place any such disabled aircraft in such storage areas as may be designated by Airport Manager. Airline may store such disabled aircraft only for such length of time and on such terms and conditions as may be established by Airport Manager. If Airline fails to remove any of its disabled promptly, County may, but shall not be obligated to, cause the removal of such disabled aircraft, provided, however, the obligation to remove or store such disabled aircraft shall not be inconsistent with federal and state laws and regulations. Airline agrees to reimburse County for all costs of such removal. Airline further releases County from any and all claims for damage to the disabled aircraft or otherwise arising from or in any way connected with such removal by County.

3.14 Access Gate. If Airline uses any access gate or door ("Access Gate") providing access to the Security Identification Display Area ("SIDA") of the Airport. Any such Access Gate shall be constantly monitored by Airline while open to prevent access to the SIDA by any person who does not properly display a County-issued security badge, or by any person who is not actively escorted by such a properly badged person. If unauthorized access to the SIDA occurs though an Access Gate being used by Airline it shall be a violation of this Lease and of the County's security program. For any such violation, Airline shall pay the County liquidated contract damages, which shall not be considered a penalty, in accordance with the following schedule, for violations occurring during the same calendar year:

1st Violation	Notice of Violation—Next Offense to Result in Fine
2nd Violation	$250 (gate will be locked by County until fee is paid)
3rd Violation	$500 (gate will be locked by County until fee is paid and

Airline shall provide assurances which, in the sole discretion of the County, are sufficient to prevent future Access Gate violations). Regardless of the number of such Access Gate violations which occur, should any such violation(s) result in a damage award, citation, or fine being assessed against the County, then Airline shall promptly reimburse the County for said damage award, citation, or fine, and for all costs and expenses, including reasonable attorney's fees, incurred by the County in defending against and satisfying the same

4. OBLIGATIONS OF THE COUNTY

4.1. Quiet Enjoyment. The County covenants that on paying the rent and performing the covenants herein contained, Airline shall peacefully and quietly have, hold and enjoy the rights granted herein for the agreed term.

4.2. Maintenance and Utilities. During the term of this Lease, the County shall maintain and keep in good repair so much of the Airport, including the Terminal, as is not under the preferential or exclusive control of individual tenants, in accordance with applicable laws, rules and regulations. The County shall also maintain and operate sewage and water facilities, janitorial services, electrical and electronic facilities, and such other appurtenances and services as are now or may hereafter be connected with the operation of the Airport, for the common areas of the Terminal.

4.3. Snow Removal. The duties of the County shall include the removal of snow from the ramps, runways and taxiways of the Airport, to the standard of a reasonable airport operator under similar circumstances and in light of equipment and personnel reasonably available to the County except as provided for in 4.4.

4.4. Airline Snow Removal. Airline agrees to remove ice and snow from (a) an area around each aircraft measuring ten (10) feet from the nose, tail, and wings, and (b) a ramp area designated by the Airport Manager for housing airline ground handling equipment, such areas identified as the "Exterior Exclusive Use Premises" if any taking into account the equipment and personnel reasonably available to the Airline except as provided in Section 4.3 above. Airline shall indemnify and hold the County harmless from any and all claims arising out of airline's failure to clear ice and snow from the Exterior Exclusive Use Premises. Airline assumes full responsibility for the safety of its employees, contractors, agents, and passengers moving between the boarding gates and its own aircraft, regardless of weather conditions.

4.5. Airport Security. The County shall provide special security in the air operations area necessary or reasonably appropriate to meet the obligations of the County, if any, in accordance with the provisions of applicable federal regulations as they exist on the date of this Lease. Subject to recovery of costs, as set forth in Paragraph 3.1.5 of this Lease, the County shall provide such additional security measures as are imposed upon it by future federal regulations.

5. TERM

5.1 Term. Subject to earlier termination as hereinafter provided, the term of this Lease shall be a two (2) year period commencing November 1, 2020 and ending October 31, 2022. Provided, however, and notwithstanding anything contained herein to the contrary, the Airline may

sooner terminate this Lease at any time upon 30-days advance written notice if, the Rural Transportation Authority and the Airline fail or are unable to agree to re-sign or extend the Air Service Agreement, as defined in Section 6.1.3 hereof, for Airline to provide air service to the Airport for any such Option Term (the "Airline Operating Agreement and Lease of Airport Facilities").

5.2 Holding Over. Holding over or failure to vacate the Preferential Premises at the end of the term shall not be construed to be the granting or exercise of an additional term, but shall create only a month to month tenancy, under the other terms and conditions of this Lease, which may be terminated by either party upon 30-days notice to the other.

6. TERMINATION, SURRENDER AND DAMAGES

6.1 Termination by Airline.

6.1.1 Airline may terminate this Lease at any time if it withdraws from providing scheduled air service to the Airport, providing that it first delivers to the County a written notice specifying an early termination date, which date shall not be less than thirty (30) days from the date of delivery of said notice to the County. In such event, this Lease shall terminate on the date specified in the notice, provided that Airline is not then in default under the terms of this Lease and all amounts due and owing to the County are fully paid on and to the termination date specified. If Airline continues to provide service after the date specified, is in default hereunder or otherwise continues to owe monetary obligations to the County on said date, Airline's obligations under this Lease shall not terminate, but shall continue during the term.

6.1.2 If the County fails to perform any material act or acts or render any service required to be performed or rendered by the County under the terms of this Lease, and if the County fails to remedy any such default within thirty (30) days following Airline's written notice to remedy the same, Airline may terminate this Lease.

6.1.3 If the Airline fails to agree to re-sign or extend its agreement with the Rural Transportation Authority to provide air service to the Airport for any Option Term of this Lease, the Airline may terminate this Lease on thirty (30) days written notice to the County, but in no event shall such termination be effective prior to the expiration of the Air Service Agreement.

6.1.4 Airline shall also have the right to terminate this Lease in the event of any of the following: the order or action of a federal agency terminating or suspending Airline's right to operate into and from the Airport; issuance by any court of competent jurisdiction of any injunction preventing or restraining the use of the Airport or any part thereof for airport purposes, and the remaining in force of such injunction for a period of at least thirty (30) days; any action of a federal agency

hereafter refusing to permit Airline to operate into, from or through the Airport such aircraft as Airline may reasonably desire to operate thereon; the inability of Airline to use said premises and facilities continuing for a longer period of thirty (30) days due to any deficiency of the Airport or unsafe condition for operating at the Airport of the type of aircraft then being flown by Airline or any law, order, rule or regulation of any appropriate governmental authority having jurisdiction over the operations of Airline or due to war or other casualty; the assumption by the United States or any authorized agency thereof of control of the Airport or any substantial part thereof; or the erection of any obstacle on or in the vicinity of the Airport which would occasion a modification of Airline's air carrier operating certificate or similar authorization establishing minimum safety standards for the operation of Airline.

6.2 Airline's Default and County Remedies.

6.2.1 County may terminate this lease if Airline is in default under this Lease in the event of any of the following:

6.2.1.1 appointment of a receiver or trustee of Airline's assets;

6.2.1.2 default by Airline in the performance of any covenant or agreement herein required to be performed by Airline other than the payment of money or the occurrence of the events described in this paragraph, and failure of Airline to remedy such default for a period of thirty (30) days after receipt of written notice to remedy the same; or

6.2.1.3 failure of the Airline to make any payment due hereunder within fifteen (15) days after receipt of notice of such overdue payment.

6.2.2 In the event of default, the County may, at its option, in addition to other remedies, and with or without terminating this Lease, utilize Airline's security deposit to satisfy all or a portion of Airline's obligations to the County. The County need not terminate this Lease upon Airline's default, but at its discretion and without terminating the Lease, may seek specific performance, damages incurred by it as a result of Airline's default, and/or such other and further relief as may be available at law or equity. In the event of Airline's default, the County need not elect remedies, but may pursue any combination of remedies available to it at law or equity.

6.3 Surrender of Possession.

6.3.1 On the expiration or other termination of this Lease, Airline's rights to use the Leased Premises, facilities and services described herein shall cease, and Airline shall promptly vacate the Preferential Premises, if any.

6.3.2 Except as otherwise provided in this Lease, all fixtures, improvements, equipment and other property bought, installed, erected or placed by Airline in, on or about the

Airport shall be deemed to be person property and shall remain the property of Airline. Airline shall have the right at any time during the term of this Lease, or any renewal or extension hereof, and for an additional period of thirty (30) days after the expiration or sooner termination of this Lease, to remove any or all of such property from the Airport, subject, however, to Airline's obligation to repair all damage, if any, resulting from such removal, reasonable wear and tear excluded. Any and all property not removed by Airline prior to the expiration of the aforesaid period shall be deemed abandoned thereupon become a part of the land on which it is located and title thereto shall vest in the County. The County may, however, require and accomplish the removal of said property at its option and at the expense of Airline. Neither the County, nor its officers, employees or contractors shall have any liability to Airline with respect to such abandoned property.

6.4 Damage or Destruction of Premises.

6.4.1 If the Preferential Premises are partially damaged by fire, the elements, the public enemy or other casualty, and the damage is so extensive as to render the Preferential Premises untenantable, but said damage is capable of being repaired in 60 days or prior to the termination date hereof, whichever date first occurs, the Preferential Premises shall be repaired with due diligence by the County at its own cost and expense, and the rent payable hereunder with respect to that portion damaged, if any, shall be proportionately paid up to the time of such damage and shall thenceforth abate in the ratio the space rendered unusable bears to the total space leased until such time as the Preferential Premises shall be fully restored. If the Preferential Premises are completely destroyed or are so damaged that they will remain untenantable for more than 60 days or beyond the termination date hereof, whichever date first occurs, either party may, at its option, cancel so much of this Lease as relates to the untenantable space, such cancellation to be effective as of the date the Preferential Premises were damaged or destroyed. In such event, County shall make reasonable efforts to provide Airline with substitute space, to the extent the same is reasonably available.

6.4.2 Except as provided in subparagraph 6.4.1 above, destruction of all or part of the Preferential Premises shall not affect the obligation of Airline to pay the rents and charges set forth in this Lease.

6.4.3 In the event that the Preferential Premises are rendered untenantable for reasons other than those set forth above, there shall be a reasonable and proportionate abatement of the rentals, fees and charges provided for herein during the period that the same are so untenantable or unusable.

6.4.4 Notwithstanding any of the foregoing, in the event any damage or destruction to the Airport is caused by a negligent act or omission by Airline, its subtenants or Employees, Airline shall reimburse the County for its actual costs incurred in repairing such damage. Nothing herein shall be construed as a waiver of the right of

the County to recover damages from Airline arising out of the fault or negligence of Airline.

6.4.5 In the application of this Paragraph 6.4, the County's obligations shall be limited to repair or reconstruction of the Preferential Premises to the extent and of equal quality as obtained at the commencement of operations hereunder, and the County shall not be responsible for any consequential damages. Redecoration or replacement of Airline's furniture, equipment and supplies shall be the responsibility of Airline, unless damage thereto is caused by a negligent act or omission of the County, its agents or employees, in which event the County shall be responsible for such redecoration and replacement. Any such redecoration or refurnishing shall be of equivalent quality to that originally existing at the commencement of the Lease.

7. ASSIGNMENTS AND SUBLETTING

7.1 Assignments and Subletting. Airline shall not at any time assign or sublet its rights under this Lease or any part thereof without the prior written consent of the County; provided, however, that the foregoing shall not prevent the assignment of such rights to any corporation with which Airline may merge or consolidate, or which may succeed to the business of Airline. No such assignment or subletting shall release Airline from its obligations to pay any and all of the rentals and charges and to otherwise perform Airline's obligations set forth herein.

7.2 Successors to the County. The rights and obligations of the County under this Lease may be assigned by the County, at the option of the County, and without the necessity for the concurrence of the Airline in any such assignment.

8. OTHER AGREEMENTS

8.1 Compliance with Laws, Rules and Regulations.

8.1.1 Airline shall obtain and pay for all licenses, fees, permits or other authorization or charges as required under federal, state or local laws and regulations insofar as they are necessary to comply with the requirements of this Lease and the privileges extended hereunder. Airline shall also pay all taxes lawfully imposed upon it with respect to its property or operations on the Airport.

8.1.2 Airline shall, at all times, faithfully obey and comply with all applicable existing and future laws, rules and regulations adopted by federal, state, local and other governmental bodies and applicable to or affecting Airline and its operations and activities in and at the Airport.

8.1.3 Airline agrees to abide by and be subject to all (a) the Minimum Standards, and (b) rules and regulations which are now, or may from time to time be, lawfully promulgated by the County and/or other agencies with authority concerning management, operation or use of the Airport. A copy of the County's existing rules and regulations relating to operations at the Airport are annexed to this Lease as Exhibit 4.

8.1.4 Nothing herein shall limit the right of Airline to challenge any rule or regulation, or the application of such rule or regulation to Airline, or to seek any legal or equitable remedy.

8.1.5 Airline acknowledges that it has reviewed and is familiar with Assurances which are imposed upon the County by the Federal Aviation Administration by nature of its having received grant funding. Airline agrees that it will faithfully comply with such Assurances to the extent that they apply or hereafter apply to the Airline, and shall take no action or make no omission which would cause the County to be in default under such Assurances.

8.2 Lease Subordinate. This Lease shall be subordinate to any existing or future agreement between the County and the United States relative to the operation or maintenance of the Airport, the execution of which has been or may be required as a condition to the expenditure of federal funds for development of the Airport. If such an Agreement is entered into between the County and the United States, the parties agree to execute an amendment to this Lease so as to remove any material inconsistencies between this document and any agreement with the United States. In the event that by reason of any such Agreement with the United States, it becomes necessary to modify, relocate or remove any improvements or other structures situated on the Leased Premises, Airline agrees to modify, relocate or remove any such improvements or structures, as directed by the County, and the County shall compensate and reimburse Airline for reasonable costs and expenses (including modification, removal or relocation costs) so incurred by Airline.

8.3 Leases with Other Air Carriers. The County shall not grant to any other air carrier a lease on materially more favorable terms and conditions than as set forth in this Lease.

8.4 Non-Discrimination. In operations at and use of the Airport, the Airline shall not, on the grounds of race, color, national origin or sex, discriminate or permit discrimination against any person or group of persons in any manner prohibited by applicable law, shall abide by the provisions of Part 21 of the Rules and Regulations of the Office of the Secretary of Transportation effectuating Title VI of the Civil Rights Act of 1964.

8.5 Service Entrances. The County shall have no obligation to provide any special service entrances for utilities other than those, which presently exist in the Terminal. In the event Airline requires any additional or special service entrances, the same shall be installed at the cost and expense of Airline, and only upon prior County approval.

8.6 Availability of Governmental Facilities. In the event that air navigation aids or other facilities now or hereafter supplied by the United States and needed for Airline's operation at the Airport are discontinued, the County shall have no obligation to furnish such aids or facilities.

8.7 Relocation by the County. If in the opinion of the County, proper development or operation of the Airport requires that any part of the Leased Premises be devoted to a different use, the County shall have the right, upon six (6) months advance written notice to Airline, and without cost or expense to Airline, to relocate all or a part of the Leased Premises, on a temporary or permanent basis. If the Preferential Premises is so relocated it shall be of no less area, and as conveniently located with reference to the Security Holding Area as is reasonable, considering all demands for space at the Airport. In such event, all of Airline's improvements and trade fixtures shall, without cost or expense to Airline, be relocated or replaced on said relocated Preferential Premises, and this Lease shall continue in effect with respect to such relocated Preferential Premises.

8.8 Force Majeure. Neither the County nor Airline shall be deemed in violation of this Lease if it is prevented from performing any of its obligations hereunder by reason of strikes, boycotts, labor disputes, embargoes, shortage of aircraft or fuel or tires as the direct result of governmental decree, acts of God, acts of the public enemy, acts of superior governmental authority, weather condition, riots, rebellion, sabotage or any other circumstances for which it is not responsible and which is not under its control.

8.9 Reservation of County Rights. Notwithstanding anything herein to the contrary, the County reserves the following rights:

8.9.1 For the use and benefit of the public, the right of flight for the passage of aircraft in the air space above the surface of the Leased Premises, together with the right to cause in that air space such noise as may be inherent in the operation of aircraft utilizing the Airport.

8.9.2 The right to protect the aerial approaches of the Airport against obstruction, including the right to prohibit Airline from erecting, or permitting to be erected, any building or other structure on the Leased Premises which would, in the reasonable judgment of the County, constitute a hazard to aviation.

8.9.3 During time of war or national emergency, the right to lease the Airport or any part thereof, including the Leased Premises or any part thereof, to the United States Government for military purposes, and, in the event of such lease to the United States for military purposes, the provisions of this Lease shall be suspended insofar as such provisions may be inconsistent with the provisions of the lease to the United States.

8.9.4 The right to direct all activities of Airline at the Airport in the event of an emergency.

8.9.5 The right to grant other leases, licenses, permits or rights to occupancy or use of the Airport so long as such other grants do not unreasonably interfere with or impair Airline's rights hereunder or Airline's occupancy or use of the Leased Premises, and the right to direct changes in the way Airline conducts its Airport operations in the event that the County determines, in the exercise of its reasonable judgment, that one or more aspects of Airline's method of operation is unreasonably interfering with the lawful and proper occupancy or use by others of the Airport. Provided, that this reserved right is not intended to allow the County to deny Airline the basic right to use the Leased Premises for any of the uses permitted hereunder.

8.9.6 The right to further develop and/or improve the Airport, including the Leased Premises, as the County deems appropriate, without interference or hindrance by Airline, and the County shall have no liability hereunder to Airline by reason of any interruption to its operations on the Leased Premises occasioned by such development and/or improvement of the Airport; provided, that if Airline shall be unable to conduct reasonably normal business operations on the Leased Premises by reason of any such development and/or improvement of the Airport, then rent and other fees payable by Airline hereunder shall be subject to an equitable adjustment during the period of such interruption.

8.9.7 Prior to taking any such action which would adversely affect the operations of the Airline, the County agrees to consult with the Airline's local and/or designated representative; provided, however, that this shall not preclude the County from taking any action it deems necessary for the immediate protection of persons or property or which is necessitated by circumstances which the Airport Manager or other authorized person reasonably believes to be a threat to the general welfare.

9. MISCELLANEOUS PROVISIONS

9.1 Non-Exclusive Right. Nothing herein contained shall be construed to grant or authorize the granting of an exclusive right prohibited by Section 308 of the Federal Aviation Act of 1958, as amended, and the County reserves the right to grant to others the privilege and right of conducting any one or all of the aeronautical activities specified herein, or any other activities of an aeronautical nature.

9.2 Airline's Subcontracts. The requirements of this Lease shall apply to Airline's approved subcontractors hereunder, and Airline shall ensure that such subcontractors agree to and comply with the obligations of paragraphs hereof to the same extent required of Airline.

9.3 Headings. The section headings contained herein are for convenience in reference and are not intended to define or limit the scope of any provision of this Lease.

9.4 Time of Essence. Time is of the essence in this Lease.

9.5 Non-Waiver. Waiver by either party of or the failure of either party to insist upon the strict performance of any provision of this Lease shall not constitute a waiver of the right or prevent any such party from requiring the strict performance of any provision in the future.

9.6 Limitation of Benefit and Liability. This Lease does not create in or bestow upon any other person or entity not a party to this Lease any right, privilege or benefit unless expressly provided in this Lease. This Lease does not in any way represent, nor should it be deemed to imply, any standard of conduct to which the parties expect to conform their operations in relation to any person or entity not a party. No director, officer, official or employee of either party shall be held personally liable under the terms of this Lease.

9.7 Severability. Any covenant, condition or provision herein contained that is held to be invalid by any court of competent jurisdiction shall be considered deleted from this Lease, but such deletion shall in no way affect any other covenant, condition or provision herein contained so long as such deletion does not materially prejudice the County or Airline in their rights and obligations contained in valid covenants, conditions or provisions.

9.8 Effect of Lease. All covenants, conditions and provisions in this Lease shall extend to and bind the successors of the parties hereto, the assigns of the County and the permitted assigns of Airline.

9.9 Notices. Notices provided for in this Lease shall be sufficient if sent by First Class Mail and Certified Mail, Return Receipt Requested, postage prepaid, to a party at its address set forth above or to such other addresses as the parties may from time to time designate to the other in writing. Notices sent in such manner shall be deemed to have been delivered on the date of mailing.

9.10 Governing Law and Venue. This Lease shall be governed by and construed in accordance with the laws of the State of Colorado. Any action to enforce or interpret this Lease shall be brought in a court in and for Gunnison County, Colorado, or in the United States District Court for the District of Colorado.

9.11 Entire Lease. This Lease embodies the entire agreement between the parties hereto concerning the subject matter hereof and supersedes all prior conversations, proposals, negotiations, understandings and agreements, whether written or oral.

9.12 Attorneys' Fees. In any action to enforce or interpret the provisions of this Lease, the court may award reasonable attorney fees and costs to the prevailing party.

9.13 No Personal Liability. No director, officer or employee of either party hereto shall be held personally liable under this Lease.

9.14 Modification of Lease. This Lease may not be altered, modified or changed in any manner whatsoever except by a writing signed by all parties hereto.

9.15 Capacity to Execute. The County and Airline each warrant and represent to one another that this Lease constitutes the legal, valid and binding obligation of that party.

IN WITNESS WHEREOF, the parties have executed this Lease effective as of the day and year first above written.

BOARD OF COUNTY COMMISSIONERS
OF GUNNISON COUNTY, COLORADO

By:_____

Jonathan Houck, Chairperson

_____

Roland Mason, Commissioner

Attest:

_____

Elizabeth Smith, Commissioner

_____

Katherine Haase
Deputy Clerk

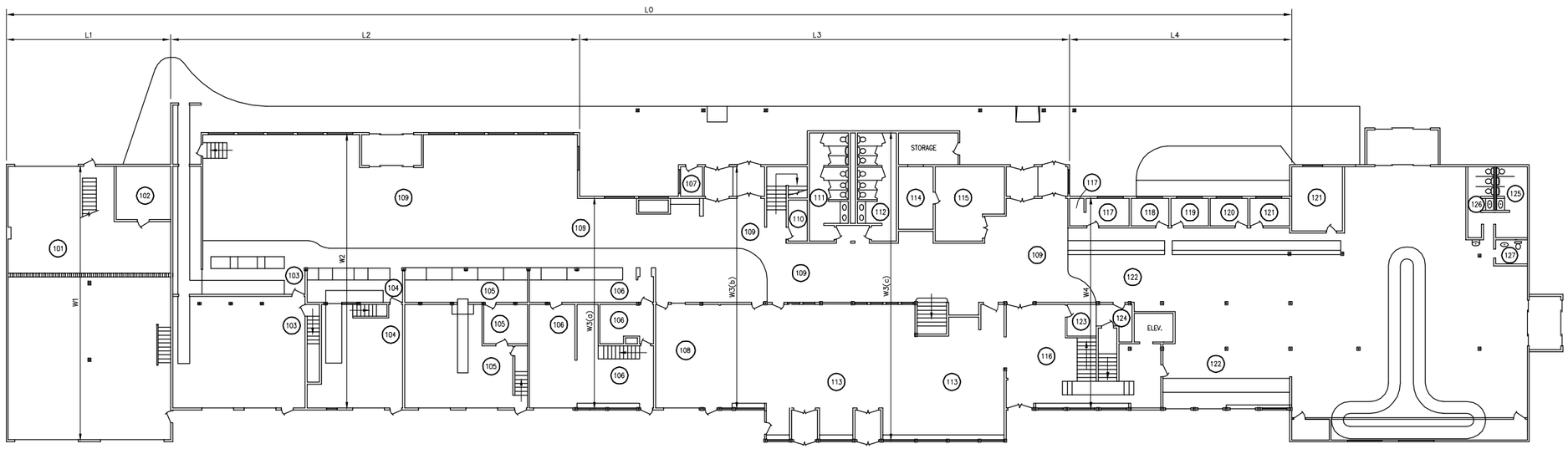
UNITED AIRLINES, INC.

Attest:

_____

Corporate Real Estate

_____



ROOM IDENTIFICATION CHART	
101	A.R.F.F. TRUCK BAY
102	A.R.F.F. EQUIPMENT ROOM
103	AMERICAN AIRLINES
104	CHARTER COUNTER/GARAGE
105	UNITED EXPRESS
106	UNITED EXPRESS
107	BUS DEPOT OFFICE
108	STERILE AREA
109	COMMON AREA
110	MAINTENANCE CLOSET
111	MENS' RESTROOM
112	LADIES' RESTROOM
113	STERILE AREA
114	HVAC ROOM
115	HVAC ROOM
116	STERILE AREA
117	BUDGET CAR RENTAL
118	AVIS CAR RENTAL
119	HERTZ CAR RENTAL
120	ALPINE EXPRESS
121	ALPINE EXPRESS
122	BAGGAGE CLAIM AREA
123	OFFICE
124	ELEVATOR MECHANICAL ROOM
125	MENS' RESTROOM
126	LADIES' RESTROOM
127	UNISEX HANDICAP RESTROOM

DIMENSION TABLE	
L0	324' 6"
L1	41' 6"
L2	103' 3"
L3	123' 9"
L4	56' 0"
W1	70' 0"
W2	70' 0"
W3	
a	53' 11"
b	61' 11"
c	78' 5"
W4	54' 0"

*AREA OF CUBICAL ONLY; TOTAL COUNTER AREA ADJACENT TO ROOMS #117 – #121 EQUALS 350 FT²

LEVEL 1

SCALE: 1/16" = 1'0"

Gunnison Crested Butte REGIONAL AIRPORT

GUNNISON–CRESTED BUTTE
REGIONAL AIRPORT
GUNNISON, COLORADO

TERMINAL
BUILDING PLAN

Carter::Burgess

ISSUE RECORD

NO.	BY	DATE	DESCRIPTION

AIP PROJECT NUMBER: NA

C&B PROJECT NUMBER: NA | DATE: 01/31/06

DESIGNED:	DRAWN:	CHECKED:	APPROVED:
---	SAN	MKN	---

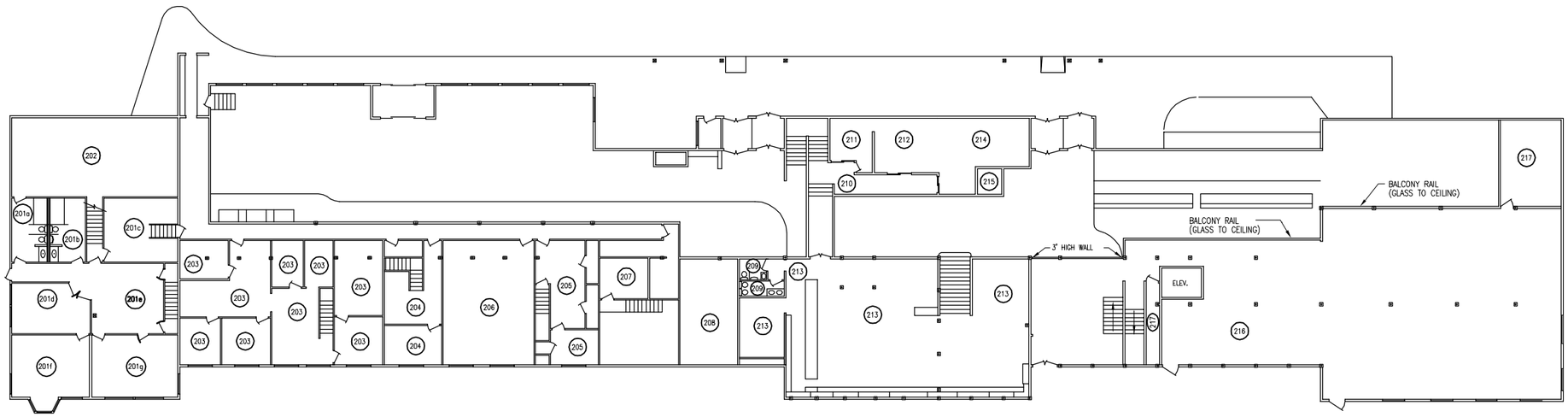
DRAWING PATH\NAME:
J:\..\..\GUC\TERM BLDG\FLOOR-PLAN.dwg

REFERENCE DRAWING PATH\NAME:
J:\..\..\GUC\TERM BLDG

TERMINAL BUILDING
FLOOR PLAN
LEVEL 1

G001

SHEET 1 OF 2



○	ROOM IDENTIFICATION CHART	AREA FT2
201a	MEN'S RESTROOM	144
201b	ILADIES' RESTROOM	144
201c	KITCHEN – BREAK ROOM	263
201d	OFFICE	230
201e	OFFICE	325
201f	OFFICE	294
201g	OFFICE	322
202	VOID	N/A
203	AMERICAN AIRLINES OFFICE	1724
204	TSA OFFICE	440
205	UNITED EXPRESS OFFICE	415
206	AIRPORT CONFERENCE ROOM	685
207	STORAGE	121
208	VOID	355
209	ELKHORN RESTROOMS	147
210	WALKWAY	180
211	GIFT SHOP	127
212	GIFT SHOP	217
213	JET WAY CAFE	2065
214	COFFEE SHOP	307
215	HVAC	56
216	STERILE AREA	1367
217	MECHANICAL ROOM	320

LEVEL 2

SCALE: 1/16" = 1'0"

Gunnison Crested Butte REGIONAL AIRPORT

GUNNISON–CRESTED BUTTE
REGIONAL AIRPORT
GUNNISON, COLORADO

TERMINAL
BUILDING PLAN

Carter::Burgess

ISSUE RECORD

NO.	BY	DATE	DESCRIPTION

AIP PROJECT NUMBER: NA

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DESIGNED:	DRAWN:	CHECKED:	APPROVED:
---	SAN	MKN	---

DRAWING PATH\NAME:
J:\..\..\GUC\TERM BLDG\FLOOR-PLAN.dwg

REFERENCE DRAWING PATH\NAME:
J:\..\..\GUC\TERM BLDG

TERMINAL BUILDING
FLOOR PLAN
LEVEL 2

G002

SHEET 2 OF 2

GUNNISON/CRESTED BUTTE REGIONAL AIRPORT

MINIMUM STANDARDS

Minimum Standards for the Provision of Commercial Aeronautical Activities at the Gunnison/Crested Butte Regional Airport

2011 REVISED

Effective Date: JULY 6, 2011

Table of Contents

ARTICLE ONE: POLICY AND GENERAL STANDARDS 1
1.1 Purpose 1
1.2 Introduction 1
1.3 Statement of Policy 2
1.4 Prequalification Requirements 2
1.5 Financial and Managerial Responsibility and Capability 3
1.6 Experience of Operator and Key Employees 4
1.7 Requirements Applicable to all FBOs, RSFOs and SASOs 4
1.8 Combined Operations and Subleases 7
1.10 Miscellaneous Aeronautical Activities 8
1.11 Violations 8
1.12 Appeals 8
ARTICLE TWO: FIXED BASE OPERATOR (FBO) 8
2.1 Statement of Concept 8
2.2 Services Provided 8
2.3 Operation Minimums 9
2.4 Facility Requirements 12
ARTICLE THREE: SPECIALIZED AVIATION SERVICES OPERATOR (SASO) ... 13
3.1 Aviation Repair Services SASO 13
3.2 Specialized Commercial Flying Services SASO 13
3.3 Flight Training SASO 14
3.4 Aircraft Sales SASO (New and/or Used) 15
3.5 Aircraft Airframe and Engine Repair and Maintenance SASO 16
3.6 Aircraft Rental SASO 16
3.7 Aircraft Charter, Air Taxi Service, Sightseeing and Aircraft Maintenance SASO 17
3.8 Flying Club SASO 18
3.9 Commercial Hangar Operator SASO 19
3.10 Temporary Specialized Aviation Service Operator SASO 19
ATTACHMENT 1: Required General Lease Clauses 21
ATTACHMENT 2: Minimum Insurance Requirements 26
ATTACHMENT 3: Application For Business License 30

ARTICLE ONE: POLICY AND GENERAL STANDARDS

1.1 Purpose. The purposes of these minimum standards are to:

1.1.1 Encourage the provision of high quality products, services, and facilities to Airport users;

1.1.2 Encourage the development of quality improvements at the Airport;

1.1.3 Promote health, safety, and welfare;

1.1.4 Promote the economic health of Airport businesses;

1.1.5 Promote the orderly development of Airport property; and

1.1.6 Promote the economic self-sufficiency of the Airport.

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

1.2 Introduction. The Gunnison County Board of County Commissioners (the "County") owns and operates the Gunnison/Crested Butte Regional Airport (the "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 articles set forth Minimum Standards for an "Operator," which is defined as any person or persons, partnership, company, trust corporation, or other entity 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 based on the Airport will also be subject to applicable federal, state and local laws, codes, ordinances and/or regulations, including Airport Rules and Regulations pertaining to all such services, and to the terms of its Lease, or License 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 shall be in the form of a Commercial Use License or if Operator is an air carrier, a Airline Operating Agreement or an Affiliate Airline Operating Agreement (collectively, a "License") and if Operator is also a tenant of the County, shall be required in addition to any written Lease establishing a tenancy on the Airport.

The provisions of the License must 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 Licenses, provided however, that if Operator is an air carrier, only the provisions of Sections 1.1 through 1.3, 1.7 (with the exception of subsection 1.7.4), 1.10 and 1.11 shall apply. If the specific commercial service provided is not contemplated or covered by these Minimum Standards, the person should approach the County to negotiate the terms of the required License.

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 commercial "through the fence"

Aeronautical Activity can adversely affect the ability of the Airport to sustain itself financially, resulting in unfair competitive situations, and contribute to loss of control with respect to Airport access. Accordingly, unless authorized at the sole discretion of the County, these Minimum Standards expressly forbid "through the fence" commercial aeronautical activity.

Licenses, and Leases containing authority to conduct commercial aeronautical activities, which are in effect on the date of adoption of these Minimum Standards will remain in effect for their prescribed terms, and shall be subject to these Minimum Standards only if so provided therein. Upon renewal or expiration of any Lease or License, or upon any change in the nature or scope of any Operator's business conducted thereunder, the Operator or Lessee shall be required to come in compliance with these Minimum Standards. No existing Operator shall engage in new or expanded activities after the adoption of these Minimum Standards, without meeting all the requirements appropriate for the activities contemplated.

These Minimum Standards may be amended by the County in its discretion from time to time as determined to be necessary by the County. Before these Minimum Standards are amended, a reasonable attempt shall be made to give all licensed Operators at the Airport written notice of the proposed amendments.

1.3 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, put all FBOs and SASOs on an equal footing in qualifying and competing for available Airport facilities and the furnishing of selected commercial aeronautical activities, and 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 qualification, its meeting these Minimum Standards, the execution of a License by the County, and the payment of rentals, fees and privilege for providing the service(s) selected on the Airport as specified in the License, the Operator may engage in approved commercial aeronautical activity. The granting of such right and privilege, however, shall not be construed in any manner as affording the Operator any exclusive right of perform such activities or services on the Airport. The County reserves and retains the right to adopt and enforce any and all resolutions, ordinances, rules, codes, minimum standards and other regulatory measures pertaining to any Commercial Aeronautic Activity at the Airport. The County further reserves the right to designate the specific Airport areas, in accordance with the existing Airport Layout Plan ("ALP"), in which 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.

1.4 Prequalification Requirements. At the time of its application, the prospective Operator shall provide the Airport Manager, in writing, the following information, and thereafter, shall provide such additional information as may be requested by the County. (~~Commerical~~Commercial Carriers are except from this requirement,)

1.4.1 License Application. The prospective Operator must submit a completed Commercial Aeronautical Use License Application (**Attachment 3**) that provides summary information regarding the applicant and the scope of the proposed operation.

1.4.2 Intended Scope of Services. The prospective Operator(except for commercial carriers) 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, all of the following:

1.4.2.1 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 more than 15% of its corporate stock with the number of total shares and the number of shares owned. If the applicant is a partnership or a Limited Liability Company, it must provide the name, address, and telephone number of all partners or members.

1.4.2.2 The requested or proposed date for commencement of the service and the term of conducting the same.

1.4.2.3 The services to be offered.

1.4.2.4 The amount, size and location of any land to be leased, which must be in compliance with the Airport's current FAA-approved ALP.

1.4.2.5 The number and type(s) of aircraft to be provided/maintained (as applicable).

1.4.2.6 The number of persons to be employed (including the names and qualifications of each manager or supervisor or other key personnel).

1.4.2.7 The hours of proposed operation.

1.4.2.8 The types and amounts of insurance coverage to be maintained, which must meet or exceed the types and amounts as established by **Attachment 2** to these Minimum Standards, as it now exists or as it may be amended hereafter.

1.5 Financial and Managerial Responsibility and Capability. The prospective Operator (except for commercial carriers) must provide a statement, satisfactory to the County, in evidence of its financial responsibility, from a 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, if any, 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.

Any information furnished under this section which is prominently marked on each page as "confidential" by the applicant, shall be considered proprietary and shall be kept confidential by the County to the extent permitted under the provisions of C.R.S. §24-72-201, *et seq.*, the Colorado Public Records Act.

1.6 Experience of Operator and Key Employees. The prospective Operator shall furnish the County with a statement of past experience of the Operator and its managers, supervisors and other 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.

1.7 General Requirements The following standards apply to all Operators, with the exception of Subsection 1.7.4 which does not apply to air carriers. Additional standards specific to each type of operation can be found in Articles Two and Three of these Minimum Standards. For purposes of these Minimum Standards, "leased premises" may include, as appropriate, any area leased, subleased or otherwise controlled by an Operator and must be on the Airport. SASOs are encouraged to be subtenants of an FBO. However, if suitable land or improvements are not available or cannot be secured from an FBO, a SASO may (a) lease land from the Airport and request its permission to construct improvements on such land in areas designated by the Airport, or (b) lease improvements from the Airport.

1.7.1 Requirement of a Lease or License.

1.7.1.1 Before beginning operations, the prospective Operator must enter into a License, or a Lease containing License provisions (collectively herein, a "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 License, however, will neither change nor modify the Minimum Standards, nor be construed in a way to make the License less demanding than these Standards.

1.7.1.2 Such a 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. The basic terms and conditions of such License are included in Required General License Clauses attached to this document as **Attachment 1.**

1.7.1.3 While the language reflects the currently applicable federal requirements, Licenses shall include all provisions required by then-current federal law and regulations. The provisions contained in **Attachment 1** are not all-inclusive and may be amended from time to time by the County without amending these Minimum Standards.

1.7.2 Site Development Standards - Physical Facilities.

1.7.2.1 The minimum space requirements as provided in Articles Two and Three of these Minimum Standards shall be satisfied, as applicable.

1.7.2.2 All paving and building shall comply with the County and/or Airport's then-current development and construction standards for the Airport and all applicable local building codes and requirements. The location of facilities on the Airport must comply with the current, FAA-approved ALP for the Airport. Operators providing rotary wing aircraft parking must follow AC150/5390-2A in design of the apron to be utilized for rotary wing aircraft parking. Leased premises that are used for commercial purposes and require public access shall have direct public street-side access.

1.7.2.3 If construction on leased premises, or alteration of existing or future structures on 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. Operator must submit FAA Forms 7460-1 and 7480-1 (if applicable) to FAA no less than 30 days prior to the commencement of such construction.

1.7.2.4 Promptly and at its own expense, Operator shall maintain the leased premises (including all related and associated appurtenances, landscaping, paved areas, installed equipment and utility services, and security lighting) in a neat, safe, and orderly condition; provide all necessary cleaning services for its leased premises, including janitorial and custodial services, trash removal services, and any related services necessary to maintain the improvements in good condition, normal wear and tear excepted; and, replace in like kind any property damaged by Operator and/or its employees, patrons, subtenants and contractors.

1.7.3 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, 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 Airport Manager including after hour's phone numbers. This list shall be updated when any change occurs.

1.7.4 Financial Surety. The Operator shall post a letter of credit in a form acceptable to the County in the amount equal to at least 10% of the annual rental established and agreed upon. This letter of credit may be waived by the County if Operator can demonstrate adequate financial means.

1.7.5 Insurance. Insurance shall be provided and paid for by the Operator in the amounts specified in Minimum Insurance Requirements (**Attachment 2**), as it may be amended by the County from time to time. Should there be any doubt about the currency of such minimum insurance requirements, the most current insurance requirements is on file with the Airport Manager. A certificate of insurance or a copy of the insurance policies involved shall be furnished to the Airport Manager by the Operator. Ten (10) days advance written notice of any change to any policy shall be given to the Airport Manager. 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 will 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 requires 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 License application.

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 Airport Manager with proper certification that such insurance is in force and shall furnish additional certification as evidence of

changes in insurance not less than ten (10) days prior to any such change, if the change results in a reduction or increase. In the event of cancellation of coverages, the Operator and underwriter shall give the County ten (10) days prior notice of cancellation and all operations of Operator on the Airport shall cease.

The applicable insurance coverage shall be in force during the period of any construction of the Operator's facilities, if any, 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 Colorado Statutes with respect to Worker's Compensation and Unemployment Insurance (where applicable). Lapses in insurance coverage may result in denial of access to the Airport and termination of the License.

1.7.6 Airport Access and Security. Airport access and security shall be maintained by Operator at all times in accordance with standards established and required by the Airport Manager, FAA, Transportation Security Administration (TSA) or other governmental entity. The Operator is also responsible for its employees', invitees', licensees', vendors', and agents' compliance with the Airport Security Program, as it may be established and amended from time to time.

1.7.7 Environmental Compliance. In its operations at the Airport, Operators shall strictly comply with all applicable environmental laws, the Airport environmental polices and procedures (including, without limitation, the Storm Water Management Plan ("SWMP") and Spill Prevention, Containment and Countermeasures Plan), and generally accepted industry environmental best management practices and standards. Without limiting the generality of the foregoing provision, Operator shall not use or store Hazardous Materials on or at the Airport except as reasonably necessary in the ordinary course of Operator's permitted activities at the Airport, and then only if such Hazardous Materials are properly labeled and contained. Operator shall not discharge, release, or dispose of any Hazardous Materials on the Airport or surrounding air, land, or water.

Operator shall promptly notify the County of any Hazardous Material spills, releases, or other discharges by Operator at the Airport and promptly abate, remediate, and remove same. Operator shall provide the County with copies of all reports, complaints, claims, citations, demands, inquiries, or notices relating to the environmental condition of the Airport, or any alleged material noncompliance with Environmental Laws by Operator at the Airport within ten (10) days after such documents are generated by or received by Operator. If Operator uses, handles, treats or stores Hazardous Materials at the Airport, Operator shall have a contract in place with an approved waste transport or disposal company, and shall identify and retain spill response contractors to assist with spill response and facilitate waste characterization, transport and disposal. Complete records of all disposal manifests, receipts and other documentation shall be retained by the Operator and made available to County for review upon request.

The County shall have the right at any time to enter the Premises to inspect, take samples for testing, and otherwise investigate the Premises for the presence of Hazardous Materials. Such inspections shall be coordinated with the Operator and scheduled during regular business hours if reasonably practical.

Operator's Hazardous Materials shall be the responsibility of Operator. Operator shall be liable for and responsible to pay all Environmental Claims that arise out of, or are caused in

whole or in part, from Operator's use, handling, treatment, storage, disposal, discharge, or transportation of Hazardous Materials on or at the Airport, the violation of any Environmental Law by Operator, or the failure of Operator to comply with the terms, conditions and covenants of this section. If the County incurs any costs or expenses (including attorney, consultant and expert witness fees) arising from Operator's use, handling, treatment, storage, discharge, disposal, or transportation of Hazardous Materials on the Airport, Operator shall promptly reimburse the County for such costs upon demand. All reporting requirements under Environmental Laws with respect to spills, releases, or discharges of Hazardous Materials by Operator at the Airport are the responsibility of Operator.

1.7.8 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, including verification of automobile insurance with the State of Colorado minimums, 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 aircraft movement areas. The 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 operating on the Airport.

1.7.9 Other FAA Requirements In addition to these Minimum Standards, where applicable Federal certification standards exist for a given commercial aeronautical activity, each FBO and SASO offering such activity shall provide sufficient equipment, supplies and availability of parts as required for certification by the Federal Aviation Administration.

1.7.10 Manner of Operations. Operator shall at all times provide products, services, and facilities on a reasonable and not unjustly discriminatory basis to all consumers and users of the Airport; charge reasonable, and not unjustly discriminatory, prices for each product and service, provided that, Operator may be allowed to make reasonable and nondiscriminatory, rebates, or other similar types of price reductions to volume purchasers; and,conduct its activities on and from the Airport in a safe, efficient, and first class professional manner consistent with the degree of care and skill exercised by experienced operators providing comparable products, services, and facilities and engaging in similar activities from similar Airports.

1.8 Combined Operations and Subleases.

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

1.8.2 If an FBO or SASO desires to sublease space to another person to provide one or more Commercial Aeronautical Activities, the following conditions will apply.

1.8.2.1 The subleasing party must obtain a License from the County to operate at the Airport.

1.8.2.2 The FBO or SASO must obtain written approval from the County to sublease the space and function.

1.8.2.3 The FBO or SASO must ensure payment to the County of fees applicable to the class of services provided by the sub-lessee at the levels approved by the Airport.

1.8.2.4 FBO or SASO must carry public liability insurance in accordance with Section 1.7.5 above, and the Minimum Insurance Requirements (**Attachment 2**) for its lessee, or provide a certificate of insurance that shows the lessee and the County as additional insured, the amounts commensurate with the services provided by the sub-lessee.

1.9 Miscellaneous Aeronautical Activities. Miscellaneous Commercial Aeronautical Activities not herein provided for may be permitted on the Airport on a case-by-case basis, by making formal application to the County for approval of such activity, and upon a showing that such activities may be safely conducted at the Airport without undue interference with other permitted aeronautical activities. Reasonable terms and conditions for the privilege of engaging in these other services will be commensurate in nature and scope with the activities proposed. The County reserves the right to deny or restrict aeronautical activities at the Airport which may interfere with or create a safety hazard for other Aircraft operating at or near the Airport.

1.10 Violations. Any Operator that violates any of the provisions in these Minimum Standards will be notified of the violation and given 30 days in which to correct said violation. Should such violation not be corrected within 30 days, the County shall have the right to terminate, suspend or revoke the License. Nothing in this paragraph shall prevent the County from immediately suspending a License, or taking any other immediate action when a safety related or hazardous situation exists.

1.11 Appeals. Any person who is adversely affected by a determination of the Airport Manager, to deny, terminate, suspend or revoke a License may appeal the determination to the Board of County Commissioners of Gunnison County. On appeal the determination of the Airport Manager shall be presumed to be correct.

ARTICLE TWO: FIXED BASE OPERATOR (FBO)

2.1 Statement of Concept. A Fixed Base Operator engages in providing essential and specialized aircraft services to the general public. The minimum levels of essential services are purposely set to ensure that all of the basic needs for aircraft owners, pilots and passengers are provided for at the Airport.

2.2 Services Provided. A Fixed Base Operator (FBO) shall provide or enter into an agreement to provide all of the following essential services to the public at the Airport at reasonable rates and charges and without unjust discrimination:

2.2.1 Aircraft Line Services:

2.2.1.1 Fueling, lubricating and miscellaneous services;

2.2.1.2 Ramp parking and tie-down;

2.2.1.3 Separate crew lounge and passenger lobby facilities;

2.2.1.4 Public restrooms and telephone; Loading, unloading and towing;

2.2.1.5 Hangar storage; De-icing service; Engine preheating;

2.2.1.6 Oxygen;

2.2.1.7 Aircraft starting;

2.2.1.8 Strut and Tire inflation (with both air and nitrogen);

2.2.1.9 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; and

2.2.1.10 Lavatory cart service.

2.2.2 Aircraft Airframe and Engine Repair and Maintenance.

2.2.3 Flight Training.

2.2.4 Aircraft Rental.

2.2.5 Related Other Services such as the sale of sectional or World Aeronautical Charts (WAC) covering the territory within three hundred miles of the Airport, flashlight and batteries, and plotters and computers generally used by pilots for flight planning, current aeronautical weather information, and the sale of food and beverages to General Aviation (vending machines and access to catering service).

2.2.6 The FBO shall provide no other commercial aeronautical services or activities except as provided in its License.

A Fixed Base Operator may either provide the required Aircraft Airframe & Engine Repair and Maintenance, Flight Training and Aircraft Rental, Oxygen Service, Strut Inflation and Tire Inflation with Air and Nitrogen, Food Service/Restaurant, and Catering Service directly, or by provision of an agreement with a County's approved SASO on the Airport, to provide such services. It will remain the ultimate responsibility of the FBO to ensure such services will be available.

Article Three of these Minimum Standards includes a detailed description of the minimum aircraft airframe and engine repair and maintenance, flight training, and aircraft rental services that an FBO, or any SASO engaging in such activities, must provide. FBOs may also engage in other Commercial Aeronautical Activities as identified in its License.

2.3 Operational Minimums. 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 Article 1) and additional standards (set out in Article 4) for any additional SASO activities provided:

2.3.1 In connection with aircraft fueling and line services:

2.3.1.1 Contracts For Delivery of Fuel. FBO shall demonstrate, to the County's satisfaction, that a reputable aviation fuel and lubricant distributor will provide the FBO 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. FBO shall also negotiate in good faith with air carriers serving the Airport, to permit storage of air carrier fuel in FBO tanks, subject to reasonable terms and conditions, including the charging of an into-aircraft service charge. In judging the reasonableness of such terms, similar agreements existing at other Airports in Colorado may be used, but need not be exclusively used, as the standard of reasonableness.

2.3.1.2 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 License.

2.3.1.3 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" basis with a maximum response time of two hours. If contracted to do so, FBO will meet all scheduled Air Carrier Aircraft requiring such fuels and lubricating oils, to enable such Aircraft to meet all turnaround times and schedules.

2.3.1.4 Minimum Equipment. FBO shall provide mobile fuel dispensing equipment, which display approved FAA marking and signage, capable of servicing, in an efficient and safe manner all types of commercial and general aviation aircraft which use the Airport. FBO shall have two (2) metered, filter equipped, refueler trucks for dispensing jet fuel with a capacity of at least 1,500 gallons each and one (1) metered, filter equipped, refueler truck for dispensing AVGAS (100LL) with a capacity of at least 700 gallons. The FBO will be required to use the Airports fuel farm facility.

2.3.1.5 Individual in Charge. The individual managing the operations of the FBO 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 in size, facilities, and activity as the Gunnison/Crested Butte Regional Airport.

2.3.1.6 Safety of Fueling Operation. In conducting fuel operations, FBO shall be required to 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), including NFPA Manual 407, "Aircraft Fuel Servicing," and any additional fire code adopted by the County. 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 at any time for fire and other hazards by the Airport Manager or other representative of the County, by the State Oil Inspector and by the appropriate State and local fire agency. FBO shall be responsible to perform all fuel system equipment maintenance (both periodic and on-demand) and inspection in a manner that meets

NFPA, National Air Transport Association (NATA), FAA and all applicable State and local standards. Further, FBO shall be in full compliance with fire codes and federal, state and local laws, ordinances, rules and regulations pertaining to fire safety. The FBO shall have spill kits immediately available and shall maintain a spill-prevention and control plan in accordance with applicable federal, state and local laws, rules and regulations.

2.3.1.7 Fuel Quality. The FBO 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 FBO shall maintain current fuel reports on file and shall make them available, upon written notice, to the Airport Manager or his/her designee, for inspection and auditing. Fueling service by the FBO shall be in full compliance with federal, state and local laws and regulations including American Petroleum Institute quality control standards, and Air Transport Association, Specification 103 ("ATA 103"), including proper fire protection and electrical grounding of aircraft during fueling operations, and operate in compliance with safety requirements as set forth and as amended from time to time in the Airport Rules and Regulations.

2.3.1.8 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 starters.

2.3.1.9 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 is not permitted outside of buildings located on the leased Premises.

2.3.1.10 Disabled Accident Removal. FBO shall be prepared to remove disabled aircraft from the movement areas of the AOA. It shall have personnel trained and have access to equipment or be able to arrange for the equipment and/or services required to remove damaged aircraft from the AOA movement areas. The FBO shall have personnel on call and able to respond to a damaged aircraft within one (1) hour of notification.

2.3.1.11 Ramp Parking, Tie-Down, Aircraft Storage and FBO Ramp Assistance within the FBO's leased premises. The FBO Operator shall have at least one (1) tug capable of towing up to 50,000 pound aircraft, or the largest corporate aircraft that regularly uses FBO services on a monthly basis, whichever is greater. Operator shall have at least one ground power unit, one (1) de-icing unit, one (1) lavatory cart, one (1) potable water cart, and adequate ground transportation vehicles capable of transporting passengers between the FBO and the aircraft ramp. The FBO 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.

2.3.1.12 Rates and Charges. The FBO's rates or charges to General Aviation users for aircraft parking, tie-down and storage shall be determined by the FBO. Such rates or charges shall be fair and reasonable, and shall be equally and fairly applied to all users of the services, without discrimination. All rates and charges for such services and products shall be filed, upon request, with the Airport Manager.

2.3.1.13 Aircraft Tie-downs. FBO shall provide 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.

2.3.1.14 Employee Training. FBO shall provide properly trained personnel to perform all activities which the FBO is required to perform under these Minimum Standards and its License. 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.

2.3.1.15 Hangar Storage. FBO shall provide suitable hangar storage facilities constructed in accordance with County building and construction standards, all applicable state and fire codes.

2.3.2 In connection with aircraft airframe and engine repair and maintenance, the FBO shall comply with all requirements for provision of aircraft airframe and engine repair and maintenance services as set out in Article Three of these Minimum Standards.

2.3.3 In connection with flight training and aircraft rental, the FBO shall comply with all requirements for provision of flight instruction and aircraft rental services as set out in Article Three of these Minimum Standards.

2.4 Facility Requirements. Minimum land and improvements required for FBO's shall be as follows:

2.4.1 The minimum land to be leased for an FBO shall be five (5) acres (217, 800 square feet), including no less than 140,000 square feet of paved ramp space, capable of regularly supporting the largest general aviation aircraft generally using the Airport, but not less than 12,500 pounds.

2.4.2 Building improvements shall be permanent in nature, shall contain at least 20,000 square feet for total FBO operations (including office, lounge and hangar space) and may be contained in one or more buildings. At a minimum, 4,000 square feet of building area shall contain crew and passenger lounge facilities, clean, sanitary, heated and free public restrooms. At least one working telephone shall be provided for public use. Each FBO shall provide at least one heated clear span hangar containing 14,000 square feet and shall provide additional hangar space as needed and approved by the Airport.

Asphalt or concrete paved surface, on-site automobile parking space shall be provided in compliance with parking standards and requirements of the County Land Use Regulations as amended from time to time and ADA requirements. Proper signage shall also be installed.

2.4.3 All paving and buildings shall comply with the then current County building, development and construction standards and shall be approved in writing by the County before construction begins.

2.4.4 Upon completion of construction, FBO shall provide to Airport management three sets of as-built drawings with at least one of them electronically in AutoCAD or other acceptable format.

ARTICLE THREE: SPECIALIZED AVIATION SERVICES OPERATOR (SASO)

3.1 Aviation Repair Services SASO (Avionics, Painting, Upholstery, Propellers, Instruments, Accessories, etc.)

3.1.1 Statement of Concept. This category of SASO provides specialized commercial aircraft repair services 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. This SASO 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.

3.1.2 Minimum Standards.

3.1.2.1 This SASO 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 all EPA regulations need to be addressed relative to the painting operation, the SASO 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 Manager prior to installation, and a paved aircraft apron, all within the leased area, and sufficient to accommodate the SASO's services, shall be provided.

3.1.2.2 This SASO 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.

3.1.2.3 This SASO 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.

3.1.2.4 This SASO shall have in its employ, and on duty during the required operating hours, trained personnel currently certified in the services to be performed (such as FAA radio, instrument or propeller repairmen), in such numbers as are required to provide services in an efficient manner.

3.2 Specialized Commercial Flying Services SASO.

3.2.1 Statement of Concept. This category of SASO engages in specialized commercial flying services for hire, for the purpose of providing the use of aircraft for any of the services listed below:

3.2.1.1 Crop dusting, seeding, or spraying;

3.2.1.2 Aerial photography or survey;

3.2.1.3 Power line, underground cable or pipeline patrol;

3.2.1.4 Fire fighting; or

3.2.1.5 Any operations, other than sightseeing, specifically excluded from Part 135 of the Federal Aviation Regulations.

3.2.2 Minimum Standards.

3.2.2.1 In case of crop dusting, aerial application or other commercial use of chemicals, this SASO shall provide a centrally drained, paved area adequate for all aircraft loading, unloading, washing and servicing. This area must be built and operated in full compliance with all applicable federal, state and local laws and regulations, specifically including but not limited to the USEPA, Colorado Department of Public Health and Environment and the County regulations governing such activities. SASO 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. Material Safety Data Sheets (MSDS) are required to be onsite and two copies shall be provided to the Airport Manager. This SASO 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.

3.2.2.2 This SASO shall provide and have based on its leasehold, either owned or under written lease to the SASO, 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

3.2.3 This SASO must provide, by means of an on or off-Airport office or a telephone, a point of contact for the public desiring to utilize SASO's services.

3.2.4 This SASO 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.

3.3 Flight Training SASO.

3.3.1 Statement of Concept. This category of SASO engages in commercial flight training, 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.

3.3.2 Minimum Standards.

3.3.2.1 The SASO must lease at least one aircraft tie-down or own or lease hangar space. The SASO may sub-lease these facilities from an approved Airport tenant. In addition, they must provide at least 150-square feet 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 SASOs.

3.3.2.2 If this SASO prefers to build a hangar for aircraft storage, the SASO 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 Manager prior to installation, and a paved aircraft apron, all within the leased area and sufficient to accommodate the SASO's services and operations, shall also be provided.

3.3.2.3 This SASO shall have available for use in flight training, either owned or under written lease to the SASO, 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.

3.3.2.4 The SASO 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.

3.3.2.5 This SASO shall have available, on a full-time basis, at least one (1) ground and flight instructor who has been currently certificated by the FAA to provide the type of ground training offered.

3.4 Aircraft Sales SASO (New and/or Used).

3.4.1 Statement of Concept. This category of SASO engages in commercial aircraft 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.

3.4.2 Minimum Standards.

3.4.2.1 This SASO shall provide at least 150-square feet. 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 this SASO's services and operations, shall also be provided.

3.4.2.2 This SASO 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. This SASO 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.

3.4.2.3 This SASO shall have its services available on a basis consistent with its franchise agreement.

3.5 Aircraft Airframe and Engine Repair and Maintenance SASO.

3.5.1 Statement of Concept. This category of SASO engages in commercial aircraft airframe and engine repair and maintenance, 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.

3.5.2 Minimum Standards.

3.5.2.1 This SASO 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 Manager prior to installation and a paved aircraft apron, all within the leased area sufficient to accommodate the SASO's services and operations, shall be provided.

3.5.2.2 This SASO shall provide sufficient equipment, supplies and availability of parts equivalent to that required for certification as a FAA approved repair station.

3.5.2.3 This SASO shall have its services available eight (8) hours per day five (5) days per week.

3.5.2.4 This SASO 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.

3.6 Aircraft Rental SASO.

3.6.1 Statement of Concept. This category of SASO engages in the commercial rental of aircraft to the public.

3.6.2 Minimum Standards.

3.6.2.1 This SASO must lease at least one (1) aircraft tie-down, or own or lease hangar space. The SASO may sub-lease these facilities from an approved Airport tenant. In addition, this SASO shall provide at least 150-square feet. of properly lighted and heated floor space for office space and restrooms. This space may be subleased and or shared with other Airport-approved SASO's. Paved automobile parking or other acceptable all weather surface, to be approved in writing by the Airport Manager prior to installation, and a paved aircraft apron, all within the leased area and sufficient to accommodate this SASO's services and operations, shall also be provided.

3.6.2.2 This SASO 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.

3.6.2.3 This SASO shall have its service available eight (8) hours per day seven (7) days per week.

3.6.2.4 This SASO shall have available trained personnel in such numbers as are required to meet the minimum standards set forth in an efficient manner.

3.7 Aircraft Charter, Air Taxi Service, Sightseeing and Aircraft Management SASO.

3.7.1 Statement of Concept. This category of SASO engages in either (a) aircraft charter and air taxi operations by 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) nonstop sightseeing flights that begin and end at the Airport, or (c) management of aircraft for aircraft owners.

3.7.2 Minimum Standards.

3.7.2.1 This SASO shall lease or sublease an area existing or adequate to provide for aircraft storage, including an area to erect a hangar containing not less than 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 Manager prior to installation, and a paved aircraft apron the leased area and sufficient to accommodate this SASO's services and operations shall also be provided.

3.7.2.2 This SASO shall have available for hire, either owned or under written lease to SASO , at least one (1) four-place aircraft equipped for and capable of use in instrument conditions, or a sufficient number of aircraft properly certificated to handle the proposed scope of its operation.

3.7.2.3 This SASO 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.

3.7.2.4 This SASO 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 this SASO. This SASO 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. This SASO shall provide reasonable assurance of continued availability of qualified operating crews and approved aircraft within a reasonable or maximum notice period.

3.7.2.5 Non-scheduled Air Taxi and aircraft management companies providing service to and from the Airport, but not based on the Airport, are exempt from these Minimum Standards.

3.8 Flying Club SASO.

3.8.1 Statement of Concept. This category of SASO is for the purpose of fostering and promoting flying for pleasure, developing skills in aeronautics, including pilotage, navigation and an awareness and appreciation of aviation requirements and techniques. All flying clubs desiring to base their aircraft and operate at the Airport must comply with these requirements.

3.8.2 Minimum Standards**.**

3.8.2.1 This SASO shall be a registered not for profit or non-profit corporation, association or other entity organized for the primary purpose of providing its members with aircraft for their personal use and enjoyment only. The property rights of the members of the club shall be equal and no part of the net earnings of the club will inure to the benefit of any member in any form (salaries, bonuses, etc.). Flying Club SASOs may not derive greater revenue from the use of its aircraft than the amount necessary for the operations, maintenance and replacement of its aircraft.

3.8.2.2 This SASO may not offer or conduct charter, air taxi, aircraft rentals, or any other form of commercial aeronautical activity. They may not conduct aircraft flight instruction except for regular members, and only members of the flying club may act as pilot in command of the aircraft except when receiving dual instruction.

3.8.2.3 Members may compensate other members for flying services; however, no service can be performed for the benefit of a non-member, except for occasional operations conducted pursuant to FAR Part 91 when the costs are shared with the member.

3.8.2.4 Any qualified mechanic and/or flight instructor, who is a registered member and part owner of the aircraft owned and operated by the flying club SASO, shall not be restricted from doing maintenance and/or giving instruction in aircraft owned by the club. Mechanics and instructors may be compensated by credit against payment for dues or flight time or by direct payment for services, provided however that the mechanic or instructor is not a full time employee of the club.

3.8.2.5 All Flying Club SASOs and their members are prohibited from leasing or selling any goods or services whatsoever to any person or firm other than a member of such club at the Airport, except that said flying club may sell or exchange its capital equipment. Nothing in this paragraph is intended to prohibit occasional events or activities intended to raise funds for the operation of the club, which if conducted on the Airport, have the prior approval of the Airport Manager.

3.8.2.6 A Flying Club SASO shall abide by and comply with all applicable federal, state and local laws, ordinances, regulations, the Rules and Regulations of the Airport, and these Minimum Standards.

3.8.2.7 This SASO, with its request for a License, shall furnish the County with a copy of its by-laws, articles of incorporation/association, or other documentation supporting its existence.

3.8.2.8 Flying Club SASOs, upon request by the County, shall provide satisfactory evidence of all club income and expenses and evidence of ownership of aircraft. Such request shall be made by the County upon reasonable cause.

3.9 Commercial Hangar Operator (SASO).

3.9.1 Statement of Concept. This category of SASO is for an entity which owns or leases a hangar structure(s) for the purpose of leasing or subleasing hangar and associated office or shop space to entities engaging in commercial or non-commercial Aeronautical Activities.

3.9.2 Minimum Standards.

3.9.2.1 This SASO may use its premises for the purpose of (1) the SASO's own use, primarily for its Aircraft and/or equipment, and (2) the leasing or subleasing of hangar and associated office and shop space, which can be used for approved commercial or non-commercial Aeronautical Activities.

3.9.2.2 A SASO engaging in this activity shall have adequate land, apron, vehicle parking, and facilities to accommodate all activities of the Operator and all approved tenants. All required improvements including, but not limited to, apron/paved tie-down, vehicle parking, roadway access, landscaping, and all facilities shall be located on contiguous land or adjacent land that is determined by the Airport Manager to adequately meet the requirements. Apron/paved tie-down shall be equal to one times the hangar square footage or adequate to accommodate the movement of aircraft into and out of the hangar, staging and parking of aircraft.

3.10 Temporary Specialized Aviation Service Operator (SASO).

3.10.1 Statement of Concept. Aircraft operators using the Airport may require specialized assistance with the maintenance of their Aircraft and/or flight training of their pilots. When assistance is not available on the Airport through an existing approved Operator due to either the specialized nature of the maintenance and/or flight training requirements, the Airport Manager may allow an Aircraft operator to solicit and utilize the services of a qualified entity to provide said services.

3.10.2 Minimum Standards. This SASO shall conduct Activity on and from the premises of the Aircraft operator in a first-class manner consistent with the degree of care and skill exercised by experienced Operators providing comparable products and services and engaging in similar activities.

3.10.2.1 The Aircraft operator must submit a request to the Airport Manager on behalf of this SASO, which shall then obtain a 30-day temporary License from the Airport Manager prior to engaging in activity on the Airport. This SASO must meet those requirements of these Minimum Standards which the Airport Manager deems reasonable under the circumstances, including insurance requirements applicable to the type of service being provided.

3.10.2.2 Aircraft operators requiring after-hour or weekend service by a Temporary SASO must notice the Airport Manager prior to the Temporary SASO engaging in activities on the Airport.

3.10.2.3 Aircraft operators are responsible for assuring compliance with all Airport Rules and Regulations by the Temporary SASO while on the Airport.

3.10.2.4 The Temporary SASO shall have and provide to the Airport Manager evidence of all federal, state and local licenses and certificates that are required for the services to be provided on the Airport.

ATTACHMENT 1
TO MINIMUM STANDARDS

Required General License Clauses

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

The Operator agrees to operate any leased premises of Operator on the Airport 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. Operator agrees that in conducting its operations under the 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. Operator 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 any premises and facilities of Operator at the Airport, (2) that in the construction of any improvements on, over, or under such premises and facilities 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 Operator shall use any such premises and facilities 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. Operator 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. Operator 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. Operator assures that it will require that its covered sub-organizations provide assurances to Operator 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. Operator 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 Operator may make reasonable and non-discriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.

e. Operator agrees that no person shall be excluded from participation in, denied the benefits of, or otherwise discriminated against in the performance of this 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 Operator by either the County or the U.S. Government, and Operator's failure to substantially remedy such noncompliance within a reasonable period, shall constitute a material breach of these provisions and this License. In the event of such noncompliance, the County shall have the right to terminate this 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 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 they see fit, without unreasonable interference or hindrance. If the physical development of the Airport requires the relocation of Operator-owned facilities during the any lease term, the County agrees to provide a comparable location without any unreasonable interruption to the Operator's activities, and agree to relocate all Operator-owned buildings or provide similar facilities for the Operator at no cost to the Operator, except as amended by a 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 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 any leased premises of Operator on the Airport, 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 Airport.

8. Airport Obstructions or Other Hazards

The Operator expressly agrees for itself, its successors and assigns that it will (1) not erect nor permit the erection of any structure or object nor permit the growth of any tree on any leased premises of Operator on the Airport that violates14 CFR Part 77 Surfaces; (2) not make use of

any such leased premises in any manner which might interfere with operation or safety of the Airport or otherwise constitute a hazard; and (3) submit form 7460-1 and 7480-1 (if applicable) to the FAA at least 30 days prior to the construction of any structure or potential obstacle.

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 Operator.

9. Compliance with Laws, etc.

The Operator shall comply with the Airport Rules and Regulations, the Airport Security Plan, Airport Minimum Standards, and the Airport Operations Manual, as existing at the time the 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. Operator shall, at its sole cost and expense, pay all taxes, fees and other charges that may be levied, assessed or charged by any duly authorized agency.

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 authorized business operations on the Airport.

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 USEPA, 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 indemnify, protect, defend, and hold the 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 License and/or the use or occupancy of any leased premises of Operator on the Airport, 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 the County in defending against the civil penalty action and for any civil penalty or settlement amount paid by the 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 TSA Part 1542, Airport Security, TSA Part 1544, 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 License for matters arising before such expiration or early termination.

13. Right of Entry

a. Any official representative of the County may enter upon any leased premises of Operator on the Airport during normal operating hours, and for any purpose incidental to, or connected with the performances of the Operator's obligations under this License or in the exercise of their function as a representative of the County.

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

c. To facilitate 13.b above, the Operator shall either provide escrowed door keys, access codes, or the like to the Airport Manager for any leased premises of Operator on the Airport, or accept responsibility and hold County harmless for possible damage to such 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 this License, the Operator's rights to the premises, facilities, other rights, licensed services and privileges granted in this License shall cease, and the Operator shall, upon such expiration or termination immediately and peacefully surrender the same.

15. Assignment

All covenants, stipulations and provisions in this License shall extend to and bind the Operator's legal representatives, successors and assigns.

This 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 Operator from its obligations under the 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 Operator, (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 Operator, (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 Operator, 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 Operator. If Operator shall assign or attempt to assign its interest in the whole or any part of this License in violation of this Article, such assignment shall be void and this License 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 License shall be subordinate to the provisions and requirements of any existing or future agreement between County, the State of Colorado, and the United States, relative to the development, operation or maintenance of the Airport. This 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.

17. Taxes Operator shall, at its sole cost and expense, pay all taxes, fees, and other charges that may be levied, assessed, or charged by any duly authorized governmental agency, with respect to its operations on and from the Airport, its property used in such operations, and its possessory interests, if any.

ATTACHMENT 2
Minimum Insurance Requirements
Gunnison/Crested Butte Regional Airport
for Commercial Aeronautical Activities

Note: *In all cases, the minimum insurance requirements for each of the below-listed commercial aeronautical activities shall not be less that the maximum amount that may be recovered against the County under the* ***Colorado Governmental Immunity Act****,(Sec. 24-10-101-et sec.C.R.S.) whichever is greater.*

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.

Hangar Keeper's Liability - $1,000,000 per occurrence.

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

Environmental Liability - $1,000,000

Aviation Repair Services SASO (Avionics, Painting, Upholstery, Propeller, Instruments, Accessories, etc.)

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.

Hangar Keeper's 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.

Specialized Commercial Flying Services SASO

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 sub-limit of $100,000 per passenger will be permitted, as applicable.

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.

Flight Training SASO

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 sub-limit of $100,000 per passenger will be permitted, as applicable.

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 SASO (New and/or Used)

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.

Aircraft Airframe & Engine Repair & Maintenance SASO

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.

Hangar Keeper's 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.

Aircraft Rental SASO

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 sub-limit of $100,000 per passenger will be permitted, as applicable.

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 Charter & Air Taxi SASO

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

Seating Capacity	Amount
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.

Flying Club SASO

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 sub-limit of $100,000 per passenger will be permitted, as applicable.

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:

Seating Capacity	Amount
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 Airport in the airline's fleet.

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

Hangars Keepers 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.

ATTACHMENT 3

Application For Business License

Gunnison/Crested Butte Regional Airport

---

1. **BUSINESS NAME**: _____
   ADDRESS: _____
   PHONE: _____ **FAX**: _____

2. **RESPONSIBLE PARTY OR PRINCIPALS & OWNERSHIP PERCENTAGE**:

   _____ **(%) PHONE**: _____
   _____ **(%) PHONE**: _____
   _____ **(%) PHONE**: _____
   (Use additional sheet if necessary to completely answer.)

3. **BUSINESS LICENSE REQUESTED** (Category from Minimum Standards):

4. **DESCRIPTION OF SERVICES IN DETAIL** (Attach Additional Sheets If Necessary):

5. **DESCRIPTION OF FACILITY** (Include Size, Type Building, Intent to Lease or Build):

6. **PROPOSED DATE OF COMMENCEMENT OF BUSINESS:**

BUSINESS NAME: _____

7. **NUMBER OF EMPLOYEES/NEW JOBS CREATED**: _____
8. **ANTICIPATED SALARY RANGES OF EMPLOYEES**: _____
9. **NAMES AND QUALIFICATIONS OF KEY PERSONNEL:**

10. **PROPOSED HOURS OF OPERATION:**

8. **FAA CERTIFICATES & LICENSES HELD FOR PROPOSED ACTIVITIES**
(Include Type Certificate and Certificate Number):

_____

_____

_____

9. **INSURANCE** (List All Insurance Coverage Applicable and Limits of Liability. Must Meet Minimum Insurance Requirements Contained In Minimum Standards):

_____

_____

10. **Is Gunnison County named as an Additional Insured?**

YES _____ NO _____

11. **ATTACHMENTS**:

The following documents at a minimum must accompany the submittal of this Application. Failure to attach may cause Application to be incomplete and not considered.

a. Corporate Financial Statements
b. Banking References
c. Personal Financial Statements for Previous Two (2) Years (If a family owned business or no previous corporate financial history available, or at the discretion of the Authority).

All commercial activities conducted on the Gunnison/Crested Butte Regional Airport require an approved Business License.

All questions and comments should be directed to the Airport Manager.

General Definitions. The general definitions contained in the annexed Exhibit _4__ are hereby incorporated by reference in these Minimum Standards.

1. COMMON DEFINITIONS.

The following definitions are applicable to these Minimum Standards adopted for or by the Gunnison/Crested Butte Regional Airport. These definitions shall apply to these terms whenever used in the Minimum Standards, unless expressly defined differently therein, whether or not the terms are capitalized.

1.1 Aeronautical Activity . Any activity or service that involves, makes possible, facilitates, is related to, assists in, or is required for the operation of Aircraft or another aeronautical activity or which contributes to or is required for the safety of such operations.

The following activities, without limitation, which are commonly conducted on airports, are considered "Commercial Aeronautical Activities" within this definition: Aircraft charter, pilot training, Aircraft rental, sightseeing, aerial photography, aerial spraying and agricultural aviation services, aerial advertising, aerial surveying, air carrier operations (passenger and cargo), Aircraft sales and service, sale of aviation fuel and oil, Aircraft maintenance, sale of Aircraft parts, and any other activities which, in the sole judgment of the Airport, because of their direct relationship to the operation of Aircraft or the Airport, can be appropriately regarded as an aeronautical activity.

1.2 Aircraft. Means any airplane, helicopter, flying machine, balloon, parachute, glider or any contrivance now known or hereafter invented, used or designed for air navigation or flight.

1.3 Air Operations Area (AOA). A portion of the Airport designated and used for landing, taking off, or surface maneuvering of Aircraft. There are two areas of the AOA, the movement area and the non-movement area. These areas are shown on the Airport Layout Plan (ALP).

1.4 Aircraft Maintenance. Means the repair, adjustment, or inspection of Aircraft. "Major Repairs" means major alterations to the airframe, power plant, propeller, and accessories as defined in 14 CFR Part 43. "Minor Repairs" means normal, routine annual inspection with attendant maintenance, repair, calibration or adjustment or repair of Aircraft and their accessories.

1.5 Airframe and Powerplant Mechanic (A&P Mechanic). A person who holds an Aircraft mechanic certificate with both airframe and powerplant ratings, issued by the FAA under the provisions of 14 CFR Part 65.

1.6 Airport. The property and facilities known as the "Gunnison/Crested Butte Regional Airport," including any property which may be acquired or leased by the County to serve as part thereof, including the passenger terminal facility.

1.7 Airport Manager. Means the person responsible for administration and operation of the Airport, and that person's designees.

1.8 Airport Layout Plan (ALP). The current FAA-approved drawing depicting the physical layout of the Airport and identifying the location and configuration of current and proposed runways, taxiways, taxilane, buildings, roadways, utilities, navaids, apron, airport operations areas, etc.

1.9 ATC. Air traffic control.

1.10 Apron. Those paved areas of the Airport within the AOA designated for the loading or unloading of passengers or cargo, servicing, or parking of Aircraft.

1.11 Based Aircraft. Any Aircraft utilizing the Airport as a base of operation (other than occasional transient purposes) with an assigned tie down or hangar space on the Airport, or on adjoining property which has direct taxiway access to the Airport.

1.12 Building. The main portion if each structure, all projections or extensions there-from and any additions or changes thereto, and shall include hangars, garages, outside platforms and docks, carports, canopies eaves and porches. Paving, ground cover, fences, signs and landscaping shall not be included in this definition.

1.13 County. The County of Gunnison, State of Colorado.

1.14 CFR. Code of Federal Regulations.

1.15 Commercial. That which involves or makes possible earnings, income, compensation (including exchange of service), and/or profit, whether or not such objectives are accomplished. Commercial activities include the sale, offering for sale, rental or furnishing of any commodity, article, facility or space, or the provision of any service for compensation of any type, whether the same occurs in whole or part on the Airport.

1.16 Courtesy Vehicle. Any vehicle used in commercial activity, other than a taxicab, to transport persons, baggage, goods, or any combination thereof, between the Airport and off-Airport businesses such as hotels, motels, or other attractions and the business establishment owning or operating such vehicle, the operation of which is generally performed as a service without direct costs to the passenger.

1.17 DHS. Department of Homeland Security of the United States government.

1.18 Equipment. All machinery, supplies, tools, trade fixtures and apparatus necessary to the proper conduct of the activity being performed.

1.19 Environmental Laws. Any and all laws, rules, regulations, regulatory agency guidance's and policies, ordinances, applicable court decisions, and airport guidance documents, directives, policies (whether enacted by any local, state or federal governmental authority, or by the Airport) now in effect or hereafter enacted that deal with the regulation or protection of the environment (including the ambient air, ground water, surface water and land, including subsurface land and soil), or with the generation, handling, storage, disposal or use of chemicals or substances that could be detrimental to human health, the workplace, the public welfare, or the environment.

1.20 Extremely Hazardous Substances. Any substance or material designated by the United States Environmental Protection Agency as an "extremely hazardous substance" under either Section 302 (a)(2) of the Emergency Planning and Community Right-to-Know Act ("EPCRTKA") (42 U.S.C. § 11002(a)(2)) or any other Environmental Law.

1.21 FAA. Federal Aviation Administration of the United States government.

1.22 FAR Part 135 Aircraft Charter. An Operator who undertakes directly by lease, or other arrangement, to engage in on-demand air transportation for hire or compensation on an unscheduled basis operation in accordance with or exceeding the requirements of FAR Part 135.

1.23 Fixed Base Operator (FBO). Means an Operator that maintains facilities at the Airport for the purpose of engaging in the retail sale of aviation fuels (AVGAS and Jet Fuel), Aircraft airframe and engine repair, and such other services as are required under Article Two of the Minimum Standards, or may be authorized under a Lease or License with the County.

1.24 Fire Code. The version of the Fire Code adopted by the County from time to time. Upon the effective date of these Rules, that was the Uniform Fire Code, ____ Edition.

1.25 Flying Club. A non-profit Operator organized for the primary purpose of providing its members with one or more Aircraft for the members' personal use and enjoyment only.

1.26 Fuel Handling. The transporting, delivering, fueling, or draining of fuel or fuel waste products.

1.27 Hazardous Materials. Means any hazardous or toxic substance, material or waste which is or becomes regulated by any local government authority, the State of Colorado or the United States Government. The term "Hazardous Material" includes, without limitation, any material or substance that is: (1) defined as a "hazardous substance" under appropriate state law provisions; (2) petroleum; (3) asbestos' (4) designated as "hazardous substance" pursuant to Section 311 of the Federal Water Pollution Control Act (33 USC Section 1321); (5) defined as "hazardous waste" pursuant to Section 1004 of the Federal Resource Conservation and Recovery Act (42 USC Section 9601); or (7) defined as a "regulated substance" pursuant to Subchapter IX, Solid Waste Disposal Act (Regulation of Underground Storage Tanks) (42 USC Section 6991).

1.28 Improvements. All buildings, structures and facilities, including, but not limited to, pavement, fencing, signs and landscaping constructed, installed or placed on, under or above

any leased area by or with the concurrence of a lessee. Plans and specifications for all improvements must be approved by the County for conformity with its building and construction standards.

1.29 Landing. All flights landed at the Airport for revenue and non-revenue purposes, including, but not limited to, commercial, training, private, ferry and charter flights, except that there shall be excluded flights which return to the Airport after take-off due to an emergency.

1.30 Large Aircraft. An Aircraft in excess of 12,500 pounds maximum certificated takeoff weight (MTOW).

1.31 Lease. A contractual agreement between the County and a Person, granting the use of a defined ground area on the Airport for a term of years, and establishing conditions for its use.

1.32 License. A contractual agreement between the County and a Person, granting a concession or otherwise authorizing the conduct of a Commercial activity on the Airport, which is in writing and enforceable by law. A License may be a stand-alone documents, or may be combined with a Lease into one document.

1.33 Master Plan. An assembly of appropriate documents and drawings covering the development of the Airport from a physical, economical, social, and political jurisdictional perspective and adopted by the County, a copy of which is on file and available for inspection in the Airport office, and any amendments, modifications, revisions, or substitutions thereof. The Airport Layout Plan is a part of the Master Plan.

1.34 Model Aircraft. Model rockets, free flying model airplanes, model helicopters, model dirigibles or any similar model devices, whether or not radio controlled. Model Aircraft does not include model aircraft which are attached to the operator by rope, wire or other physical wire-type attachment used to guide the model in a circular flight pattern.

1.35 Movement Area. Runways, runway safety areas, taxiways, taxilane, taxiway safety area and other areas of the Airport that Aircraft use for taxiing/hover taxiing, air taxiing, takeoff and landing, exclusive of loading ramps and parking areas as shown on the ALP.

1.36 National Fire Protection Association (NFPA). All codes, standards, rules, and regulations contained in the Standards of the National Fire Protection Association, as may be amended from time to time, and are incorporated herein by reference.

1.37 Non-Commercial. Not for the purpose of securing earnings, income, compensation (including exchange of service), and/or profit.

1.38 Non-Movement Area. Taxilanes, aprons and other areas not defined as Movement Areas as shown on the ALP.

1.39 Operator. Means any Person based on the Airport and providing one or more commercial aeronautical services at the Airport. All Fixed Based Operators (FBOs), Retail Self

Service Fueling Operators (RSFOs), and Specialized Aviation Service Operators (SASOs), are defined as Operators, per se.

1.40 Person. Any individual, sole proprietorship, corporation, limited liability entity, partnership, trust, estate or other form of entity.

1.41 Principals. For corporations, the directors, officers and stockholders holding more than 10% of the company stock. For partnerships, all general and limited partners. For limited liability entities, all managers and members holding more than a 10% interest. For other entities, all those having authority to act for the entity, or being a 10% or greater beneficiary or interest holder.

1.42 Ramp. A paved area suitable for Aircraft parking.

1.43 Repair Facility. A facility utilized for the repair of Aircraft to include airframe, power plant, propellers, radios, instruments and accessories. Such facility will be operated in accordance with pertinent FAA regulations.

1.44 Refueling Vehicle. Any vehicle used for fuel handling, including without limitation fuel servicing hydrant vehicle and hydrant carts.

1.45 Regulatory Measures. Federal, state, county, local, Airport laws, codes, statutes, ordinances, orders, policies, rules, and regulations, including, without limitation, those of the United States Department of Transportation, United States Department of Homeland Security, FAA, TSA, NFPA, Aircraft Rescue and Fire - fighting Standard Operating Guidelines, the Airport Certification Manual and Airport Security Plan, and these Rules; all as may be in existence, hereafter enacted, and amended from time to time.

1.46 Release. Any releasing, disposing, discharging, injecting, spilling, leaking, leaching, pumping, dumping, emitting, escaping, emptying, seeping, dispersal, migration, transporting, placing, and actions of similar nature, including without limitation, the moving of any material through, into or upon any land, soil, surface water, ground water, or air, or otherwise entering into the environment.

1.47 Restricted Area. Areas of the Airport posted to prohibit or limit entry or access by the general public. All areas other than public areas.

1.48 Scheduled Air Carrier. Any Operator who undertakes directly, or by other arrangements, to engage in air transportation for hire under FAR Parts 135, 121 or 380, on a scheduled basis, over specific routes to provide scheduled passenger service. Conditions, requirements and standards for this type of commercial aeronautical activity shall be governed by the terms of an Airport Use Agreement, and are not subject to the requirements of the Minimum Standards.

1.49 Run-up. Aircraft engine operation above normal idle speed, the purpose of which is engine maintenance or testing, but excluding engines operating for purposes of preparing for and taking off.

1.50 Security Identification Display Area (SIDA). An area of the Airport identified in the Airport Security Plan as requiring each person to continuously display on their outermost garment an airport-approved identification badge, unless under airport-approved escort.

1.51 Specialized Aviation Service Operator (SASO). Means an Operator that provides any one of the services listed in Article Three of the Minimum Standards. The following are not included within this definition.

1.51.1 Employees of Aircraft Owners. The general criteria for employee status will be that the employer withholds income taxes, withholds and pays social security taxes and pays unemployment taxes on wages paid to the employee. Where this criterion is questioned, a Form SS-8 determination will be requested from the Internal Revenue Service.

1.51.2 Services authorized by a Commercial Aeronautical Activity within its hangar facilities for Aircraft owned or leased by its subleases. Such authorization will be provided in writing on a form provided by the County.

1.52 Sterile Area. That portion of the Airport that provides passengers access to boarding Aircraft and to which access is controlled through the screening of persons and property in accordance with federally required and approved security procedures and programs.

1.53 Sublease. A lease granted by an Airport lessee to another entity of all or part of the property leased from the County, where on a sole or joint lease basis.

1.54 Taxilane. The portion of the airport used for Aircraft access between taxiways, hangars, and aprons as shown on the ALP.

1.55 Taxiway. A defined path, usually paved, over which Aircraft can taxi from one part of an airport to another (excluding the runway) as shown on the ALP.

1.56 Terminal Area. The passenger terminal proper, Aircraft ramps, baggage-handling facilities, vehicular parking spaces, including rental car areas, roadways, water, sanitary sewer, storm sewer, gas, electrical, cable TV and other areas and facilities the primary function of which is to serve the terminal and the operations of scheduled Air Carriers.

1.57 Tie-Down. The area, paved or unpaved, suitable for parking and mooring of Aircraft wherein suitable tie-down points have been located.

1.58 Through the Fence or Off-Airport Access. Operations that are conducted off the actual Airport property that have aeronautical access to any portion of the Airport's runway or taxiway system through a written agreement or permit with the County.

1.59 Toxic Chemicals. Any substance or material subject to Section 313 of EPCRTKA (42 U.S.C. §11002(a)(2)) or the Toxic Substances Control Act, 15 U.S.C. §2601 et seq., or any comparable Environmental Law.

1.60 Transient Aircraft. Any Aircraft utilizing the Airport for occasional transient purposes and which is not based at the Airport.

1.61 TSA. Transportation Security Administration.

1.62 Vehicle Service Road or Perimeter Roadway. A designated roadway for vehicles in a non-movement area as shown on the ALP.

Rules and Regulations

Gunnison/Crested Butte Regional Airport

REVISED : JULY 6, 2011

Board of County Commissioners
Gunnison, Colorado

1. COMMON DEFNITIONS 1
1.1 Aeronautical Activity 1
1.2 Aircraft 1
1.3 Air Operations Area (AOA) 1
1.4 Aircraft Maintenance 1
1.5 Airframe and Powerplan Mechanic (A&P Mechanic) 1
1.6 Airport 1
1.7 Airport Manager 1
1.8 Airport Layout Plan (ALP) 2
1.9 ATC 2
1.10 Apron 2
1.11 Based Aircraft 2
1.12 Building 2
1.13 County 2
1.14 CFR 2
1.15 Commercial 2
1.16 Courtesy Vehicle 2
1.17 DHS 2
1.18 Equipment 2
1.19 Environment Laws 2
1.20 Extremely Hazardous Substances 3
1.21 FAA 3
1.22 FAR Part 135 Aircraft Charter 3
1.23 Fixed Base Operator (FBO) 3
1.24 Flying Club 3
1.25 Fuel Handling 3
1.26 Hazardous Materials 3
1.27 Improvements 3
1.28 Landing 3
1.29 Large Aircraft 3
1.30 Lease 4
1.31 License 4
1.32 Master Plan 4
1.33 Model Aircraft 4
1.34 Movement Area 4
1.35 National Fire Protection Association (NFPA) 4
1.36 Non-Commercial 4
1.37 Non-Movement Area 4
1.38 Operator 4
1.39 Person 4
1.40 Principals 4
1.41 Ramp 5
1.42 Repair Facility 5
1.43 Refueling Vehicle 5
1.44 Regulatory Measures 5
1.45 Release 5
1.46 Restricted Area 5
1.47 Scheduled Air Carrier 5
1.48 Run-up 5
1.49 Security Identification Display Area (SIDA) 5
1.50 Specialized Aviation Service Operator (SASO) 5

1.51 Sterile Area 6
1.52 Sublease 6
1.53 Taxilane 6
1.54 Taxiway 6
1.55 Terminal Area 6
1.56 Tie-Down 6
1.57 Through the Fence or Off-Airport Access 6
1.58 Toxic Chemicals 6
1.59 Transient Aircraft 6
1.60 TSA 6
1.61 Vehicle Service Road or Perimeter Roadway 6
2. INTRODUCTION 6
2.1 Purpose 7
2.2 Applicability, Compliance and Conditional Use of the Airport 7
2.3 Enforcement 7
2.4 Variance or Waiver 7
2.5 Administrative Review of Court Proceedings 7
3. GENERAL RULES AND REGULATIONS 8
3.1 Abandoned, Derelict or Lost Property 8
3.2 Accidents or Incidents 9
3.3 Animals 9
3.4 Commercial Activities 9
3.5 Compliance with Regulatory Measures 9
3.6 Fire/Open Flames 9
3.7 General Conduct 9
3.8 Hazardous Materials 10
3.9 Hazardous Material Spills 10
3.10 Licenses, Permits, Certifications and Ratings 10
3.11 Painting 11
3.12 Preservation of Property 11
3.13 Signage/Advertisements 11
3.14 Solicitation, Picketing and/or Demonstrations 11
3.15 Sound Amplifying Devices 11
3.16 Special Events 11
3.17 Through-The-Fence Activities 11
3.18 Trash and Other Waste Containers 11
3.19 Use of Roadways and Walkways 12
3.20 Buildings and Remodeling 12
4. SECURITY AND SAFETY 12
4.1 Restricted or Secure Areas 12
4.2 Airport Identification Badges 13
4.3 Security Access 14
5.1 Accidents or Incidents 14
5.2 Aircraft Assembly 15
5.3 Aircraft Cleaning 15
5.4 Aircraft Maintenance and Repair 15
5.5 Aircraft Operations 16
5.6 Aircraft Parking and Storage 17
5.7 Airworthiness 17
5.8 Engine Run-Ups 17
5.9 Landing and Take-Off Operations For Fixed Wing Aircraft 17

5.10 Passengers and Cargo 17
5.11 Helicopter Operations 18
5.12 Specialized Aeronautical Activities 18
5.13 Model Aircraft 18
6. MOTOR VEHICLE RULES AND REGULATIONS 18
6.1 Air Operations Area (AOA) 18
6.2 Movement Area 19
6.3 Operator Licensing and Permit 19
6.4 Parking and Standing 19
6.5 Vehicle Licensing and Equipment 20
6.6 Vehicle Maintenance 20
6.7 Vehicle Operations 21
7. FACILITES RULES AND REGULATIONS 21
7.1 Compressed Gases 21
7.2 Fire Prevention 22
7.3 Lubricating Oils 22
7.4 Storage of Materials and Equipment 22
7.5 Telecommunications 22
8. AIRCRAFT FUEL STORAGE, HANDLING AND DISPENSING 22
8.1 Permit 22
8.2 Best Practices 22
8.3 Equipment 23
8.4 Fuel Flowage Fees 23
8.5 Fuel Storage Facilities 24
8.6 Fueling Operations 24
8.7 Location of Fueling Operations Relative to Other Activities, Equipment and Structures 26
8.8 Off-Premises Fueling 27
8.9 Storage of Refueling Vehicles/Use of Fuel Cans 27
8.10 Maintenance of Refueling Vehicles 27
8.11 Training 27
8.12 Transient Fueling Operations 27

1. COMMON DEFINITIONS.

The following definitions are applicable to these Rules and Regulations, the Minimum Standards and policies adopted for or by the Gunnison/Crested Butte Regional Airport. These definitions shall apply to these terms whenever used in these documents, unless expressly defined differently therein, whether or not the terms are capitalized.

1.1 Aeronautical Activity. Any activity or service that involves, makes possible, facilitates, is related to, assists in, or is required for the operation of Aircraft or another aeronautical activity or which contributes to or is required for the safety of such operations. The following activities, without limitation, which are commonly conducted on airports, are considered "Commercial Aeronautical Activities" within this definition: Aircraft charter, pilot training, Aircraft rental, sightseeing, aerial photography, aerial spraying and agricultural aviation services, aerial advertising, aerial surveying, air carrier operations (passenger and cargo), Aircraft sales and service, sale of aviation fuel and oil, Aircraft maintenance, sale of Aircraft parts, and any other activities which, in the sole judgment of the Airport, because of their direct relationship to the operation of Aircraft or the Airport, can be appropriately regarded as an aeronautical activity.

1.2 Aircraft. Means any airplane, helicopter, flying machine, balloon, parachute, glider or any contrivance now known or hereafter invented, used or designed for air navigation or flight.

1.3 Air Operations Area (AOA). A portion of the Airport designated and used for landing, taking off, or surface maneuvering of Aircraft. There are two areas of the AOA, the movement area and the non-movement area. These areas are shown on the Airport Layout Plan (ALP).

1.4 Airport Operations. Those County employees who are designated by the Airport Manager to oversee activities on the AOA.

1.5 Aircraft Maintenance. Means the repair, adjustment, or inspection of Aircraft. "Major Repairs" means major alterations to the airframe, power plant, propeller, and accessories as defined in 14 CFR Part 43. "Minor Repairs" means normal, routine annual inspection with attendant maintenance, repair, calibration or adjustment or repair of Aircraft and their accessories.

1.6 Airframe and Powerplant Mechanic (A&P Mechanic). A person who holds an Aircraft mechanic certificate with both airframe and powerplant ratings, issued by the FAA under the provisions of 14 CFR Part 65.

1.7 Airport. The property and facilities known as the "Gunnison/Crested Butte Regional Airport," including any property which may be acquired or leased by the County to serve as part thereof, including the passenger terminal facility.

1.8 Airport Manager. Means the person responsible for administration and operation of the Airport, and that person's designees.

1.9 Airport Layout Plan (ALP). The current FAA-approved drawing depicting the physical layout of the Airport and identifying the location and configuration of current and proposed runways, taxiways, taxilane, buildings, roadways, utilities, navaids, apron, airport operations areas, etc.

1.10 ATC. Air traffic control.

1.11 Apron. Those paved areas of the Airport within the AOA designated for the loading or unloading of passengers or cargo, servicing, or parking of Aircraft.

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1.13 Building. The main portion if each structure, all projections or extensions there-from and any additions or changes thereto, and shall include hangars, garages, outside platforms and docks, carports, canopies eaves and porches. Paving, ground cover, fences, signs and landscaping shall not be included in this definition.

1.14 County. The County of Gunnison, Colorado.

1.15 CFR. Code of Federal Regulations.

1.16 Commercial. That which involves or makes possible earnings, income, compensation (including exchange of service), and/or profit, whether or not such objectives are accomplished. Commercial activities include the sale, offering for sale, rental or furnishing of any commodity, article, facility or space, or the provision of any service for compensation of any type, whether the same occurs in whole or part on the Airport.

1.17 Courtesy Vehicle. Any vehicle used in commercial activity, other than a taxicab, to transport persons, baggage, goods, or any combination thereof, between the Airport and off-Airport businesses such as hotels, motels, or other attractions and the business establishment owning or operating such vehicle, the operation of which is generally performed as a service without direct costs to the passenger.

1.18 DHS. Department of Homeland Security of the United States government.

1.19 Equipment. All machinery, supplies, tools, trade fixtures and apparatus necessary to the proper conduct of the activity being performed.

1.20 Environmental Laws. Any and all laws, rules, regulations, regulatory agency guidance's and policies, ordinances, applicable court decisions, and airport guidance documents, directives, policies (whether enacted by any local, state or federal governmental authority, or by the Airport) now in effect or hereafter enacted that deal with the regulation or protection of the environment (including the ambient air, ground water, surface water and land, including subsurface land and soil), or with the generation, handling, storage, disposal or use of chemicals or substances that could be detrimental to human health, the workplace, the public welfare, or the environment.

1.21 Extremely Hazardous Substances. Any substance or material designated by the United States Environmental Protection Agency as an "extremely hazardous substance" under either Section 302 (a)(2) of the Emergency Planning and Community Right-to-Know Act ("EPCRTKA") (42 U.S.C. § 11002(a)(2)) or any other Environmental Law.

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1.25 Flying Club. A non-profit Operator organized for the primary purpose of providing its members with one or more Aircraft for the members' personal use and enjoyment only.

1.26 Fuel Handling. The transporting, delivering, fueling, or draining of fuel or fuel waste products.

1.27 Hazardous Materials. Means any hazardous or toxic substance, material or waste which is or becomes regulated by any local government authority, the State of Colorado or the United States Government. The term "Hazardous Material" includes, without limitation, any material or substance that is: (1) defined as a "hazardous substance" under appropriate state law provisions; (2) petroleum; (3) asbestos' (4) designated as "hazardous substance" pursuant to Section 311 of the Federal Water Pollution Control Act (33 USC Section 1321); (5) defined as "hazardous waste" pursuant to Section 1004 of the Federal Resource Conservation and Recovery Act (42 USC Section 9601); or (7) defined as a "regulated substance" pursuant to Subchapter IX, Solid Waste Disposal Act (Regulation of Underground Storage Tanks) (42 USC Section 6991).

1.28 Improvements. All buildings, structures and facilities, including, but not limited to, pavement, fencing, signs and landscaping constructed, installed or placed on, under or above any leased area by or with the concurrence of a lessee. Plans and specifications for all improvements must be approved by the County for conformity with its building and construction standards.

1.29 Landing. All flights landed at the Airport for revenue and non-revenue purposes, including, but not limited to, commercial, training, private, ferry and charter flights, except that there shall be excluded flights which return to the Airport after take-off due to an emergency.

1.30 Large Aircraft. An Aircraft in excess of 12,500 pounds maximum certificated takeoff weight (MTOW).

1.31 Lease. A contractual agreement between the County and a Person, granting the use of a defined ground or building area on the Airport for a term of years, and establishing conditions for its use.

1.32 License. A contractual agreement between the County and a Person, granting a concession or otherwise authorizing the conduct of a Commercial activity on the Airport, which is in writing and enforceable by law. A License may be a stand-alone documents or may be combined with a Lease into one document.

1.33 Master Plan. An assembly of appropriate documents and drawings covering the development of the Airport from a physical, economical, social, and political jurisdictional perspective and adopted by the County, a copy of which is on file and available for inspection in the Airport office, and any amendments, modifications, revisions, or substitutions thereof. The Airport Layout Plan is a part of the Master Plan.

1.34 Model Aircraft. Model rockets, free-flying model airplanes, model helicopters, model dirigibles or any similar model devices, whether or not radio controlled. Model Aircraft does not include model aircraft which are attached to the operator by rope, wire or other physical wire-type attachment used to guide the model in a circular flight pattern.

1.35 Movement Area. Runways, runway safety areas, taxiways, taxilane, taxiway safety area and other areas of the Airport that Aircraft use for taxiing/hover taxiing, air taxiing, takeoff and landing, exclusive of loading ramps and parking areas as shown on the ALP.

1.36 National Fire Protection Association (NFPA). All codes, standards, rules, and regulations contained in the Standards of the National Fire Protection Association, as may be amended from time to time, and are incorporated herein by reference.

1.37 Non-Commercial. Not for the purpose of securing earnings, income, compensation (including exchange of service), and/or profit.

1.38 Non-Movement Area. Taxilanes, aprons and other areas not defined as Movement Areas as shown on the ALP.

1.39 Operator. Means any Person based on or conducting business at the Airport and providing one or more commercial aeronautical services at the Airport. All Fixed Based Operators (FBOs), Retail Self Service Fueling Operators (RSFOs), and Specialized Aviation Service Operators (SASOs), are defined as Operators, per se.

1.40 Person. Any individual, sole proprietorship, corporation, limited liability entity, partnership, trust, estate or other form of entity.

1.41 Principals. For corporations, the directors, officers and stockholders holding more than 10% of the company stock. For partnerships, all general and limited partners. For limited liability entities, all managers and members holding more than a 10% interest. For other entities, all those having authority to act for the entity, or being a 10% or greater beneficiary or interest holder.

1.42 Ramp. A paved area suitable for Aircraft parking.

1.43 Repair Facility. A facility utilized for the repair of Aircraft to include airframe, power plant, propellers, radios, instruments and accessories. Such facility will be operated in accordance with pertinent FAA regulations.

1.44 Refueling Vehicle. Any vehicle used for fuel handling, including without limitation fuel servicing hydrant vehicle and hydrant carts.

1.45 Regulatory Measures. Federal, state, county, local, Airport laws, codes, statutes, ordinances, orders, policies, rules, and regulations, including, without limitation, those of the United States Department of Transportation, United States Department of Homeland Security, FAA, TSA, NFPA, Aircraft Rescue and Fire - fighting Standard Operating Guidelines, the Airport Certification Manual and Airport Security Plan, and these Rules; all as may be in existence, hereafter enacted, and amended from time to time.

1.46 Release. Any releasing, disposing, discharging, injecting, spilling, leaking, leaching, pumping, dumping, emitting, escaping, emptying, seeping, dispersal, migration, transporting, placing, and actions of similar nature, including without limitation, the moving of any material through, into or upon any land, soil, surface water, ground water, or air, or otherwise entering into the environment.

1.47 Restricted Area. Areas of the Airport posted to prohibit or limit entry or access by the general public. All areas other than public areas.

1.48 Scheduled Air Carrier. Any Operator who undertakes directly, or by other arrangements, to engage in air transportation for hire under FAR Parts 135, 121 or 380, on a scheduled basis, over specific routes to provide scheduled passenger service. Conditions, requirements and standards for this type of commercial aeronautical activity shall also be governed by the terms of an Airport Use Agreement, and are subject to the requirements of the Minimum Standards.

1.49 Run-up. Aircraft engine operation above normal idle speed, the purpose of which is engine maintenance or testing, but excluding engines operating for purposes of preparing for and taking off.

1.50 Security Identification Display Area (SIDA). An area of the Airport identified in the Airport Security Plan as requiring each person to continuously display on their outermost garment an airport-approved identification badge, unless under airport-approved escort.

1.51 Specialized Aviation Service Operator (SASO). Means an Operator that provides any one of the services listed in Article Four of the Minimum Standards. The following are not included within this definition.

1.51.1 Employees of Aircraft Owners. The general criteria for employee status will be that the employer withholds income taxes, withholds and pays social security taxes and pays unemployment taxes on wages paid to the

employee. Where this criterion is questioned, a Form SS-8 determination will be requested from the Internal Revenue Service.

1.51.2 Services authorized by a Commercial Aeronautical Activity within its hangar facilities for Aircraft owned or leased by its subleases. Such authorization will be provided in writing on a form provided by the County.

1.52 Sterile Area. That portion of the Airport that provides passengers access to boarding Aircraft and to which access is controlled through the screening of persons and property in accordance with federally required and approved security procedures and programs.

1.53 Sublease. A lease granted by an Airport lessee to another entity of all or part of the property or space leased from the County, where on a sole or joint lease basis.

1.54 Taxilane. The portion of the Airport used for Aircraft access between taxiways, hangars, and aprons as shown on the ALP.

1.55 Taxiway. A defined path, usually paved, over which Aircraft can taxi from one part of the Airport to another (excluding the runway) as shown on the ALP.

1.56 Terminal Area. The passenger terminal proper, Aircraft ramps, baggage-handling facilities, vehicular parking spaces, including rental car areas, roadways, water, sanitary sewer, storm sewer, gas, electrical, cable TV and other areas and facilities the primary function of which is to serve the terminal and the operations of scheduled Air Carriers.

1.57 Tie-Down. The area, paved or unpaved, suitable for parking and mooring of Aircraft wherein suitable tie-down points have been located.

1.58 Through the Fence or Off-Airport Access. Operations that are conducted off the actual Airport property that have aeronautical access to any portion of the Airport's runway or taxiway system through a written agreement or permit with the County.

1.59 Toxic Chemicals. Any substance or material subject to Section 313 of EPCRTKA (42 U.S.C. §11002(a)(2)) or the Toxic Substances Control Act, 15 U.S.C. §2601 et seq., or any comparable Environmental Law.

1.60 Transient Aircraft. Any Aircraft utilizing the Airport for occasional transient purposes and which is not based at the Airport.

1.61 TSA. United States Transportation Security Administration.

1.62 Vehicle Service Road or Perimeter Roadway. A designated roadway for vehicles in a non-movement area as shown on the ALP.

2. INTRODUCTION.

2.1 Purpose. These Rules and Regulations, and any amendments thereto (the "Rules"), are adopted under authority of C.R.S. §41-4-106 and §18-9-117(1). They are designed to protect the public health, safety, interest, and general welfare at the Airport and to restrict or prevent any activity which would interfere with the safe, orderly and efficient use of the Airport by passengers, operators, tenants, and other users.

These Rules shall not excuse any entity from performing any obligation it may have under any Lease, License or Permit with the County or the Airport, whether in existence on the date of the adoption of these Rules or entered into at any time thereafter.

2.2 Applicability, Compliance and Conditional Use of the Airport. Any permission granted directly or indirectly, expressly or by implication, to any entity or individual to enter upon or use the Airport (including Aircraft operators; vehicle operators; Aircraft crewmembers and passengers; the general public; spectators and sightseers; occupants of private and commercial vehicles; officers, employees, customers, vendors, and suppliers of operators and lessees; entities doing business with the Airport, their contractors, subcontractors, and licensees; and all other entities) is conditioned upon assumption of responsibility to fully and completely comply with these Rules, as well as applicable provisions of the Airport Minimum Standards, Airport Certification Manual (ACM), Airport Security Plan (ASP), Airport Emergency Plan (AEP), and all applicable regulatory measures that may be promulgated by any governing body or agency having jurisdiction at the Airport.

2.3 Enforcement.

2.3.1 The Airport Manager may remove or evict from the Airport any person who violates any Rule prescribed herein, or any applicable statute, rule or regulation of the federal government or the State of Colorado, and may deny use of the Airport and its facilities to any such person if it is determined by the Airport Manager that such denial is in the public interest.

2.3.2 Section 18-9-117 of the Colorado Revised Statutes makes it unlawful for any person to violate certain of these Rules and provides penalties for violation of such rules.

2.4 Variance or Waiver. Upon written request, the Airport Manager may vary from the provisions of these Rules at any time when circumstances demonstrate that it is in the interests of public safety. Any variance shall not constitute a waiver or modification of any of the provisions herein for any purpose except as to the particular operator/user and the particular provision which is the subject of the variance and only for so long as the circumstances warranting the variance exist. Variances are only in effect when reduced to writing.

2.5 Administrative Review and Court Proceedings.

2.5.1 Any applicant for or holder of a Permit or License who is adversely affected by any determination made by the County, or on behalf of the County by the Airport Manager, to deny, suspend, terminate or revoke its License or Permit to operate or conduct any Commercial activity on the Airport, may petition the County Manager for a hearing concerning such determination no later than thirty (30) days after having been notified of the determination. Compliance with the

provisions of this section shall be a jurisdictional prerequisite to any civil action brought by such person under the provisions of this section, and failure of compliance shall forever bar any such action.

2.5.2 The County Manager may hold a hearing on the petition, in his sole discretion, may designate an officer or employee of the County as a hearing officer with authority to hold such hearing or hearings.

2.5.3 Any such petition shall be in writing, filed with the County Manager, and the facts alleged shall be submitted under oath or affirmation. Unless the determination was made on the basis of public safety, the effectiveness of the determination shall be stayed pending a final determination under paragraph 2.5.5 below.

2.5.4 Additional facts may be submitted under oath or affirmation at a hearing scheduled by the County Manager or the designated hearing officer. Notice of the proceedings shall be in accordance with rules and regulations issued by the County Manager. The petitioner shall bear the burden of proof, and the standard of proof shall conform with that in civil, non-jury cases in state district court. Hearings shall be conducted pursuant to procedures adopted by the County Manager.

2.5.5 After hearing, or consideration of such additional submittals as they may permit or require, the County Manager or the hearing officer shall make a final determination. Such final determination shall be considered a final order of the County and may be reviewed under Rule 106(a)(4) of the Colorado Rules of Civil Procedure by appeal of the petitioner or the County. A request for reconsideration of the determination may be made, by the petitioner or the Airport Manager, if filed with the County Manager within fifteen (15) days of the date of determination, in which case the County Manager shall review the record if the proceedings were conducted by a designated hearing officer, and the determination shall be considered a final order of the County upon the date the County Manager rules on the request for reconsideration.

2.5.6 The District Court of the Seventh Judicial District of the State of Colorado shall have original jurisdiction in proceedings to review all questions of law and fact determined by the County Manager or the designated hearing officer, under Rule 106(a)(4) of the Colorado Rules of Civil Procedure.

3. GENERAL RULES AND REGULATIONS.

3.1 Abandoned, Derelict or Lost Property. Property including, without limitation, Aircraft, vehicles, equipment, machinery, baggage, or personal property shall not be abandoned on the Airport. Abandoned, derelict, or lost property found in public areas at the Airport shall be reported to Airport Operations. Property unclaimed by its proper owner or items for which ownership cannot be established will be handled in accordance with applicable law. Nothing in this section shall be construed to deny the right of Operators and other lessees to maintain "lost and found" service for property of their customers and/or employees.

3.2 Accidents or Incidents. In addition to other appropriate notifications and actions, accidents resulting in damage to property, injury requiring medical treatment, or interference with normal Airport operations shall be reported to the Airport Manager, in addition to other appropriate notifications.

3.3 Animals. Domestic pets and animals, except animals required for assistance or law enforcement dogs, are not permitted on the AOA of the Airport or in the Airport passenger terminal building, unless being transferred or shipped, and then only if controlled and restrained by a leash, harness, restraining strap, portable kennel, or other appropriate shipping container. Leashes, harnesses and straps shall not exceed six (6) feet. It shall be the responsibility of the owner or handler to exercise control over the animal at all times. Owners or handlers are responsible for the immediate removal and disposal of animal waste. No Person, except those authorized by the Airport Operations, shall intentionally hunt, pursue, trap, catch, injure, or kill any bird or animal on the Airport. Feeding or otherwise encouraging the congregation of birds or animals on the Airport is prohibited.

3.4 Commercial Activities. Commercial activity of any kind on the Airport requires the express written permission of the County through a specifically authorized Lease, sublease, License, permit or written temporary permission, and the payment of any required fees. Unless otherwise provided in such document, any permission may not be assigned or transferred and shall be limited solely to the approved activity.

3.5 Compliance with Regulatory Measures. All Persons occupying or using, engaging in an Aeronautical Activity on, or developing Airport land or Improvements shall comply, at the person's or entity's sole expense, with all applicable Regulatory Measures including, without limitation, these Rules, and those of the federal, state, and local government and any other agency having jurisdiction over the Airport.

3.6 Fire/Open Flames. Open flames of any kind are prohibited except (a) as provided in a burn permit; or (b) for open flames utilized by operators/lessees in the performance of approved Aircraft Maintenance. Burn permits may be issued in the discretion of the Fire Department and only in compliance with applicable building and/or fire codes. The use of open flame space heaters that utilize kerosene or gas is prohibited on Airport property. Smoking and the use of any open-flame device is prohibited on any apron, or within fifty (50) feet of any Aircraft, fuel truck, fueling facility, or other flammable storage facility. Any fires (regardless of the size of the fire or whether or not the fire has been extinguished) shall be reported immediately to 911. No welding/cutting activities shall be conducted on the Airport without an approved fire extinguisher and a person trained in its proper usage present for the duration of any welding/cutting activities.

3.7 General Conduct. No Person shall use or otherwise conduct himself upon any portion of the Airport in any manner contrary to any posted or otherwise visually indicated directions applicable to that area. Overnight camping or lodging on the Airport is prohibited. Except for the Airport fire station, if any, use of any facility on, or area of, the Airport for sleeping or other purposes in lieu of a hotel, motel, residence or other public accommodation is prohibited, except with approval of the Airport Manager. No person shall use, keep, or permit to be used or kept, any foul or noxious gas or substance at the Airport, or permit the Airport to be occupied or used in a manner

offensive or objectionable to other users for any reason. Spitting on, marking, or defacing the floors, walls, or other surfaces of the Airport is prohibited.

3.8 Hazardous Materials. No person shall cause or permit any Hazardous Material to be used, generated, manufactured, produced, stored, brought upon, or Released, on, under or about any premises, or transported to and from the Airport, by itself, its agents, employees, contractors, invitees, sublessees or any third party in violation of any Environmental Law, provided that, in no circumstances shall any person or entity cause or permit any Extremely Hazardous Substance or toxic chemical to be used, generated, manufactured, produced, stored, brought upon, or Released, on, under or about the Airport, or transported to and from any premises. All persons or entities shall promptly notify the Airport of any action or condition that is contrary to any prohibition in the previous sentence. Approved Hazardous Material must be stored in suitable containers that are properly secured. Material Safety Data Sheets for all hazardous materials shall be maintained on site so as to be readily available to emergency responders in the event of an emergency and for review by the Fire Department. No fuels, oils, dopes, paints, solvents, acids, or any other Hazardous Material shall be released in storm water conveyances, drains, catch basins, ditches, the Air Operations Area or elsewhere on the Airport. Tenants and operators who generate and dispose of "Special Waste" shall comply with the requirements of 40 CFR Sections 266 & 273. Special Waste includes widely generated wastes such as batteries, agricultural pesticides, mercury containing devices, hazardous mercury-containing lamps, and used oil. Used engine oil shall be disposed of only at approved waste oil stations or disposal points. Secondary containment is required for the storage of gasoline, oils, solvents, or other hazardous waste in drums or receptacles. Aviation fuels or automotive gasoline in quantities greater than five (5) gallons shall not be stored at the Airport without the prior written permission of the Airport Manager. Any fuels must be stored in accordance with any applicable codes, regulations, and requirements for the storage of volatile fuels. No hazardous substance or pollutant shall be disposed of on the Airport or into the air at the Airport during Aircraft preflight inspection.

3.9 Hazardous Material Spills. Any person who experiences overflowing or spilling of oil, grease, fuel, alcohol, glycol or any other Hazardous Material anywhere on the Airport shall immediately call 911. Persons involved in Hazardous Material incidents shall take action to prevent/minimize danger to personnel, property and the environment while awaiting arrival of the Fire Department personnel. At the discretion of the Hazardous Materials Team, the entity responsible for the spill may be required to clean and properly dispose of the material/substance which shall be performed in compliance with all applicable federal, state, and local regulations and guidelines. In addition, the entity may be required to provide the Hazardous Materials Team with required documentation of proper disposal. Any costs incurred by the Airport in such instances shall be reimbursable to the County by the Person responsible for the spill.

3.10 Licenses, Permits, Certifications and Ratings. Operators shall obtain and comply with all necessary licenses, permits, certifications, or ratings required for the conduct of operator's activities at the Airport as required by the Airport Manager or any other duly authorized agency prior to engaging in any activity at the Airport. Upon request, operators shall provide copies of such licenses, permits, certifications, or ratings to the Airport within 5 business days. Operators shall keep in effect and post in a prominent place all necessary or required licenses, permits, certifications, or ratings.

3.11 Painting. Doping processes, painting, or paint stripping shall be performed only in those facilities approved for such activities by the Airport Manager and in compliance with air quality regulations, the Fire Code, and the Airport's Storm Water Management Plan (SWMP).

3.12 Preservation of Property. No Person shall destroy or cause to be destroyed, injure damage, deface, or disturb, in any way, property of any nature located on the Airport, except with the consent of the owner or operator thereof. Any Person causing or responsible for such injury, destruction, damage or disturbance to Airport-owned property shall report such damage to Airport Operations and shall reimburse the Airport the full amount of repair and replacement of property. No Person shall take or use any Aircraft, Aircraft parts, instruments, tools owned, controlled, or operated by any person while on the Airport or within its hangars, except with the consent of the owner or operator thereof. No person shall prevent the lawful use and enjoyment of the Airport by others. Any activity which results in littering, environmental pollution or vandalism on the Airport is not permitted and violators are subject to arrest.

3.13 Signage/Advertisements. Written advertisements, signs, notices, circulars, and/or handbills may be posted or distributed only with the prior written permission of the Airport Manager. The Airport has the right to remove any such sign, placard, picture, advertisement, name or notice in any such manner as the Airport Manager may designate. No signage may be installed on the Airport without the prior written approval of the Airport Manager.

3.14 Solicitation, Picketing, and/or Demonstrations. The Airport Manager is authorized, upon the basis of passenger flow or where necessitated by the peculiar character of the Airport, to adopt policies pertaining to the exercise of First Amendment rights on the Airport, including by way of example but not limitation, solicitation of contributions for charitable or religious purposes, dissemination of printed material, or demonstrations. Such policies shall establish reasonable time, place and manner guidelines for the exercise of such First Amendment rights. It shall be unlawful for any person to engage in such activities on the Airport except in accordance with such policies as may be adopted by the Airport Manager.

3.15 Sound Amplifying Devices. Sound amplifying devices such as megaphones, public address systems, or any other device designed to amplify and broadcast the human voice over a distance, are prohibited on the Airport unless written approval from the Airport Manager is given prior to their installation and use.

3.16 Special Events. Special events on the Airport require written coordination, regulation and authorization of the Airport Manager prior to the public disclosure or advertisement of the event. Certain events may require an executed lease, license, operating agreement or permit with the Airport Manager.

3.17 Through-the-Fence Activities. All "Through-the-Fence" activities may be conducted only in accordance with written Permit with the County. No such “Through the Fence” activity shall be authorized except in strict accordance with the Airport’s Minimum Standards.

3.18 Trash and Other Waste Containers. The Airport Manager shall designate areas to be used for garbage receptacles and no other areas shall be utilized.

Tenants, Operators and other users of the Airport shall not move or otherwise re-locate Airport-placed trash and waste containers. Garbage, empty boxes, crates, rubbish, trash, papers, refuse, or litter of any kind shall not be placed, discharged, or deposited on the Airport, except in the receptacles provided specifically for that purpose. The burning of garbage, empty boxes, crates, rubbish, trash, papers, refuse, or litter of any kind on the Airport is prohibited. Trash and other waste containers at the Airport shall only be used for trash generated on Airport property. Trash and other waste container areas shall be kept clean and sanitary at all times. Tenants and Operators shall ensure that their trash and waste containers are emptied with sufficient frequency to prevent overflowing, shall be cleaned with sufficient frequency to prevent the development of offensive odors, and are equipped with securely fastened lids which shall be closed and fastened at all times other than while the receptacles are being loaded or unloaded.

3.19 Use of Roadways and Walkways. No Person shall travel on the Airport other than on the roadways, walkways, or other areas provided for the particular class of traffic, or occupy roadways or walkways in such a manner as to hinder or obstruct their proper use.

3.20 Buildings and Remodeling. It shall be unlawful for any person, other than the County, to construct, reconstruct or remodel any Building or other Improvement on the Airport without first obtaining a permit from the County, pursuant to the Airport's Development Standards and applicable building and other codes when applicable.

3.21 Notification by Airlines. Airline shall promptly notify the County of any anticipated delays on arrivals or departures greater than one-half hour. Failure to so notify the County of any delays shall result in additional rent payable by Airline in the amount of $250 per hour, pro-rated on 15-minutes intervals. Such additional rent is not a penalty, but is the agreed estimated value of additional County services provided with respect to scheduled arrivals and/or departures should the County not be informed of delayed.

4. SECURITY AND SAFETY.

All persons using the Airport are subject to the Airport Security Plan, as may be amended from time to time. Persons in violation of TSA, FAA and/or Airport Security Rules, including those set forth herein and elsewhere, may be denied access to the Airport, may have access or driving privileges and/or Airport identification badge revoked, and/or may be fined or otherwise penalized in accordance with applicable Regulatory Measures. Operators who are required to provide controlled access to their facilities for security reasons are responsible for ensuring that all personnel are trained on the appropriate procedures for authorizing non-employees onto their respective facilities.

4.1 Restricted or Secure Areas. Restricted or Secure areas on the Airport are those areas that are identified in the Airport Security Plan as areas (Secure, Sterile, and SIDA) where no person is allowed access unless issued an Airport badge or a badge that is recognized in the Airport Security Plan, such as law enforcement, FAA, or TSA badges.

4.1.1 No person shall enter any Restricted or Secure area except those persons directly engaging in work or an aviation activity that must be accomplished therein; and

4.1.1.1 Having prior authorization of the Airport Manager or under appropriate supervision or escort; or

4.1.1.2 Employed by or representing the FAA, TSA, DHS, or recognized in the Airport Security Plan as being authorized to access to certain secured areas of the Airport.

4.1.2 No person shall cause any object to be located within eight (8) feet of the Airport perimeter fence, which may assist an unauthorized individual in accessing a Secure area.

4.1.3 Any gate or fence condition that would allow unauthorized access to restricted or secure areas of the Airport must be reported immediately to Airport Operations. Any attempts by any persons to gain unauthorized access to any such area, and any conditions that would adversely affect the safety or security of Aircraft operations shall be reported immediately to the Gunnison Dispatch and Airport Operations.

4.1.4 Any person who violates security related regulatory measures may be denied future entry into a restricted or secure area.

4.1.5 All persons shall wear and visibly display their approved Airport identification badge or approved identification recognized in the Airport Security Plan on their outermost garment, waist or higher, while inside a secure area.

4.1.6 Airport identification badge holders must notify the Airport Manager of any entry or attempted entry to a secure area by any unauthorized or unbadged person, or by any unauthorized means.

4.1.7 Any person with a proper Airport identification badge may bring an unbadged person into a secure area if the unbadged person has a valid reason for being inside the secure area and if the unbadged person is provided continuous escort by a person with a proper Airport identification badge. A continuous escort requires that the escorted person remains in close proximity to the Airport identification badge holder at all times while inside the secure area. The Airport identification badge holder shall bear full responsibility for the actions of the person being escorted.

4.2 Airport Identification Badges.

4.2.1 Airport identification badges shall not be issued to any person until a need for unescorted access inside the secure or sterile area and/or the SIDA has been determined by the Airport Manager and all requirements have been met.

4.2.2 All persons requiring access to the restricted areas of the Airport shall pay appropriate fees; provide Airport Operations the proper identification;

complete all required forms; undergo a background check and/or fingerprint procedure consistent with 49 CFR Part 1542, as amended; and successfully complete SIDA and Airport Ground Vehicles/Runway Incursion Prevention Driving Program.

4.2.3 No person shall make, possess, use, offer for sale, pass, and/or deliver any forged or falsely altered pass, permit, identification, badge, card, sign, and/or other authorization purporting to be issued by or on behalf of the Airport.

4.2.4 Sterile Area. Any persons desiring to enter a sterile area are subject to security screening.

4.3 Security Access. All persons desiring vehicular access to the Airport Operations Area (AOA) through any security gate on the Airport must first obtain an Airport Vehicle Permit from Airport Operations. The permit must be placed in the proper location on the vehicle and clearly visible at all times.

4.3.1 Security gates (pedestrian or vehicular) that provide access to the AOA shall be kept closed and locked at all times, except when actually in use. All access gates to the AOA through a tenant's leased premises are Operator's/lessee's responsibility and shall be monitored and secured in a manner that will prevent unauthorized access.

4.3.2 Vehicle operators shall stop their vehicle and allow the gate to fully close before proceeding, and shall also ensure that no other vehicles or persons gain access to the Airport while the gate is in the process of closing or not fully closed. If the vehicle operator cannot prevent such access, the vehicle operator shall immediately notify the Airport Operations and the Gunnison Dispatch.

4.3.3 Tampering with, interfering with, or disabling the lock, or closing mechanism or breaching any other securing device at the Airport is prohibited.

4.3.4 Persons who have been provided either a code or a device for the purpose of obtaining access to the AOA shall not divulge, duplicate, or otherwise distribute the same to any other person.

5. AIRCRAFT RULES AND REGULATIONS.

5.1 Accidents or Incidents.

5.1.1 Aircraft operators involved in an incident or accident on the Airport resulting in injury or death to person or damage to property shall complete any necessary reports and forms, and comply with all applicable provisions of National Transportation Safety Board (NTSB) Regulations Part 830. The Aircraft operator is responsible for all damages to property, including damage to a runway, taxiway, taxilane, apron, signage, navigational aid, light or fixture.

5.1.2 An Aircraft involved in an accident on the Airport may not be removed from the scene of the accident until authorized by the Airport Manager. Once authorization to remove the Aircraft has been issued, the Aircraft operator

shall be responsible for the safe and prompt removal of disabled Aircraft and parts within a movement area to a non-movement area.

5.1.3 Subject to the requirements of 5.1.2 above, disabled Aircraft shall be removed within 30 minutes from any runway or taxiway.

5.1.4 If immediate arrangements are not made (so that the Airport can return to full operational status without unreasonable delay), the Airport may have any disabled Aircraft removed, at the Aircraft operator's sole risk and expense, without liability for damage arising from or out of such removal.

5.2 Aircraft Assembly. Aircraft assembly constitutes maintenance and is permitted only in areas designated for that use, or in hangars approved for that activity by the Airport Manager.

5.3 Aircraft Cleaning. Aircraft cleaning shall be performed only in areas designated for such use and in compliance with the Airport's Storm Water Management Plan, a copy of which is on file with the Airport Manager and is available for inspection upon request. All drainage must flow to an oil/water separator, or a collection system approved pursuant to the Airport's SWMP.

5.3.1 All Aircraft cleaning shall be done with biodegradable soap, and without the use of solvents or degreasers.

5.3.2 Cleaning practices using flammable or combustible materials are prohibited within any building or within fifty (50) feet of any building, Aircraft, vehicle, fuel storage facility or fueling operation.

5.4 Aircraft Maintenance and Repair. Aircraft maintenance and repair is permitted only in areas designated by the Airport Manager.

5.4.1 With exception of preventative maintenance (as defined in 14 CFR Part 43), maintenance and repair of general aviation Aircraft shall be confined to designated areas within an FBO's or SASOs' leased premises.

5.4.2 Preventive maintenance may be performed on Aircraft located on tie downs and in individual hangars, only by the owners of such Aircraft.

5.4.3 Minor maintenance of air carrier Aircraft (as defined by 14 CFR Part 43) may be performed at the gate positions in the passenger terminal area. For all other work, the Aircraft must be moved to an area designated by the Airport Manager.

5.4.4 Aircraft painting shall be performed only in hangars approved for that activity by the Airport Manager.

5.5 Aircraft Operations.

5.5.1 When required by the FAA for the type of Aircraft operated, the operator of any Aircraft shall hold a currently valid airman certificate with appropriate airman rating record issued by the FAA. Aircraft shall carry FAA issued and currently effective aircraft registration certificate, aircraft worthiness certificate, and aircraft operation record, when required by FAA for the type of Aircraft involved.

5.5.2 Operating an Aircraft in a careless, negligent, or reckless manner; in disregard of the rights and safety of others; without due caution and care; or at a speed or in a manner which endangers, or is likely to endanger persons or property of any entity, is prohibited.

5.5.3 Aircraft operators shall obey all pavement markings, signage, and lighted signals unless instructed otherwise by the Airport Manager.

5.5.4 Operating an Aircraft constructed, modified, equipped, or loaded as to endanger, or be likely to endanger persons or the property of any person, is prohibited.

5.5.5 Experimental flights or ground demonstrations shall not be conducted on the Airport without the prior written permission of the Airport Manager.

5.5.6 The starting, positioning, or taxiing of any Aircraft shall be done in such a manner so as to avoid generating or directing any propeller slipstream or engine blast that may endanger or result in injury to persons or damage to property.

5.5.7 Airborne radar equipment shall not be operated or ground-tested in an area where the directional beam of such radar, if high intensity (50KW or greater output), is within three-hundred (300) feet or, if low intensity (less than 50 KW output), is within one-hundred (100) feet of another Aircraft, an Aircraft refueling operation, an Aircraft refueling vehicle, or a fuel storage facility.

5.5.8 Aircraft engines shall not be started within, and Aircraft shall not be taxied into, out of, or within, any structure on the Airport except for structures designed for engine run-ups, such as a hush house or a test stand.

5.5.9 Aircraft shall only be taxied or towed on hard-surfaced runways, taxiways, taxilanes, and aprons.

5.5.10 Aircraft operators shall not taxi an Aircraft at the Airport at a speed greater than is reasonable and prudent under the conditions with regard for actual and potential hazards and other Aircraft so as not to endanger persons or property. Taxiing Aircraft shall yield the right-of-way to any emergency vehicle.

5.5.11 The runway Aircraft weight limitations for the Airport (FAA Gross Weight evaluation) set forth in the FAA Facility Directory shall not be exceeded without the prior approval of the Airport Manager. Aircraft operators shall not

land, take off, taxi, or park an Aircraft on any area that has been restricted to a maximum weight bearing capacity of less than the weight of the Aircraft. It shall be the Aircraft operator's responsibility to bear the expense of repair for any damage to the Airport's runways, taxiways, or aprons caused by excessive Aircraft weight loading.

5.6 Aircraft Parking and Storage.

5.6.1 No FBO or SASO authorized to provide Aircraft storage to the public shall require procurement of fuel or other supplies or services from a specific source as a condition of Aircraft storage.

5.6.2 Aircraft shall be parked only in those areas designated for such purpose and shall not be positioned in such a manner so as to block a runway, taxiway, taxilane or fire hydrant, or obstruct access to hangars, parked Aircraft, or parked vehicles.

5.6.3 Aircraft operators shall ensure parked and stored Aircraft are properly secured as set forth in FAA AC 20-35C. Parked or stored helicopters shall have braking devices or rotor mooring blocks applied to the rotor blades. Moored lighter-than-air Aircraft shall have at least one person monitoring the safety of the mooring at all times.

5.6.4 All air carrier Aircraft loading and unloading at the passenger terminal must be parked at designated gate positions. General aviation Aircraft are not permitted to enter in the SIDA, except by special permission granted by Airport Operations.

5.6.5 Upon request of Airport Operations, the operator of any Aircraft parked or stored at the Airport shall move the Aircraft to the location and/or position on the Airport identified by Airport Operations. In the event the Aircraft operator refuses, is unable or unavailable, Airport Operations may move the Aircraft to the area at the risk and expense of the Aircraft operator without liability for damage that may arise from or out of such movement.

5.7 Airworthiness. No Aircraft shall remain on the Airport, and outside a hangar, in excess of 90 days unless such Aircraft is registered by FAA, certificated and in airworthy condition.

5.8 Engine Run-Ups. Aircraft shall not commence run-ups so that the engine blast is directed at persons, other Aircraft, hangars, shops or other vehicles. Extended run-ups shall only be performed in designated areas so as to minimize impact to persons, other Aircraft, and businesses.

5.9 Landing and Take-Off Operations For Fixed Wing Aircraft. Fixed wing Aircraft taking off or landing at the Airport shall do so only from designated runways. Landing Aircraft shall clear the runway as soon as practicable, taxiing ahead to the nearest turn off.

5.10 Passengers and Cargo. Passengers and cargo shall be enplaned/deplaned only in areas designated for such activities.

5.11 Helicopter Operations.

5.11.1 All helicopters at the Airport shall take-off, land or taxi only from established and recognized parking pads, designated ramps or airport taxiways and runways. Helicopters shall park only in the areas designated for such operations.

5.11.2 Helicopters shall not be operated within one hundred (100) feet of any area where light Aircraft are parked or operating, and are prohibited from landing, taking off, or air taxiing between structures less than one-hundred and twenty (120) feet apart, unless such area is specifically established for helicopter operations.

5.11.3 Helicopters shall not be taxied, towed, or otherwise moved with rotors turning unless there is a clear area of at least forty (40) feet in all directions from the outer tips of the rotors.

5.11.4 Trailers or dollies shall be utilized to tow helicopters to parking pads for flights. Helicopter tow vehicles and trailers shall not be left at Airport public-use parking pads, and shall be stored at a location designated by the Airport Manager.

5.12 Specialized Aeronautical Activities.

5.12.1 Ultralight Aircraft operations are allowed at the Airport only with an operable two-way radio capable of receiving and transmitting on the proper aeronautical frequencies.

5.12.2 Hot air balloon operations, parachute drops, banner or glider towing, use of motor-less Aircraft, and the aeronautical transport of radioactive or Hazardous Materials are prohibited on the Airport without the prior written approval from the Airport Manager. Approval may be granted by the Airport Manager if the person proposing such activity demonstrates to the Airport Manager that such activities may be conducted on the Airport in a safe manner without interference with other aeronautical activities.

5.13 Model Aircraft. Except as authorized and regulated by federal law or FAA regulation, it shall be unlawful for any person to fly or launch any Model Aircraft on, over or from the Airport.

6. MOTOR VEHICLE RULES AND REGULATIONS.

6.1 Air Operations Area (AOA).

6.1.1 All vehicles operating on the AOA must clearly display an Airport vehicle permit; shall always yield the right of way to Aircraft, emergency vehicles or equipment, and pedestrians; and shall not be operated in such a manner or within such proximity of an Aircraft as to create a hazard or interfere with the safe operation of Aircraft.

6.1.2 Prior to operating vehicles on the AOA, all vehicle operators shall attend and pass the Airport Ground Vehicles/Runway Incursion Prevention Driving Program.

6.1.3 Airport Operations may restrict vehicles to certain portions or segments of the AOA. Such restrictions shall prohibit vehicle operations outside designated areas.

6.1.4 Use of, scooters, motorcycles, mini-bikes, go-carts, roller skates/blades, skate boarding, and the recreational use of bicycles is not permitted.

6.1.5 Unless otherwise posted, vehicles, except emergency vehicles responding to an emergency, shall not be operated on the AOA at speeds in excess of 10 miles per hour.

6.1.6 Tugs and baggage carts shall be returned to designated storage areas immediately following unloading.

6.2 Movement Area.

6.2.1 No vehicles except Airport vehicles, FBO refuelers, or emergency vehicles are permitted on runways, taxiways, and taxilanes.

6.2.2 Vehicle operators shall make a location announcement, including intention and direction of movement, on the UNICOM before proceeding closer than two-hundred and fifty (250) feet from the edge of any runway or one-hundred (100) feet from the edge of any taxiway, and shall ensure that no Aircraft is present or approaching before entering any movement area.

6.2.3 Unless escorted, all vehicles operating in the movement area shall be equipped with a functioning two-way radio capable of communicating on the proper aeronautical frequencies (ranging from 108.00 to 122.00 db), have a beacon or checker flag, valid ID and a reason for being in the movement area. A vehicle without a two-way radio capable of communicating on such frequencies may enter the movement area provided that such vehicle is escorted at all times in the movement area by an authorized escort having radio contact with UNICOM. In the event a vehicle in the movement area experiences radio failure, it must vacate the area utilizing any perimeter roadways or other non-controlled routes.

6.3 Operator Licensing and Permit. Vehicle operators must have a valid state vehicle operator's license of the class needed for the vehicle being operated and evidence of insurance (as required by State law and the Airport) to operate a vehicle on the Airport. Evidence of valid title or current rental/lease agreement for the vehicle shall be kept in the vehicle and available for inspection.

6.4 Parking and Standing.

6.4.1 Vehicles shall be parked only in those areas designated for such purpose. Vehicles shall not be parked or stopped:

6.4.1.1 In such a manner so as to obstruct a parking lot lane, driveway, roadway, walkway, crosswalk, fire lane, runway, taxiway, taxilane, or obstruct access to hangars, parked Aircraft, or parked vehicles;

6.4.1.2 In any space marked for parking in such a manner that the vehicle occupies more than one marked space;

6.4.1.3 Within a bus stop, taxicab, or commercial vehicle zone (except for vehicles authorized by the Airport to use such areas);

6.4.1.4 On the side of a roadway;

6.4.1.5 On the roadway side of any stopped or parked vehicle (double parking);

6.4.1.6 Within fifteen (15) feet of a fire hydrant or within a fire lane or restricting the access to or from the fire lane;

6.4.1.7 Within four (4) feet of either side of a security fence; or

6.4.1.8 Other than in accordance with restrictions posted on authorized signs.

6.4.2 Service vehicles (including utility company, government owned, delivery, etc.) shall park in specially reserved and marked areas or areas designated for such purpose.

Automobiles, motorcycles, boats, jet skis, snowmobiles, dune buggies, race cars, recreational vehicles, trailers and other vehicles may not be parked or stored on Airport property for longer than 72 hours, unless (a) parked in the passenger terminal parking lot, with payment had been made in advance, (b) written permission of the Airport Manager has been first obtained or (c) pursuant to a written agreement or lease with the County.

6.5 Vehicle Licensing and Equipment.

6.5.1 Except for vehicles that are exclusively used on the AOA, all vehicles shall meet proper state licensing, registration, and inspection requirements.

6.5.2 Vehicles shall not be operated on the Airport unless the vehicle is in sound mechanical order; has adequate lights, horn, and brakes; and permits clear visibility from the driver's position.

6.5.3 Vehicles operating or parking inside the security fence shall be registered with the Airport and display a current vehicle permit.

6.6 Vehicle Maintenance. Except for minor repairs that are necessary to remove such vehicle(s) from the Airport, and except as expressly provided otherwise in

an agreement with the Airport Manager, private vehicles shall not be cleaned or maintained anywhere on the Airport. Vehicles operated by commercial operators/lessees shall be cleaned or maintained only in areas designated by the Airport Manager.

6.7 Vehicle Operations. The following shall apply to all vehicle operations on the Airport:

6.7.1 No vehicle shall be operated in a careless, negligent, unsafe, or reckless manner; in disregard of the rights and safety of others; without due caution and care; or at a speed or in a manner which endangers or is likely to endanger persons or property.

6.7.2 No vehicles shall be constructed, equipped, loaded, or maintained (or any having attached thereto any object or equipment which drags, swings, or projects) so as to endanger or be likely to endanger, persons or property.

6.7.3 Vehicles shall not be operated in any hangar unless (1) the vehicle exhaust is protected by screens or baffles to prevent the escape of sparks or the propagation of flame and (2) a vent system exists to prevent exhaust fumes from building up in the hangar.

6.7.4 Vehicle operators shall obey all posted speed limits. Vehicles shall not be operated at a speed greater than is reasonable and prudent under the conditions and having regard for actual and potential hazards, traffic, use of the street or roadway, or so as not to endanger persons or property.

6.7.5 Vehicle operators shall provide proper signals and obey all traffic lights, signs, mechanical or electrical signals, and pavement markings.

6.7.6 Vehicles that are overloaded or carrying more passengers or cargo than the amount that the vehicle is designed to carry are prohibited.

6.7.7 Vehicles used for hauling trash, dirt, or any loose material shall be operated in such a fashion as to prevent the contents of the vehicle from dropping, sifting, leaking, or otherwise escaping.

6.7.8 Except in case of emergency or operational necessity, no vehicle shall leave paved areas.

7. FACILITIES RULES AND REGULATIONS. The following shall apply to all property and Buildings on the Airport, under a lease, sublease or otherwise:

7.1 Compressed Gases.

7.1.1 Oxygen or any compressed gas in a cylinder or portable tank must be secured to a fixed location or secured to a portable cart designed and approved specifically for the cylinders or tanks being secured.

7.1.2 Compressed gas cylinders or tanks must have approved and fully operational pressure relief devices installed, and shall be maintained in compliance with all applicable rules and regulations.

7.1.3 Cylinders or tanks not in use shall have an approved transportation safety cap installed.

7.2 Fire Prevention.

7.2.1 Good fire prevention practices/procedures shall be followed at all times on the Airport and in any Building located on the Airport.

7.2.2 Tenants shall provide proper, adequate, inspected, certified and readily accessible fire extinguishers (that are approved by fire underwriters) for the particular hazard involved or associated with the activity being conducted. Fire extinguishers shall be maintained in accordance with the Fire Code.

7.2.3 Logs showing the date of last inspection shall be attached to each unit or records acceptable by fire underwriters shall be kept showing the status of such equipment.

7.3 Lubricating Oils. Quantities of lubricating oils in hangars shall not exceed amounts necessary for maintenance purposes and operation of equipment. Storage of combustible liquids in hangars in excess of five (5) gallons requires prior approval from the Fire Marshall.

7.4 Storage of Materials and Equipment. No person shall store, stack, box, or bag material (or equipment) in such manner as to preclude creating any hazard, obstructing any operation, or littering. Storage of materials or equipment is prohibited outside of hangars or other Buildings, without approval of the Airport Manager.

7.5 Telecommunications. No person shall operate any communications equipment (wired or wireless) on the Airport in a manner that will cause interference to operations of the Airport. Upon any notification from the Airport, the FAA or the police or fire departments of any interference caused by operator's or lessee's operation, the person notified shall cease such communications operations, transmissions and uses on the Airport. Such person shall not resume communications operations until the Airport Manager has provided notice in writing.

8. AIRCRAFT FUEL STORAGE, HANDLING AND DISPENSING.

8.1 Permit. Fuels in quantities greater than five (5) gallons shall only be stored and dispensed on the Airport by persons having a permit with the Airport Manager authorizing the fueling operation and approving the fuel storage facilities, refueling vehicles, and related equipment. This includes any third-party, public use, self-serve fueling facilities.

8.2 Best Practices.

8.2.1 Operators shall conform to the standards set forth in FAA Advisory Circular 150/5230-4A, “Aircraft Fuel Storage, Handling and Dispensing on

Airports," the "Fuel Handling Safety Guidance" issued by the Northwest Mountain Region of the FAA; NFPA 407; and the Fire Code, as they may be amended from time to time.

8.2.2 Operators owning and operating fuel tanks, refueling vehicles, and/or portable oil containers shall comply with the requirements of the Oil Pollution Prevention regulations (40 CFR 112) including provision of secondary containment for loading/unloading areas and refueling vehicle parking areas. Each operator shall comply with all provisions of the Airport Stormwater Management Plan. Operators who wish to provide their own Stormwater Management Plan shall submit such plans to the Airport for review to verify that such plans are in conformance with the existing plans for the Airport.

8.2.3 Operators must provide their own Spill Prevention Control and Counter Measures, and file a copy with the Airport Manager.

8.3 Equipment.

8.3.1 Refueling vehicles, fueling pumps, meters, hoses, nozzles, funnels, fire extinguishers, and bonding devices used during fueling operations shall be maintained in a safe operating condition and in good working order and repair at all times.

8.3.2 Operators shall have on hand at all times sufficient spill control equipment including containment booms, socks, pillows, pads, etc. to control spills and Releases occurring on their leasehold. Cleanup of non-fuel spills and Releases is the responsibility of the Operator. Operators shall store contaminated spill control equipment in containers in accordance with applicable sections of 40 CFR 262 and 49 CFR 172-173 until proper disposal can be effected. At a minimum,

8.3.2.1 Each refueling vehicle shall have a "first responder" spill kit; and

8.3.2.2 Each fuel storage facility shall maintain a spill kit with an appropriate supply of, but not limited to, spill socks, pillows, pads, wipes, disposable bags with ties, and DOT approved containers. All spill control items shall be rated for hydrocarbon use.

8.3.3 Operators may not install self-service fueling islands or similar facilities without the prior written approval of the Airport Manager.

8.4 Fuel Flowage Fees.

8.4.1 A fuel flowage fee is payable to the Airport, as set forth in the Airport Rates and Charges as amended from time to time, for all aviation fuel (not including mogas) delivered by any person into any Aircraft at the Airport, and to all Through-The-Fence permittees (collectively, for purposes of this paragraph 8.4 alone, "Operators.").

8.4.2 Each Operator shall pay the fuel flowage fee for all fuel delivered to its premises, trucks, and/or storage tanks.

8.4.3 Operators shall furnish to the Airport Manager on or before the fifteenth (15th) day of the next succeeding month, a written statement setting forth the total number of gallons of fuel delivered to its premises, trucks, and/or storage tanks during the preceding month. The format for reporting must be in a form acceptable to the Airport Manager. Operators shall pay the fueling fees determined to be owed no later than ten (10) days after the date of the Airport's billing statement.

8.4.4 Operators shall keep and maintain adequate books and records to establish and verify the accuracy of the fuel volumes reported to the Airport. The Airport's authorized representative shall have the right, to examine, inspect or audit an operator's books and records for the purpose of verifying the accuracy of the fuel volumes reported by an Operator.

8.5 Fuel Storage Facilities.

8.5.1 Plans for fuel storage and installation shall be submitted to the Airport Manager for approval prior to any installation. All facilities, equipment, and installation shall be in conformance with all local, state, and federal requirements.

8.5.2 The maintenance and operation of fuel storage facilities shall meet NFPA 30, NFPA 407, UL 2085 and FAA regulations and advisory circulars, and shall be approved by all agencies that regulate the maintenance and operation of fuel storage facilities. The installation of all tanks or facilities shall meet the requirements of the Fire Code.

8.5.3 Operator shall have a written Spill Prevention Control and Countermeasures Plan that meets regulatory measures for their fuel storage facilities. A copy of the Spill Prevention Control and Countermeasures Plan shall be filed with the Airport Manager.

8.5.4 All security gates leading into fuel storage areas shall be kept closed and locked at all times except when actually in use.

8.6 Fueling Operations.

8.6.1 All fuel handled on the Airport shall be treated with due caution and care with regard to the rights and safety of others so as not to endanger or likely to endanger, persons or property.

8.6.2 Persons engaged in the fueling, defueling, and oil servicing of Aircraft or vehicles, the filling of refueling vehicles or dispensing equipment, or the dumping or pumping or loading of aviation fuels or oils into or from fuel or oil storage facilities shall exercise care and extreme caution to prevent overflow of fuel or oils and/or spills.

8.6.2.1 In the event that a spill should occur of any magnitude, associated activities shall cease immediately. The responsible party of such spill shall take appropriate action to properly contain and clean up the spill, and applicable provisions of Section 3.9 of these Rules shall be followed.

8.6.3 A properly trained operator shall be present at all times while fuel delivery vehicles transfer fuel into or out of any fuel storage facility. All fueling shall be performed by qualified operators.

8.6.3.1 The operator shall remain within the immediate vicinity, in close proximity to, and in direct view of all operating controls and equipment; and

8.6.3.2 The operator shall not leave the discharge end of any hose or hoses unattended at any time while the transfer of fuel is in progress; and

8.6.3.3 The operator shall not block open, disengage, bypass, and/or deactivate the deadman control or mechanism at any time while fueling or transferring fuel. Hold-down devices are prohibited.

8.6.4 No fueling activity shall take place unless adequate fire extinguishing equipment and personnel trained in the use of such equipment are present.

8.6.5 Aircraft shall not be refueled or defueled with one or more of its engines operating or while the Aircraft is located inside any structure.

8.6.6 Pouring or gravity transfer of fuel from containers is prohibited. Approved pumps, either hand or power operated, shall be used when Aircraft are fueled from containers greater than five (5) gallons.

8.6.7 Refueling Vehicles shall be positioned so that the vehicle has clear egress at all times.

8.6.8 Not more than one Refueling Vehicle shall be positioned to refuel each wing of an Aircraft and not more than two Refueling Vehicles shall be positioned to service the same Aircraft.

8.6.9 Aircraft or vehicles shall not be fueled or defueled if an electrical storm is in progress or within close proximity of the Airport.

8.6.10 When Aircraft are being fueled or defueled, the Refueling Vehicle shall be bonded to the Aircraft to equalize the voltage potential between the Refueling Vehicle and the Aircraft.

8.6.11 All hoses, nozzles, spouts, funnels, and appurtenances used in fueling and defueling operations shall comply with NFPA 407 and shall be equipped with a bonding device to prevent ignition of volatile liquids.

8.6.12 Aircraft shall not be fueled or defueled while passengers are on board unless a passenger-loading ramp is in place at the Aircraft cabin door, the door is in the open position, and an attendant is present at or near the door.

8.6.13 If an incapacitated medical patient is on board the Aircraft during fueling operations, the Fire Department personnel and equipment must be available at the scene.

8.6.14 For single point fueling, deadman controls or mechanism shall be utilized and shall remain in good working order at all times.

8.6.15 Refueling Vehicles (including fuel tankers) shall use only the entrance, exit, and route designated by the Airport Manager during the transportation and delivery of fuel.

8.6.16 Refueling Vehicles (including fuel tankers) are not permitted on runways, taxiways, and taxilanes without specific approval from the Airport Manager.

8.6.17 Truck to truck fuel transfers are prohibited with the exception of certain maintenance operations and remote fueling operations approved by the Airport Manager.

8.6.18 18-wheeler tractor-trailers delivering fuel on the Airport may only deliver into fuel trucks if both the tractor-trailer and the fuel truck are bottom loading.

8.7 Location of Fueling Operations Relative to Other Activities, Equipment and Structures.

8.7.1 Aircraft fuel handling shall be conducted outdoors and with the Refueling Vehicle and Aircraft being at least fifty (50) feet from any hangar, building, and any combustion and ventilation air-intake to any boiler, heater, or similar facility or as approved by the Fire Department.

8.7.2 Unless a secondary containment is being used, Aircraft fuel handling shall take place on an impervious surface and at least fifty (50) feet from any storm water conveyances, drains, catch basins, ditches.

8.7.3 No person shall operate any radio transmitter or receiver (or switch electrical appliances on or off in an Aircraft) within fifty (50) feet of and for the duration of fueling or defueling activity unless said radio transmitter or receiver is designed for such environment.

8.7.4 During fueling operations, no person shall use any material or equipment that is likely to cause a spark or ignition within fifty (50) feet of such Aircraft or vehicle.

8.7.5 Use of matches, lighters, or any other igniting or incendiary devices is prohibited on the AOA and within fifty (50) feet of any Aircraft, refueling vehicle, fuel storage facility, or any Aircraft being fueled or defueled.

8.8 Off-Premises Fueling. Fueling activities shall be limited to an Operator's leased premises unless the Operator's lease agreement or fueling permit expressly permits off-premises fueling, and Operator's levels of insurance are sufficient to cover the increased liability associated with off-premises fueling. Off-premises fueling is permitted only in designated areas.

8.9 Storage of Refueling Vehicles/Use of Fuel Cans. Refueling Vehicles shall be stored outside and not less than fifty (50) feet from a building or other structure, storm water conveyances, drains, catch basins, or ditches. Refueling Vehicles shall be parked in a manner that provides a minimum of ten (10) feet of separation between vehicles and any other vehicle or Aircraft and a minimum of twenty (20) feet from a storm water inlet. Unless otherwise authorized by the Fire Marshall, no more than ten (10) gallons of fuel may be stored in fuel cans, and all fuel cans shall be spring loaded, self-closing containers.

8.10 Maintenance of Refueling Vehicles. Maintenance and servicing of Refueling Vehicles shall be performed outdoors or in a building that is approved by the Airport Manager and the Fire Department specifically for this purpose. Operators shall document and maintain vehicle maintenance and agency inspection records, which shall be made available to the Airport Manager upon request.

8.11 Training. All personnel engaged in fueling operations shall be trained in procedures for fueling and defueling, quality control, safety, fire prevention, use of fire extinguishers, responding to fuel and oil spills, handling flammable materials, and actions to be taken in an emergency caused by a fire or fuel spill (including environmental protection). All such personnel shall receive proper training or instruction immediately upon employment and not less than annually thereafter, and records of training and qualifications of each person engaged in fueling operations shall be maintained. Training shall be performed in accordance with 14 CFR Part 139 and the Airport Certification Manual. Training records shall be made available for review and/or inspection by the Airport Manager, the Fire Department, and/or the FAA at any reasonable time.

8.12 Transient Fueling Operations. Transient fueling operations (such as seasonal fire fighting operations) shall be subject to the inspection and approval of the Airport Manager; pay applicable fuel flowage charges; fuel only in designated areas; and operate according to Best Management Practices.