

**BISBEE MUNICIPAL AIRPORT
PRIVATE HANGAR GROUND LEASE PACKAGE**

The City of Bisbee is now leasing sites at the Bisbee Municipal Airport for construction of privately owned hangars to be used for aircraft storage only. In this phase of the leases, there will be no commercial operations.

Applications should be mailed or delivered to Cargill Aerotech Services, LLC, 2375 S. Arizona Street, Bisbee, Arizona 85603, for review by the FBO before being reviewed by the Bisbee Airport Advisory Committee and the City Attorney. Include a check for \$500 (made payable to "City of Bisbee") when submitting the application. This sum will be applied to the lessee's monthly ground rent or, if no lease is entered into, will be refunded to the unsuccessful applicant.

If an applicant has questions regarding the lease package or any other inquiry concerning the airport, please contact Fixed Base Operator Tom Cargill at 520-432-6030.

**THE CITY OF BISBEE MUNICIPAL AIRPORT
LEASING POLICY, PROCEDURES AND APPLICATION FORM**

I. BISBEE MUNICIPAL AIRPORT PROPERTY LEASING POLICY

It is the policy of the City of Bisbee to lease land and improvements at the Bisbee Municipal Airport in compliance with all applicable federal, state, and local rules, guidelines, procedures and regulations. The City of Bisbee will lease available Airport land and improvements to users who, in the opinions of the Airport Commission and the Bisbee City Council, will use and develop the property in a manner that will ensure and enhance the continued viability of the Bisbee Municipal Airport.

The City reserves the right to designate the areas that will be subject to lease and the associated parcel sizes. The City also retains the right to regulate the nature, scope and usage of this property, as may be necessary to protect and preserve its interests in this airport. All leases are subject to the review and recommendation of the Bisbee Airport Advisory Commission and the final approval of the Bisbee City Council. Leases and leasehold operations must be in compliance with the Bisbee Airport Development Plan, all applicable Federal, State, and local government laws, the Bisbee Municipal Airport Rules and Regulations and Minimum Operating Standards. Leases for property to be developed by the Lessee will generally be for a term of 30 years, at the rates recommended by the Airport Manager and the Airport Commission.

**II. BISBEE MUNICIPAL AIRPORT PROPERTY LEASE APPLICATION
PROCEDURES**

Each Applicant must follow these procedures when requesting to lease land or improvements from the City.

The completed Application must be submitted to the Airport Manager. With this Application form, each Applicant must submit a Lease Deposit of \$500. The Lease Deposit will be applied to the rental payments upon the execution of the Lease Agreement between the successful Applicant and the City. The Airport Manager will notify the Applicant in writing within ten (10) working days of the submission of the Application whether it has been accepted for transmission to the Airport Commission, or whether more information is required. The Applicant is required to provide any additional information that may be required with this Application within thirty (30) days of the notice of any deficiency. The Lease Deposit will be refunded to an unsuccessful Applicant following this time period, if the Application is still not complete, or subsequently if the Application and lease are not approved.

The Applicant must submit the following documents, to be prepared at the Applicant's expense, to the Airport Manager with the completed Application form:

- 1) A survey or appropriate legal description of the subject lease property.
- 2) A Site Plan for the proposed development and improvements that is consistent with the Bisbee Municipal Airport Development and Architectural Standards. The Site Plan must show the location of proposed buildings and utilities to serve the site.
- 3) A complete description of all of the proposed uses and work to be conducted upon the leased premises, including a description of the equipment and materials that will be maintained, stored or used upon the leased premises.
- 4) A signed proposed Lease Agreement, in the form developed by the City and the Airport Commission, including any amendments that are proposed by the Applicant. Any such proposed amendments shall be highlighted by the Applicant.

The acceptance of an Application by the Airport Manager does not constitute a contract or agreement between the Applicant and the City. A lease is not final and binding until it has been signed and formally approved by both the Applicant and by the Mayor and Council of the City of Bisbee.

III. APPLICATION REVIEW

The Bisbee Airport Advisory Commission will review the completed application documents, at a formal meeting, after the completed application and all required submittals are accepted by the Airport Manager. If the Airport Advisory Commission approves the proposed lease, it shall forward its recommendation for approval to the Mayor and Council for further action. If the Airport Advisory Commission recommends approval subject to certain conditions, or certain amendments, the Commission shall advise the Applicant of these conditions or amendments. If the Applicant agrees to accept these conditions and amendments, they shall be included in the proposed lease and submitted to the Mayor and Council with a recommendation for approval. If the Commission does not recommend approval, the Applicant may withdraw the Application, or may request that it be submitted for consideration by the Mayor and Council with a “Do Not Approve” recommendation from the Commission.

The proposed lease agreement will be submitted to the Mayor and Council for final consideration, with the recommendation from the Commission. Under the Charter of the City of Bisbee, this lease must be approved as Ordinance, which will require two readings and a delay of thirty days after final approval before it becomes effective.

The signed Lease Agreement will be the controlling document and any previous verbal or written representations made by either party will be null and void unless specifically integrated into the signed Lease Agreement.

CITY OF BISBEE LEASE APPLICATION FORM

City of Bisbee
118 Arizona Street
Bisbee, Arizona 85603
Phone: 520-432-6000
Fax: 520-432-6069

Airport Address:
2375 S. Arizona Street
Bisbee, AZ 85602
Phone: 520-432-6030

Applicant (s) Name (s):

Address:

Phone:

Type of Organization:

- Sole Proprietorship
- General Partnership
- Limited Liability Company
- Limited Partnership
- Corporation (see below) State of Incorporation or Registration

Registered Agent: _____

Principal Officers:

Description of property to be leased:

(Attach Exhibit as necessary)

Name of Architect/Engineer:

Address: _____

Phone: _____

Name of Contractor: _____

Address: _____

Phone: _____

License Number: _____

Description of Work Planned: _____

Class of Work: New Construction, Addition, Other

Site Plan: _____ (attach)

Building Plan: _____ (attach if available)

Maximum Height of Proposed Structure(s): _____

Type and color of Siding: _____

Type and color of Roof: _____

Type & Number of Aircraft to Be Stored (if applicable):

Financial Information: Method for Funding Improvements __Cash; __Mortgage (see below):

Name of Lender(s):

Address: _____

Phone: _____

Terms: _____

Schedule for Completion of Construction & Commencement of Operations:

A complete description of all of the proposed uses and work to be conducted upon the leased premises, including a description of the equipment and materials that will be maintained, stored or used upon the leased premises:

Additional Comments:

NON-DISCRIMINATION

In consideration of the City of Bisbee granting Applicant and its agents access to the airport property for site review and evaluation related to potential development, Applicant agrees that it shall not discriminate against any person on the grounds of race, creed, color, national origin, or sex arising out of Applicant's site review, evaluation and/or development of the property, if applicable.

No person on the grounds of race, color, religion, sex, age, disability, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination during the pre-application and/or application process.

I hereby acknowledge that I have received and read this application. I agree to comply with all federal, state, local laws, ordinances, regulations as well as all Bisbee Municipal Airport policies, procedures and guidelines that pertain to leasing land and/or improvements at Bisbee Municipal Airport. I also understand that Cochise County Planning and Zoning is the permitting authority and that permits and inspections necessary for construction must be acquired from the County.

Applicant's Signature: _____

Date: _____

To Be Completed By Airport Manager:

Received on Date: _____

Date of Acceptance or notice of any deficiency: _____

Transmitted to Airport Commission on Date: _____

Reviewed and Recommended by the Airport Commission on Date: _____

Transmitted to City Clerk on Date: _____

**BISBEE MUNICIPAL AIRPORT
GROUND LEASE AGREEMENT**

This airport Ground Lease (the "Lease Agreement") is made and entered into on the date set forth in Paragraph 1.1 below, by and between THE CITY OF BISBEE ("the City") and the TENANT.

Article 1: BASIC LEASE INFORMATION

In addition to the terms that are defined elsewhere in this Lease Agreement, the following defined terms are used in this Lease Agreement:

1.1 DATE: _____

1.2 TENANT: _____

1.3 TENANT'S ADDRESS AND PHONE: _____

1.4 THE CITY'S ADDRESS AND PHONE:

118 Arizona Street
Bisbee, AZ 85603
520-432-6000

1.5 AIRPORT:

Bisbee Municipal Airport, located in Cochise County, Arizona.

1.6 COMMENCEMENT DATE: _____

1.7 EXPIRATION DATE: _____

1.8 INITIAL MINIMUM INSURANCE COVERAGE AMOUNT: (See Bisbee Airport Minimum Operating Standards, as applicable. Non-commercial leases will generally require property insurance for the estimated value of all improvements and liability insurance of not less than \$1,000,000.00 per occurrence.) \$ _____

1.9 RENT: Rent shall include the monthly ground rent, pursuant to this Lease Agreement, together with any charges that are included in this Lease.

1.10 INITIAL MONTHLY GROUND RENT: \$ _____

1.11 PERMITTED USES: The following activities shall be considered "Permitted Uses" under this Lease Agreement: _____

1.12 PREMISES: The property specifically designated on accompanying Exhibits and any improvements located thereon.

1.13 PREMISES SQUARE FOOTAGE: The Premises consist of _____ square feet.

1.14 ADDITIONAL PROVISIONS: Any additional or supplementary terms of this Lease are stated on an attached Exhibit designated "Supplementary Terms" and are incorporated herein by reference.

Article 2: LEASE AGREEMENT AND TERM

2.1 In consideration for the payment of the rent and faithful performance of the terms and conditions of this Lease by Tenant, the City does hereby lease unto Tenant the Premises, subject, however, to all liens, easements, restrictions, and other encumbrances on such property. Tenant shall be leasing the Premises in an "as is" condition, without warranties or representations from the City that the Premises, or any portions thereof, are suitable for a particular purpose, or can accommodate any particular weight or size of aircraft.

2.2 Tenant is also granted the non-exclusive right to utilize such Airport runways, taxiways, taxi lanes, and public use aprons ("airfield areas"), and such other existing rights of way and access across the Airport ("Airport rights of way") as necessary for ingress and egress to the Premises, and to the extent necessary to enable Tenant to enjoy the Permitted Uses of the Premises. Tenant's use of said airfield areas and other Airport rights of way shall be on a non-exclusive, non-preferential basis with other authorized users thereof. Tenant shall abide by all directives of the City, the Airport Manager, the Federal Aviation Administration ("FAA"), and any other governmental entity having jurisdiction over the Airport, governing Tenant's use of said airfield areas and other Airport rights of way.

2.3 Unless sooner terminated by agreement between the City and Tenant, or under other provisions of this Lease Agreement, this Lease Agreement shall terminate on the Expiration Date.

2.4 Subject to the provisions of this Lease Agreement, the City hereby grants Tenant the exclusive right to use the Premises, and all of the improvements thereon (if any), to conduct the Permitted Uses. The City reserves the right to authorize other parties to engage in the same or similar uses at other locations on the Airport.

2.5 The City and the Airport Manager may, with 24 hours notice and during regular business hours, inspect the Premises, and any improvements, fixtures or equipment thereon. Tenant shall cooperate with any such inspection.

Article 3: RENT

3.1 The following provisions shall apply to the ground rent for the Premises.

3.1.1 The Initial Monthly Ground Rent for the Premises is the amount set forth in Paragraph 1.10.

3.1.2 Beginning with the fifth anniversary of the Commencement Date of this Agreement, and on each annual anniversary date thereafter, the monthly ground rent for the Premises shall be adjusted by the percentage of the increase in the Consumer Price Index, using the US City Average for all urban

consumers ("CPI-U"), all items index. For the first such adjustment, the percentage of increase shall be based on the change for the five-year period ending with the closest available month for which such data, as set forth in the report published by the US Department of Labor, Bureau of Labor Statistics, is available. For each subsequent year, the rent adjustment shall be equivalent to the percentage change for the closest twelve month period for which such data is available. If the CPI-U index is no longer published by the US Department of Labor, the parties shall use the US Department of Labor index or report most closely approximating the CPI-U.

3.2 Payment of Tenant's monthly ground rent shall be made in advance, on or before the first day of each and every month during the term of this Lease Agreement.

3.3 All rental payments shall be made to the Airport Manager, unless otherwise directed by the City.

3.4 Any payment of rent that is not received on the due date will be subject to a late charge equal to five percent (5%) of the unpaid payment. In addition, any Rent which is not paid when due, including Monthly Base Rent, will accrue interest at a late rate charge of one and one-half percent (1 1/2%) per month from the date on which it was due until the date on which it is paid in full with accrued interest. The failure to make the rental payments in a timely manner will constitute grounds to terminate this lease. Any late fee payments received shall be applied first to accrued interest, and then to the reduction of the principle balance owing.

Article 4: IMPROVEMENTS

4.1 During the term of this Lease Agreement, Tenant shall have the right to construct, at its own expense, improvements, alterations, or additions to the Premises, or to any improvements presently located thereon, in furtherance of Tenant's authorized use of the Premises, provided that:

4.1.1 Prior to the construction of any improvements, alterations or additions to the Premises, the Tenant shall submit the proposed plans to the City and to the Airport Manager for their review, and, if required, obtain a Cochise County building permit. The required plans shall be professionally prepared plans for design and construction of all improvements, signed and sealed by a licensed professional, and shall include grading and drainage plans, if the ground surface will be disturbed; and

4.1.2 Prior to construction, the City, acting through its Director of Public Works, or his designee, must first determine, in writing, that the proposed improvements, alterations, or additions are consistent with this lease, the Airport's master and land use plans, the Airport Development and Architectural Standards, and the City's Requirements and Minimum Standards for Services and Activities at the Airport ("Minimum Operating Standards"); and

4.1.3 Prior to construction, the Tenant must obtain any necessary approval or determination from the FAA, including a Determination of No Hazard, if applicable.

4.1.4 Upon the completion of any improvements, the Tenant must provide the City with a set of "as built" drawings which accurately depict each such improvement.

4.2 Tenant shall construct all improvements, alterations, and additions to the Premises at its own expense. Tenant shall be responsible for assuring that all of said improvements, alterations and additions to the Premises are constructed in accordance with applicable local, state and federal law. Tenant shall reimburse the City for all costs and expenses, including surveying and attorney's fees, the City incurs (a) as a result any assertion that the improvements, additions, or alterations do not comply with local, state and federal law; (b) in defending against, settling or satisfying any claim that the City is responsible for paying for improvements on the Premises or for any claims arising from their construction; or (c) in defending against, settling or satisfying any mechanic's lien claims, asserted as a result of non-payment for improvements on the Premises.

4.3 The parties hereby agree that Tenant shall have eighteen (18) months from the Commencement Date (Section 1.6) to initiate construction on the property for the approved uses. If such development is not timely commenced, or if due diligence in pursuing such development is not demonstrated to the satisfaction of the City, then the City shall have the right to terminate this Agreement, and all of Tenant's interest in the Premises shall revert to the City. If, however, the Tenant has commenced the process for development and is diligently pursuing this process, then the Tenant may petition, in writing, the City for an extension of time to initiate construction. The City shall not unreasonably withhold such approval. If such extension is not granted, then the City shall have the right to declare the Agreement terminated, and all of Tenant's interest in the Premises shall revert to the City.

4.4 Unless this lease is renewed or extended, at the Expiration Date, the Tenant shall surrender the Premises, and all fixtures and improvements affixed thereto, to the City, excluding only personal property and trade fixtures that may be removed without damage to the buildings and fixtures on this property. The Tenant shall not remove electric, plumbing or other building systems which are connected to the building. All buildings, improvements, and fixtures constructed or placed on the Premises by the Tenant shall be the property of the City upon the termination of this Lease.

Article 5: MAINTENANCE AND UTILITIES

5.1 During the term of this Lease Agreement, Tenant shall, at its own expense, maintain and keep all portions of the Premises, any improvements, fixtures, and equipment thereon, and any of Tenant's improvements, fixtures, or equipment located elsewhere on the Airport, in good operating and physical condition and repair. Tenant is responsible for damage to any utility lines located on or under the Airport if the damage to said utility lines was caused by Tenant or anyone acting under Tenant's direction and control.

5.2 During the term of this Lease Agreement, Tenant shall also be responsible for providing, at its own expense, all utilities and services, including but not limited to water, sewer, gas, trash and waste disposal and electricity, required for the Premises and any improvements, alterations, or additions thereon. Tenant shall not permit any liens for utilities to be levied against the Premises and, in the event that any liens are so levied, agrees to indemnify the City and hold it harmless for the same.

5.3 Tenant shall provide keys or combinations to locks necessary for access to the improvements to the Airport Manager. Airport Manager has the authority to cut the lock without incurring any

liability in the event it is necessary to enter the premises.

5.4 The City may charge and collect an additional fee for any utility services that are provided by the City.

Article 6: INSURANCE

6.1 At all times during the term of this Lease Agreement, Tenant shall maintain premises liability, bodily injury and property damage insurance, each naming the City as an additional insured, covering all of the activities of Tenant at the Airport. The initial amount of coverage provided to the City shall be at least the Initial Minimum Insurance Coverage Amount, as that term is defined in Paragraph 1.8, above.

6.2 Tenant shall provide a certificate of insurance to the City of the kinds and amounts of said insurance coverage and shall acquire policies that shall not be subject to cancellation without at least thirty (30) days advance written notice to the City. Such policies shall provide that they may not be materially changed or altered by the insurer during its term without first giving at least ten (10) days written notice to the City.

Article 7: ASSIGNMENT

7.1 Tenant shall not assign its interest herein without the written consent of the City, which consent shall not be unreasonably withheld.

7.2 Tenant may not sublease all or any portion of the Premises.

Article 8: COMPLIANCE WITH APPLICABLE LAW; ENVIRONMENTAL COVENANTS

8.1 Tenant shall observe and obey all statutes, rules, regulations, and directives promulgated by the City and other appropriate local, State, and Federal entities having jurisdiction over the Airport, including but not limited to the FAA, Transportation Security Administration, and the Environmental Protection Agency.

8.2 Tenant shall not release or allow the release of petroleum products, hazardous or regulated materials on the Premises or at the Airport. Tenant shall assume the full financial and legal responsibility for properly disposing of all materials that it, its employees, agents, officers and contractors, bring upon the Premises and for any necessary remedial actions. The Tenant shall be solely responsible for all expenses and costs of any kind that may arise from the release, disposal and remediation of any materials, including petroleum products and hazardous or regulated substances, that it, or its agents, employees or contractors, may bring onto the Premises or the Airport. As used herein, "hazardous" and "regulated" materials are intended to include, but not be limited to, all of those materials that are defined as "hazardous materials," "hazardous waste," "hazardous substances," and "regulated substances," under all applicable state and federal laws regulating the use of air, water and land and the disposal or release of materials therein.

Article 9: NONDISCRIMINATION

9.1 Tenant, for itself, its personal representatives, successors in interest, and assigns, as part of the consideration hereof, warrants that (1) no person shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination in the use of the Premises and any improvements thereon on the grounds of race, color, religion, sex, age, disability, or national origin; (2) no person on the grounds of race, color, religion, sex, age, disability, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination in the construction of any improvements on, over, or under the Premises and the furnishing of services therein; and (3) Tenant shall use the premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Non-discrimination in Federally Assisted Programs of the Department of Transportation, Effectuation of Title VI of the Civil Rights Act of 1964, and as said regulations may be amended.

9.2 As a condition for certain grants that the City has received from the Arizona Department of Transportation, the City is required to include and enforce certain provisions in this Lease. The Tenant is hereby required to conduct its operations on the subject property in a manner that is consistent with the requirements of all such grant agreements. In particular, if the Tenant engages in any aeronautical activity for furnishing services to the public at the Bisbee Airport, the Tenant shall:

- a) furnish services on a reasonable and not unjustly discriminatory basis to all users thereof and charge reasonable and not unjustly discriminatory prices for each unit or service;
- b) be allowed to make reasonable and nondiscriminatory discounts, rebates or similar types of price reductions to volume purchasers;
- c) each Fixed Base Operator (FBO) and Air Carrier at the Airport shall be subject to the same rates, fees, rentals and other charges as are uniformly applicable to all other FBOs and Air Carriers making the same or similar uses of the Airport and utilizing the same or similar facilities;
- d) each Air Carrier using such Airport shall have the right to service itself or to use any FBO that is authorized or permitted by the Airport serve any Air Carrier at the Airport.

Article 10: INDEMNITY OF THE CITY

10.1 Tenant shall and hereby agrees to indemnify and hold harmless the City, its officers, employees, successors, assigns, and legal representatives, the Bisbee Airport Commission and the Airport Manager from and against:

10.1.1 Any and all liability, penalties, losses, damages, costs and expenses, causes of action, claims, or judgments arising from or growing out of any injury or injuries to any person or persons or any damage or damages to any property as a result of any breach of the terms of this Lease and any accident or other occurrence during the term of this Lease Agreement occasioned by any act or acts, omission or omissions of the Tenant, its officers, employees, agents, servants, subtenants,

concessionaires, licensees, contractors, invitees, or permittees, or arising from or growing out of the use, maintenance, occupation, or operation of the Premises during the term of this Lease Agreement.

10.1.2 All legal costs and charges, including reasonable attorneys' fees, incurred in and about such matters and the defense of any action arising out of the same or in discharging the Premises or any part thereof from any and all liens, charges, or judgments which may accrue or be placed thereon by reason of any act or omission of the Tenant.

10.1.3 Any liability on account of or in respect of any mechanic's lien or liens in the nature thereof for work and labor done or materials furnished at the instance and request of the Tenant in, on, or about the Premises and, accordingly, Tenant will either satisfy any such lien or, if Tenant disputes the validity thereof, will defend any action for the enforcement thereof (and if Tenant loses any action, will cause such lien to be satisfied and released).

10.1.4 In the event of any joint liability by both the Tenant and the City, the extent of the foregoing indemnity from the Tenant shall be determined by the respective fault of the Tenant, its agents, subcontractors and employees, in comparison with others (including, but not limited to, the City) who may have contributed to or in part caused any such claim to arise.

Article 11: EMINENT DOMAIN

11.1 In the event that all or any portion of the Premises is taken for any public or quasi-public purpose by any lawful condemning authority, including the City, exercising its powers of eminent domain (or in the event that all or any portion of the Premises is conveyed to such a condemning authority in settlement and acceptance of such condemning authority's offer to purchase all or any portion of the Premises in connection with its threat to take said areas under power of condemnation or eminent domain), the proceeds, if any, from such taking or conveyance shall be allocated between the City and Tenant based upon the respective interests of the parties in the subject leased Premises and the balance of the term of the lease. If a portion of the Premises is so taken or sold, and as a result thereof, the remaining part cannot be used reasonably to continue the authorized purposes contemplated by this Lease Agreement in an economically viable manner, then this Lease Agreement shall be deemed terminated following said taking or conveyance, at the option of the Tenant.

11.2 The City reserves the right to grant or take easements or rights-of-way across the Premises if the City determines it is in its best interests of the Airport and provided that this can be done without unreasonably interfering with the use of such Premises by the Tenant.

Article 12: DAMAGE TO AIRPORT; WASTE

12.1 Tenant shall be liable for any damage to the Airport and to any improvements thereon caused by Tenant, or by Tenant's board members, officers, agents, employees, contractors, subcontractors, assigns, subtenants, guests, invitees, or anyone acting under its direction and control, ordinary wear and tear excepted. All repairs for which Tenant is liable shall be made, at the City's option, by (A) Tenant at its own expense, provided that said repairs are made timely and to the City's satisfaction as to the quality of repair or,

(B) if not timely or satisfactorily made by Tenant, then by the City at Tenant's expense

Article 13: QUIET ENJOYMENT

13.1 The City expressly covenants and represents that upon payment of rent when due and upon performance of all other conditions required herein, Tenant shall peaceably have, possess and enjoy the Premises and other rights herein granted, without hindrance or disturbance from the City, subject to the City's rights contained elsewhere in this Agreement. Notwithstanding the provision set forth in the preceding sentence or any other provision of this Lease Agreement, the City and any tenant of the City shall have the right to traverse the Premises if the City, in its sole discretion, believes that such traversing is necessary or desirable for the efficient operations of the City or the other tenant.

13.2 If Tenant holds over or remains in possession or occupancy of the Premises after the expiration of this Lease Agreement without any written renewal thereof, such holding over or continued possession or occupancy shall not be deemed as a renewal or extension of this Lease Agreement, but shall create only a tenancy from month to month which may be terminated at any time by the City upon thirty (30) days written notice. Such holding over shall otherwise be upon the same terms and conditions as set forth in this Lease Agreement.

Article 14: DEFAULT AND REMEDIES

14.1 The Tenant shall be in default of this Lease Agreement upon the happening of any of the following events or conditions ("Events of Default"):

14.1.1 Default by Tenant in payment or performance of any obligation, covenant or duty contained or referred to in this Lease Agreement.

14.1.2 The Tenant's death, legal incapacity, dissolution, or termination of existence.

14.1.3 The placement or assertion of any mechanics' lien or other lien on the Premises due to any act or omission by Tenant or those claiming under Tenant.

14.1.4 The Tenant's abandonment of the Premises.

14.2 Upon an Event of Default as defined in paragraph 14.1, the City shall have the right to, and at its option may, exercise any one or more of the following rights and remedies, each of which shall be cumulative and in addition to all other rights and remedies authorized by law or equity:

14.2.1 The City may, with or without terminating this Lease Agreement, bring and maintain any action for any amount due and unpaid and/or specific performance. The City's damages shall be the total of all rent and expenses of performance of all other covenants of the Tenant as herein provided due or to become due for the remainder of the lease term together with the City's costs, including reasonable attorneys' fees, incurred in retaking possession of the Premises and bringing the action.

14.2.2 The City may terminate this Lease in the event of any default or breach, provided that the City

has given the Tenant not less than thirty (30) day's written notice of this default or breach and a reasonable opportunity to comply with the Lease terms during this notice period. Following a termination of the Lease, the City may reenter and take possession of the Premises, remove all persons and property there from, and declare this Lease Agreement and the leasehold estate hereby created to be, and thereupon the same shall be and become, terminated and ended.

14.2.3 The City may, at its option, with or without declaring this Lease Agreement or the leasehold estate created hereby terminated or ended, occupy the Premises or cause the Premises to be repaired, altered, divided, consolidated with other adjoining premises, or otherwise changed or prepared for re-letting, and may re-let the Premises or any part thereof in order to mitigate the City's damages. All rent received by the City for the remainder of the lease term shall be applied first to the payment of expenses the City may have incurred in connection with recovery of possession of the Premises and/or preparing it for re-letting, and the re-letting, including brokerage and reasonable attorneys' fees, and then to the payment of amounts equal to the rent hereunder and the costs and expense of performance of the other covenants of Tenant as herein provided. Tenant shall, whether or not the City has re-let, pay the City all rent and other sums herein agreed to be paid by Tenant, less the net proceeds of the re-letting, if any, as ascertained from time to time, and the same shall be payable by Tenant upon demand. If the City elects, pursuant hereto, actually to occupy and use the Premises or any part thereof during any part of the balance of the lease terms as originally fixed or since extended, there shall be allowed against Tenant's obligation for rent or other charges as herein defined, during the period of the City's occupancy, the reasonable value of such occupancy, not to exceed in any event the rent herein reserved, and such occupancy shall not be construed as a release of Tenant's liability hereunder.

14.2.4 The City may, but shall not be required to, on not less than fifteen (15) day's notice to Tenant (except that no notice need be given in case of emergency), cure any breach at the expense of Tenant and the cost of such cure, including attorneys' fees incurred by the City in doing so, shall be deemed additional rent payable on demand.

14.3 In the event the City re-lets the Premises pursuant to paragraph 14.2.3 above, any and all of Tenant's furnishings, equipment, and trade fixtures that are in or on or about the Premises may be used by the City or its new tenant until the expiration of the natural term without any liability for rent, compensation, or other charge therefore; however, if, on the expiration of the natural term or on an earlier termination of this Lease Agreement, the total net amount so collected or received by the City from and through any such re-letting or operation has exceeded the total amount accrued and due and unpaid from the Tenant, then such excess shall be applied to the Tenant.

14.4 Whenever a right of reentry is given to the City by the terms of this Lease Agreement, the City may exercise the same by agent or attorney, and with or without legal process, such process and demand for possession of the Premises being expressly waived by Tenant, and the City may use all force necessary to make such entry and/or hold the Premises after such entry and/or to remove Tenant and/or any other person and property from the Premises; and the City shall be entitled, on application to a court of competent jurisdiction, to have a receiver appointed in aid of the enforcement of any remedy herein provided.

14.5 The City's retaking of possession of the Premises shall not constitute acceptance of surrender, eviction, or forfeiture of the Lease Agreement. The City and Tenant hereby expressly agree that if, after Tenant's default, the City retakes possession of the Premises, Tenant shall remain liable for all un-accrued rent, and all other obligations of this Lease Agreement for the remainder of the lease term; notwithstanding the City's reentry. Upon default, the City may exercise any of the remedies specified in paragraph 14.2, above.

14.6 Any defaults by either of the parties in the performance of any of the terms and conditions contained herein shall be excused where due to force majeure, which, among other things, shall include natural catastrophes such as hurricanes, tornadoes, or floods, acts of God, and acts of war.

Article 15: REPRESENTATIONS REGARDING LEGALITIES

15.1 All notices and communications hereunder shall be given by depositing the same in the United States mail, postage prepaid, registered or certified return receipt mail, and addressed to the relevant addresses as set forth in Article 1, above, or to such other address as either party may by notice in writing given to the other, respectively, specify. Notices shall be deemed given on the date of mailing and the date of mailing shall be the date shown on the post office registry receipt. Notice given in a manner other than as specified herein shall be ineffective.

15.2 The failure of either party to insist upon the strict and prompt performance of any of the terms, covenants, agreements, and conditions herein contained, upon the other party imposed, shall not constitute or be construed as a waiver or relinquishment of such party's right or rights thereafter to enforce any term, covenant, agreement, or condition, but the same shall continue in full force and effect. The waiver of any breach of any term, covenant, agreement, or condition herein contained by either party shall not be construed to be a waiver of any subsequent breach of the same or any other term, covenant, agreement, or condition.

15.3 This Lease Agreement constitutes the entire agreement of the parties. Modifications or amendments to this Lease Agreement shall be effective only if made in writing and signed and approved by the parties in the same manner as this Lease Agreement was approved.

15.4 The article or other headings employed in this Lease Agreement are for convenience of reference only. Such headings shall not be interpreted as enlarging or limiting the meaning of any portion of this Lease Agreement.

15.5 Tenant shall pay all legal and surveying fees and costs associated with the rental of the Premises under this Lease Agreement or any addendum hereto. Furthermore Tenant shall assist in any way the City deems advisable in preparing, executing or recording a Memorandum of Lease Agreement relating to this Lease Agreement.

15.6 If any term or condition of this Lease Agreement or the application thereof to any person or event shall to any extent be invalid and unenforceable, the remainder of this Lease Agreement and the application of such term, covenant, or condition to persons or events other than those to which it is held invalid or unenforceable shall not be affected and each term, covenant, and condition of this

Lease Agreement shall be valid and be enforced to the fullest extent permitted by law.

15.7 The City expressly covenants and represents that it is the owner of the Premises, and has the right to enter into this Lease Agreement and grant the rights contained herein to Tenant. With respect to Tenant, the undersigned warrants and represents he/she is authorized to execute this Lease Agreement on Tenant's behalf, and Tenant shall be bound as a signatory to this Lease Agreement by his/her execution of this Lease Agreement.

15.8 Should Tenant breach any of its obligations hereunder, the City nevertheless may thereafter accept from Tenant any payment or payments due hereunder, and continue this Lease Agreement in effect, without in any way waiving the City's right to exercise and enforce all available default rights hereunder, or any other remedies provided by law, for said breach.

15.9 The parties agree that the City is not in any way or for any purpose a partner or joint venture with, or agent of, Tenant in its use of the Premises or any improvements thereon.

15.10 If litigation is required to interpret or enforce this Agreement, the prevailing party shall be awarded its reasonable attorney's fees, costs and other expenses, incurred in addition to any other relief it receives.

15.11 The Exhibits to this Lease Agreement referenced herein are integral parts of this Agreement and Tenant is bound by the terms set forth therein. If through oversight or otherwise, those Exhibits are not attached hereto, it is Tenant's responsibility to obtain copies of those Exhibits from the City.

15.12 This Lease Agreement shall be interpreted in accordance with the laws of the State of Arizona. Should either party believe it necessary to file suit to interpret or enforce any provisions of this Agreement, the exclusive venue and jurisdiction for said lawsuit shall be in the Cochise County Superior Court.

15.13 This Lease Agreement is subject to cancellation pursuant to A.R.S. § 38-511 in the event of any conflict of interest, as prohibited by that statute.

Signed and Approved:

CITY OF BISBEE

By: Ronald Oertle, Mayor

Date: _____

Attest:

Approved as to form:

Helen Lehr, City Clerk

City Attorney

TENANT:

By:
Its:

Date: _____

LIST OF INCORPORATED EXHIBITS

EXHIBIT A
Description of the Premises and Uses

EXHIBIT B

Survey or Legal Description of the Premises

EXHIBIT C

Bisbee Municipal Airport Minimum Operating Standards, Rules and Regulations, and Design Standards

EXHIBIT D

Signed Application, Leasing Policy and Procedures

EXHIBIT E

City's Consent Agreement, if applicable

EXHIBIT F

Supplemental Terms

**BISBEE MUNICIPAL AIRPORT
BUILDING ARCHITECTURAL STANDARDS
FOR
HANGARS ON GROUND LEASE LAND**

All hangar-building designs shall comply with IBC-2000 standards.

The area available for ground lease is for aircraft storage hangars and anticipates the use of Cost Efficient Pre-Engineered Steel Buildings. The roof peak/top of vent shall be the tallest projection and shall not be greater than 18 feet. Leasehold property will be a minimum 70' wide and buildings will be a minimum 50' wide and set back 5' from taxiway edge. Tenant will provide security lighting stubbed in for future electrical service in conformance to Cochise County's dark skies policy.

Floors shall be concrete, minimum thickness 4 inches, 2500 PSI reinforced with 6"x6" wire mesh or #4 bars at 24" O.C. each way over 4 inches of ABC compacted. Control joints are to be saw cut and not more than 15 feet apart each way. Concrete design shall be per building manufacturer's requirements and provided by an Arizona licensed registrant.

Hangar doors can be bi-fold, accordion or sliding (rolling) bi-pass engineered and conforming to industry standards. Bi-pass doors shall not open beyond building footprint. All doors shall have a minimum of one base lock per 20' to secure doors against heavy wind gusts.

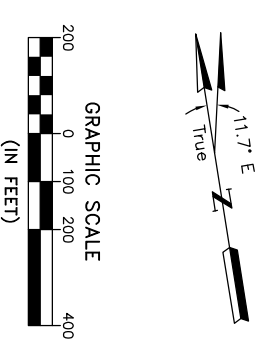
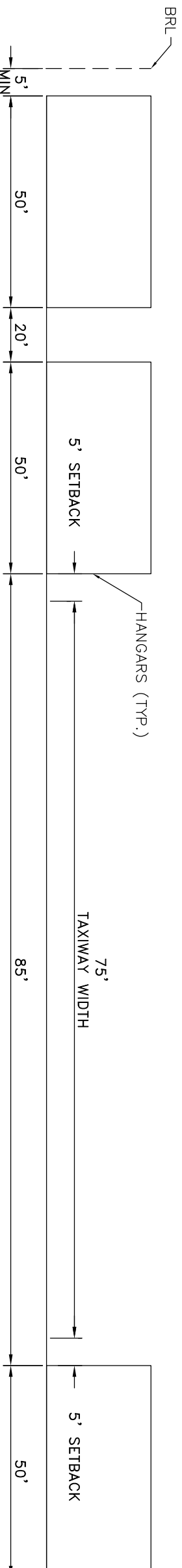
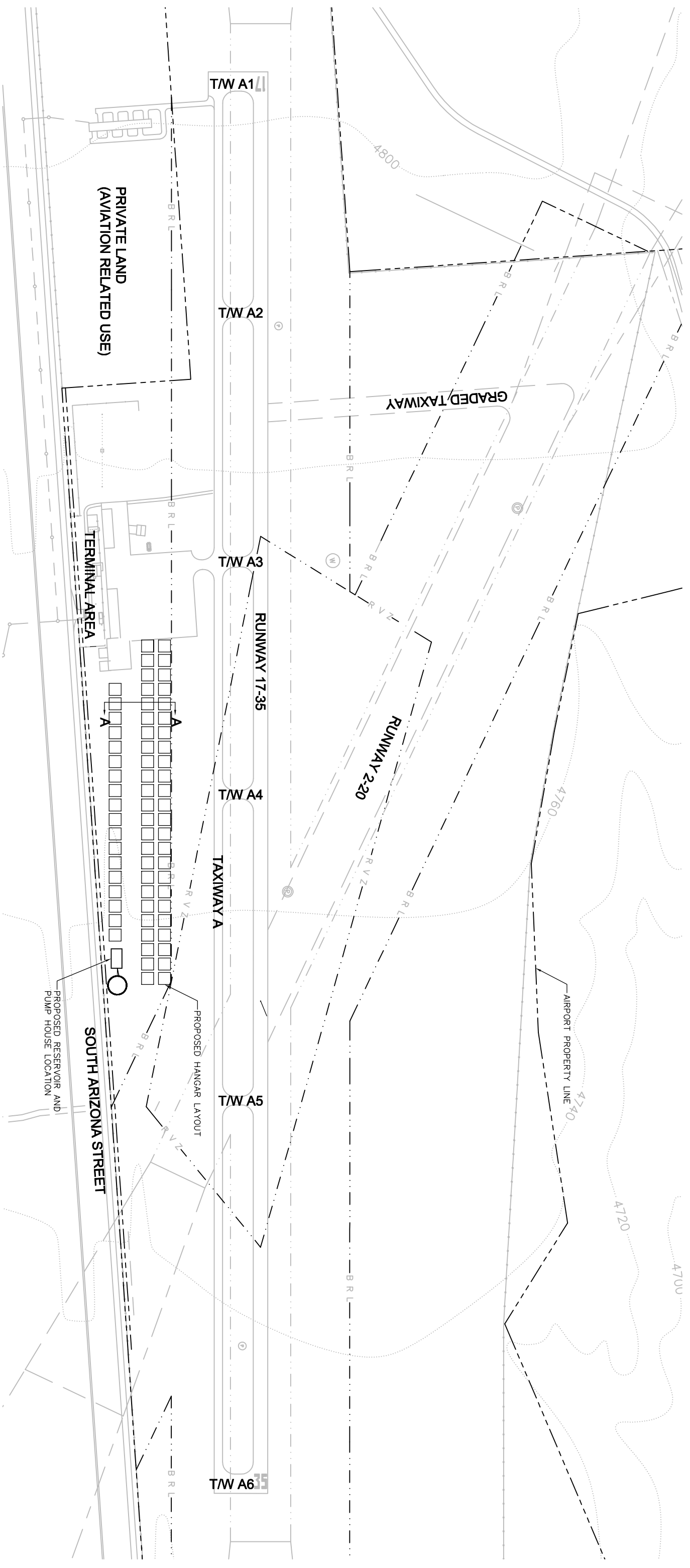
Pre-Engineered Manufactured Buildings shall be from manufacturers certified for Design and Fabrication of Pre-Engineered Metal Buildings by the American Institute of Steel Construction and a member of MBMA.

Exterior panel and trim colors shall be "desert/earth" colors acceptable to BAAC. Roof panels shall be non-glare white.

Gutters shall be installed with down spouts placed as appropriate and down stream.

BISBEE MUNICIPAL AIRPORT

REVISED ALTERNATIVE FOR HANGAR LOCATIONS



SECTION A-A
NTS

CHAPTER 1
AIRPORT RULES AND REGULATIONS

SECTION:

1. **Definitions**
2. **Tenant Obligations**
3. **Miscellaneous Provisions**
4. **Aircraft Rules**
5. **Motor Vehicle, Bicycle, Pedestrian Traffic and Parking**
6. **Emergencies**
7. **Conduct of the Public**
8. **Safety**
9. **Aircraft Traffic and Taxi Pattern**
10. **Airport Business and Industry**
11. **Conflict with Federal Regulations**
12. **Declaration of City Council**

SECTION 1: DEFINITIONS

1-1-1: Definitions: The following words and phrases whenever used in these regulations shall be construed as defined in this section unless from the context a different meaning is intended, or unless a different meaning is specifically defined and more particularly described to the use of such words or phrases. All definitions contained within the Federal Aviation Act of 1958 and all amendments thereto shall be considered as included herein; and all definitions shall be interpreted on the basis and intention of the FAA Act and Amendments thereto.

- Accident:** shall mean a collision between an aircraft or a vehicle, and an aircraft, vehicle, person, stationary object or other thing which results in property damage, personal injury, or death; or an entry into or emerging from a moving aircraft or vehicle by a person which results in personal injury or death, to such person or some other person, or which results in property damage.
- Air Terminal:** shall mean any building owned and operated by the City of Bisbee used for air transportation at an airport.
- Air Traffic:** shall mean aircraft in operation any where in the air space and on that area of the airport normally used for the movement of aircraft.
- Aircraft:** shall mean and include any and all contrivances, now or hereafter used for the navigation of or flight in air or space.
- Aircraft Operations:** is the movement of an aircraft including the arrival at or departure from an airport.
- Aircraft Parking And Storage Area:** shall mean the open areas of an airport to be used for aircraft parking and storage space for the parking and storage of aircraft, or areas for the servicing of aircraft with fuel, lubricants, and other supplies, or for making minor or emergency repairs to aircraft, or for any or all such purposes.
- Airport:** shall mean and have reference to all of the areas comprising the Bisbee Municipal Airport as now existing or as the same may hereafter be expanded and developed and shall include all of its facilities and includes all other City-owned and operated airports.

Airport Advisory Commission: shall mean an advisory group to the Mayor and City Council of Bisbee. The Board shall consist of a chairman, eight (8) members and City Liaison (Airport Manager). The term shall be two (2) years.

Airport Appeals Board: means a body consisting of the chairman of the Airport Advisory Commission, another Airport Advisory Commission member appointed by the chairman, and a City representative appointed by the City Manager or his designee..

Airport Manager: shall mean the Airport Manager of the City of Bisbee or his designee, and he shall report directly to the Bisbee Public Works Director.

Bus Zone: shall mean that space reserved for the loading and unloading of buses.

Business or Concession: as used in these rules and regulations shall mean the sale, offering for sale, or the furnishing of any commodity, article, facility or service.

City: shall mean and have reference to the City of Bisbee, Arizona.

Commercial Activity: shall mean the conduct of any aspect of a business or concession on the airport for revenue.

Council: shall mean the City Council of the City of Bisbee, Arizona.

CTAF: Common Traffic Advisor Frequency

Fixed Base Operator(s): shall mean a person, firm, or corporation subject to the provisions of a lease engaging in anyone or more of the following: the sales, service, renting, leasing, sales of new and used aircraft, parts, aircraft accessories and hardware, custom repair, overhauling, and modification of general aviation aircraft and/or aircraft equipment, including the conduct of charter flight services, aerial photography, flight schools, advertising map making and crop dusting services.

Fuel Handling: shall mean the transportation, delivery, fueling, and draining of fuel or fuel waste products.

Fuel Storage Area: shall mean and include any portions of an airport designated temporarily or permanently by the Airport Manager as areas in which gasoline, or any other type of fuel, may be stored or loaded.

General Aviation: includes all phases of aviation other than aircraft manufacturing, military aviation and scheduled air carrier operations.

General Aviation Specialty Shops:

- (a) Aircraft Instrument Repair and Accessories Shop is a person, firm, or corporation engaged in the aircraft instrumentation business, limited to the sale and service, repairs, installation of new and/or used aircraft instruments.
- (b) Aircraft Parts House is a person, firm, or corporation engaged in the business of selling aircraft parts, aircraft accessories and aircraft hardware.
- (c) Aircraft Radio Repair and Accessories Shop is a person, firm, or corporation engaged in the aircraft radio business limited to the sales and service, repairs, installation of new and/or used aircraft radio equipment and parts.
- d) Flight School Operator is a person, firm or corporation engaged in a pilot flight training school, limited to dual and solo flight training in fixed and rotary wing

aircraft and such related ground school instruction as is necessary to prepare a student pilot to take a written examination and flight check ride for a pilot's license or appropriate aircraft rating from the Federal Aviation Administration.

- Itinerant Operations:** is all aircraft arrivals and departures other than local operations.
- Landing Area:** shall mean any locality, either of land or water, including airports and intermediate landing field, which is used, or intended to be used for the landing and take-off of aircraft, whether or not facilities are provided for the shelter, servicing, or repair of aircraft, or for receiving or discharging passengers or cargo.
- Loading Gate:** shall mean that space reserved for the loading and unloading of aircraft.
- Loading Ramp:** shall mean the area used to aid in the loading and unloading of aircraft.
- Loading Zone:** shall mean that space adjacent to a curb reserved for the exclusive use of vehicles during the loading or unloading of passengers, baggage or materials.
- Local Aircraft Operations:** shall mean aircraft operating in the local traffic pattern or within sight of the airport; aircraft that are known to be departing for, or arriving from flight in local practice areas located within a twenty-mile radius of the airport; aircraft making simulated instrument approaches or low passes at the airport.
- Operator:** shall mean the person, firm or corporation in possession of an aircraft or vehicle or any person who has rented such for the purpose of operation by himself or his agent.
- Operational Area:** shall mean any place on an airport not leased or demised to anyone for exclusive occupancy.
- Owner:** shall mean a person who holds the legal title of an aircraft or a vehicle, or in the event that the aircraft or a vehicle is the subject of a conditional sale or lease thereof with the right of purchase upon performance of the conditions stated in the agreement, and with the immediate right of possession vested in the conditional vendee or lessee or anyone in possession of an aircraft or vehicle on the airport or in the event of a mortgagor shall be deemed the owner for the purpose of these rules and regulations.
- Park or Parking:** shall mean the standing of an aircraft
- Pedestrian:** shall mean any person afoot.
- Permission or Permit:** shall mean permission granted by the Airport Manager unless otherwise herein specifically provided.
- Person:** shall mean and shall include a natural person, a partnership, firm or corporation.
- Police Officer:** Every officer of the Police Department of the City of Bisbee, or any other peace officer.
- Roadway:** shall mean any street or roadway whether improved or unimproved within the boundaries of the airport set aside or designated for use by vehicles whether dedicated or not.

Traffic: shall mean pedestrians and vehicles, either singly or together while using any airport area.

Vehicles: shall mean a device in, upon or by which any person or property is or may be propelled, moved, or drawn upon a highway excepting a device moved by human power.

Vehicular Parking Area: shall mean and include any portion of an airport designated and made available, temporarily or permanently, by the Airport Manager for the parking of vehicles.

1-1-2: Activity - Permission to use airport conditional; denial of permission; use of airport property.

Any permission granted by the City of Bisbee or Airport Manager thereof directly or indirectly, expressly or by implication to enter upon or use the airport or any part thereof including but not limited to aircraft operators, crew members and passengers, spectators, sightseers, pleasure and commercial vehicles, officers and employees of airlines, lessees and other persons occupying space at such airport, persons doing business with the airport, its lessees, sub-lessees and permittees and all other persons whatsoever whether or not of the type indicated, is conditioned upon compliance with the airport rules and regulations; and entry upon or into the airport by any person shall be deemed to constitute an agreement by such person to comply with such rules and regulations. The City of Bisbee reserves the right to deny any or all usage of the airport to any person or persons for any cause.

1-1-3: Minimum standards for leasing of space and conducting of businesses on airport.

Prior to entering a bid at public auction for any space to be leased from the City of Bisbee, and prior to commencing any operation on the airport, a prospective bidder must present to the Airport Manager information satisfactory to the Manager that the bidder meets the minimum standards established herein by the City of Bisbee for engaging in such business on the airport.

1-1-4: Revenue - producing commercial activities at airport.

No person shall utilize any portion of the airport or a structure thereon, for revenue-producing commercial activities or solicit business or funds for any business or for any activity except by conducting the business operated under the terms of an existing lease at the time of the acceptance of this document, or unless hereafter specifically authorized by lease or with the permission of the Airport Manager.

1-1-5: Commercial photography.

No person shall take still, motion or sound pictures of or at the airport for commercial purposes without permission of the Airport Manager.

1-1-6: Use of roads, walks, etc.

No person shall travel on any portion of the airport, except upon the roads, walks or places provided for the particular class of traffic, nor occupy the roads or walks in such a manner as to hinder or obstruct their proper use.

1-1-7: Hangar storage.

Aircraft storage hangars shall be used for aircraft storage only. No commercial activities shall be performed in the hangars except with prior written approval of the Airport Manager.

1-1-8: Payment of charges.

- A. All billings are payable upon presentation unless otherwise noted thereon or covered by contract provisions.

- B. No person shall land or take off an aircraft on or from a landing area, or use a landing area, ramp and apron area, passenger ramp and apron area, cargo ramp and apron area, or an aircraft parking and storage area, except upon the payment of such fees and charges as may from time to time be prescribed by the Airport Manager, unless such person is entitled to use such areas under a lease or special contract.

1-1-9: Transfer or sublet of property.

Assignments of rented or leased property shall not be transferred or sublet without the written consent of the Airport Manager. Any violation of this rule shall subject the tenants to immediate cancellation at the discretion of the Airport Manager.

1-1-10: Use of landing area, ramp and apron area.

No person shall land or take off an aircraft on or from a landing area, or use a landing area, ramp and apron area, passenger ramp and apron area, cargo ramp and apron area, or an aircraft parking and storage area, except upon the payment of such fees and charges as may from time to time be prescribed by the Airport Manager, unless such person is entitled to use such areas under a lease or special contract. No person shall enter upon the ramp and apron areas except: (1) persons assigned to duty thereon; (2) persons authorized by the Airport Manager; (3) enplaning or deplaning passengers. In no event may this area be used as a pedestrian walkway.

1-1-11: Use or occupancy of operational areas.

No person shall use or occupy an operational area for any purpose whatsoever except a purpose pertaining to the servicing of tenants, concessionaires, airlines, activities associated with airlines, or governmental agencies, or a purpose connected with maintenance and operation of an airport.

1-1-12: Use of shop areas.

All shops, garages, equipment and facilities are expressly for the conduct of the owners or lessee's business and operations. No person other than employees of the owner or lesser shall make use of these facilities or loiter around such premises without individual and specific permission of the owner or lessee.

1-1-13: Dogs and other animals.

Dogs and other animals may be permitted on the airport only if on a leash or confined in such a manner as to be under control.

SECTION 2: TENANT OBLIGATIONS

1-2-1: Damage.

Tenants, lessees and grantees in addition to any terms that might be contained in their lease shall be fully responsible for all damages to buildings, equipment, real property and appurtenances in the ownership or custody of the Airport Manager caused by negligence, abuse, or carelessness on the part of their employee, agents, customers, visitors, suppliers or persons with whom they may do business.

1-2-2: Fire equipment.

All tenants or lessees shall supply and maintain such adequate and readily accessible fire extinguishers as may be required by the County or City Fire Department.

1-2-3: Floor care.

All lessees on the airport shall keep the floors of the hangars, hangar areas and terminal apron and ramp areas, leased by them exclusively, or used in their operations, clean and clear of oil, grease and other materials or stains except as may be provided to the contrary in any specific leases or contracts.

1-2-4: Maintenance of Property.

Persons, occupying, leasing, managing, or otherwise controlling property located on the airport shall maintain that portion of said property in a condition of repair, cleanliness and general maintenance equal to or greater than the level of maintenance maintained by the City in comparable areas; at a minimum free of pavement lips or obstacles, vehicle ruts, excessive standing water, trees and other vegetation exceeding twelve (12) inches in height, and free from any and all conditions hazardous or potentially hazardous to aircraft. Any person desiring to perform routine property maintenance on or adjacent an airport taxiway safety area shall notify the Airport Manager or his designee at least two (2) hours prior to commencing any work. Any person desiring to perform new construction, demolition or excavation in or near an airport taxiway safety area shall notify the Airport Manager or his designee and coordinate safety-related items at least forty-eight (48) hours prior to commencing any work.

1-2-5: Storage and equipment.

No tenant or lessee on the airport shall store or stack materials or equipment in such a manner as to be unsightly or to constitute a hazard to personnel or property.

1-2-6: Structural and decorative changes.

No person, tenant or lessee shall make any alterations of any nature whatsoever to any buildings, ramps or other airport space, nor erect any buildings or other structures without prior permission of the Airport Manager and shall comply with all Building Codes of the City of Bisbee and deliver to the Airport Manager an as-built plan upon completion.

1-2-7: Default of obligations.

All billings are payable upon presentation. When any tenant, user, or grantee notwithstanding his lease is formally notified that he is held in default of any written or implied obligation to the Airport Manager, whether it be for breach of performance or service covenants or non-payment, he shall there after be billed for all losses of revenue, expenses incurred to reestablish performance or service and other costs unless the tenant, user or grantee files with the Airport Manager within ten (10) days of receipt of the formal notification a statement that corrective or preventative measures have been initiated and will diligently be carried to completion. If the premises contained in the statement are not fulfilled, the tenant, user, or grantee will be considered in absolute default and appropriate lawful steps shall be taken by the Airport Manager.

SECTION 3: MISCELLANEOUS PROVISIONS

1-3-1: Airport liability.

The City of Bisbee assumes no responsibility or liability for loss, injury or damage to persons or property on the airport or using airport facilities, by reason of fire, vandalism, wind, flood, earthquake or collision damage, nor does it assume any liability by reason of injury to persons or property while using the facilities of same.

1-3-2: Damage to airport property.

Any person causing, or liable for, any damage shall be required to pay to the City of Bisbee on demand the full cost of repairs. Any person failing to comply with these rules may be refused the use of any facility until the City of Bisbee has been fully reimbursed for damage done.

1-3-3: Lost articles.

Any person finding lost articles in public areas of the airport shall immediately deposit them at the airport office or with a police officer on duty at the airport.

1-3-4: Trash containers.

No person shall keep uncovered trash containers in any area. No vehicle used for hauling trash, dirt or any other materials shall be operated on the airport unless such vehicle is constructed so as to prevent the contents thereof from dropping, sifting, leaking, or otherwise escaping therefrom. Areas to be used for trash or garbage containers shall be designated by the Airport Manager and no other areas shall be used. Such areas shall be kept clean and sanitary at all times.

1-3-5: Smoking.

No person shall smoke in any hangar, shop or other building where it is dangerous to do so or where it is specifically prohibited by the Airport Manager. No smoking shall be permitted on the ramp within fifty (50) feet of a fuel tank, fuel truck or aircraft.

1-3-6: Disorderly conduct; intoxicating liquors.

- A. No person shall commit any disorderly, obscene, indecent or unlawful act or commit any nuisance on the airport.
- B. No person shall drink any intoxicating liquors upon any portion of the airport open to the public, except in such restaurant or other place as shall be properly designated and licensed for on-sale liquor dispensing.
- C. No intoxicated person shall enter upon or loiter on or about the airport or any of its facilities.

1-3-7: Property damage; injurious or detrimental activities; including the abandonment of property.

No person shall:

- A. Destroy, injure, deface or disturb in any way any building, sign equipment, marker or other structure, tree, shrub, flower, lawn or seeded area on the airport.
- B. Conduct on or at the airport activities that are injurious detrimental or damaging to airport property or business of the airport.
- C. Abandon any personal property on the airport.

1-3-8: Firearms and explosives.

No person shall carry any unauthorized firearms or explosives on the airport.

1-3-9: Emergencies

In the event of an emergency and during such emergency at the airport, the Airport Manager shall have absolute control of the airport.

SECTION 4: AIRCRAFT RULES

1-4-1: Categories of aircraft.

Final determination as to proper category designation of any aircraft shall rest with the Airport Manager. Rates and charges shall be determined according to the following classifications:

A. Private:

1. Privately owned aircraft operated non-commercially by owner or owners.
2. Private aircraft may be used by persons other than the owner provided no part of the cost of operation of the aircraft is received in money or other consideration by the owner for such use.
3. Private aircraft can be used in connection with the owner's business; comparable to an owner's use of his private automobile, provided said owner is not engaged in the business of air transportation.
4. Company and corporation owned aircraft that are operated for the free transportation of their and other personnel and/or products are classified as private aircraft and subject to the restrictions as listed under (2) above.
5. Club aircraft must be owned and operated by a non-profit partnership or non-profit corporation, and each club member must be a bona fide owner or a part of the aircraft or a share, in the corporation. The club may not derive greater revenue from the use of its aircraft than the amount necessary for the operation, maintenance, and replacement of its aircraft and will file and keep up to date with the Airport Manager a list of the membership. At any time the Airport Manager has reason to believe a club aircraft is being so operated that it falls under the "commercial II classification hereunder, he shall so notify such club and if they fail to remedy conditions complained of, the Airport Manager shall re-classify the aircraft and other specific conditions remedied.

B. Commercial:

1. Aircraft used to carry passengers for hire on local flights.
2. Aircraft used for rental, hire, or charter.
3. Aircraft used for student instruction and its kindred occupations.
4. Any aircraft used for commercial purposes and not otherwise covered in these regulations.

1-4-2: Authority to close the airport, prohibit or restrict landings and takeoffs.

The Airport Manager may prohibit aircraft from landing and taking off at any time when and under any circumstances under which the Airport Manager deems such landings and takeoffs likely to endanger persons or property.

1-4-3: Conformance with F.A.A. rules and regulations.

No person shall navigate any aircraft, land aircraft upon, fly aircraft from, or conduct any aircraft operations on or from the airport otherwise than in conformity with Federal Aviation Administration rules and regulations.

1-4-4: Negligent operations prohibited.

No aircraft shall be operated on the surface of a landing area, ramp and apron area, passenger ramp and apron area, cargo ramp and apron area or aircraft parking and storage area in a careless or negligent manner or in disregard of the rights and safety of others, or without due caution and circumspection, or at a speed or in a manner which endangers unreasonably, or is likely to endanger unreasonably persons or property, or while the pilot, or other persons aboard controlling any part of the operation thereof, is under the influence of intoxicating liquor, or any narcotic or habit-forming drug, or if such aircraft is so constructed, equipped or loaded as to endanger unreasonably or to be likely to endanger unreasonably persons or property.

1-4-5: Landing aircraft requirements.

No aircraft may land or take off at the airport unless it is equipped with brakes.

1-4-6: Landing of motorless aircraft prohibited.

No motorless aircraft may land or take off at an airport without permission having first been obtained from the Airport Manager.

1-4-7: Jet or turbo-prop engines.

No jet or turbo-prop aircraft engine shall be run up except on warm-up pads or in other areas authorized by the Airport Manager.

1-4-8: Starting jet or turbo-prop aircraft engines.

No engines shall be started while the aircraft is parked on the airport where exhaust blast may cause injury to persons or do damage to property.

1-4-9: Taxiing of jet or turbo-prop aircraft.

- A. No aircraft shall be taxied at the airport where the exhaust or propeller blast may cause injury to persons or do damage to property. If it is impossible to taxi such aircraft without compliance with the above, then the engine must be shut off and the aircraft towed to desired destination.
- B. No engines shall be started while the aircraft is parked on the airport where exhaust blast may cause injury to persons or do damage to property.
- C. No jet or turbo-prop aircraft engine shall be run up except on warm-up pads or in other areas authorized by the Airport Manager.

1 -4-10: Refueling and defueling aircraft; dispensary.

No aircraft shall be refueled or defueled except by the authorized fuel dispensary, so designated by the Airport Manager.

1-4-11: Reserved.

1-4-12: Clearance of landing runway.

Aircraft landing at the airport shall make the landing runway available to others by leaving the line of traffic as promptly as safe and practical.

1-4-13: Accident reports.

Any person involved in an aircraft accident occurring in an airport taxilane safety area shall make a full report thereof to the Airport Manager as soon after the accident as possible but in no event later than the time required for reporting the accident to the FAA or to any other governmental agency, or within forty-eight (48) hours of the accident, whichever is sooner. The report shall include the names and addresses of the persons involved, and a description of the accident and its cause. When a written report of an accident is required by federal or state law, regulation, or agency, a copy of such report shall also be submitted to the Airport Manager. (Refer to separate sheet [most recent] titled **EMERGENCY PROCEDURES** for phone numbers and pertinent information you should note.)

1-4-14: Refusal of clearance.

The Airport Manager or his designee may delay or restrict any flight or other operations at the airport and may refuse take off clearance to any aircraft for any reason he believes justifiable. The Airport Manager or his designee may also prohibit in all or in any part the use of the airport for any purpose by an individual or group.

1-4-15: Demonstration.

No experimental flight or ground demonstrations shall be conducted on the airport without the express approval of the Airport Manager.

SECTION 5: MOTOR VEHICLE, BICYCLE, PEDESTRIAN TRAFFIC AND PARKING

1-5-1: Operation of motor vehicles.

- A. Motor vehicles shall be operated only in those areas of the airport as may be authorized from time to time by the Airport Manager and then under the rules as arc established therefor.
- B. No vehicle except aircraft handling and servicing equipment shall be driven between an aircraft and its loading gate without prior approval of the Airport Manager.

1-5-2: Restrictions as to operation of vehicles.

No vehicle shall be operated in or upon a vehicular parking area, operational area, fuel storage area, landing area, ramp and apron area, passenger ramp and apron area, cargo ramp and apron area, or aircraft parking and storage area in a careless or negligent manner or in disregard of the rights and safety of others, or without due caution or circumspection, or at a speed or in a manner which endangers or is likely to endanger persons or property, or while the driver thereof is under the influence of intoxicating liquor, or any narcotic or habit-forming drug or if such vehicle is so constructed, equipped or loaded as to endanger unreasonably or be likely to endanger persons or property.

1-5-3: Speed limits.

Vehicles at the airport shall be operated in strict compliance with speed limits prescribed by the Airport Manager as indicated by posted traffic signs.

1-5-4: Operation of vehicles.

No vehicle except aircraft handling and servicing equipment shall be driven between an aircraft and its loading gate without prior approval of the Airport Manager.

1-5-5: Loading or unloading passengers.

No vehicle shall load or unload passengers at the airport at any place other than that designated by the Airport Manager.

1-5-6: Parking restrictions.

No person shall park a vehicle or permit the same to remain halted on a vehicular parking area, operational area, fuel storage area, landing area, ramp and apron area, passenger ramp and apron I area, cargo ramp and apron area or aircraft parking and storage area, except at such places and for such periods of time as may be prescribed or posted by the Airport Manager. No aircraft refueling vehicle shall be parked except in areas as are designated by the Airport Manager.

1-5-7: Procedure in case of vehicle accident.

The driver of any vehicle involved in an accident on the airport which results in injury or death to any person or damage to any property shall immediately stop such vehicle at the scene of the accident, render such assistance as may be needed, and give his name, address, and operator's license and registration numbers to the person injured or to any officer or witnesses of the injury. The operator of such vehicle shall make a report of such accident in accordance with the laws of the State of Arizona. *Note:* Refer to current updated "Important Phone Numbers and Information" sheet provided. (Refer to separate sheet [most recent] titled **EMERGENCY PROCEDURES** for phone numbers and pertinent information you should note.)

1-5-8: Authority to remove vehicles.

The Airport Manager may cause to be removed from any area of the airport any vehicle which is disabled, abandoned, parked in violation of these rules and regulations, or which presents an operational problem, to any other area at the airport, at the operator's expense and without liability for damage which may result in the course of such moving.

1-5-9: Soliciting rides.

No person shall stand or walk in or upon a roadway or adjacent parkway for the purpose of soliciting a ride from the driver of any vehicle, nor shall any person solicit aircraft rides from any area of the airport.

1-5-10: Vehicles in sound mechanical order.

No vehicle shall be permitted in or upon the airport area, fuel storage area, landing area, ramp and apron area, passenger ramp and apron area, cargo ramp and apron area, or aircraft parking and storage area unless it shall be in sound mechanical order, shall have adequate lights, horn and brakes and clear vision from the driver's seat.

1-5-11: Vehicle operating on landing area.

Any vehicle authorized to operate on the landing area of the airport at night shall display lights. Such authorization will be granted only by the Airport Manager or his designee.

1-5-12: Repair of motor vehicles.

No person shall clean or make any repairs to motor vehicles anywhere on the airport other than in designated shop area, except whose minor repairs necessary to remove such motor vehicles from the airport; nor shall any person move, interfere, or tamper with any motor vehicle, or put in motion the engine, or take, or use any motor vehicle part, instrument, or tool thereof, without the permission of the owner or satisfactory evidence of the right to do so duly presented to the Airport Manager.

1-5-13: Taxicabs, limousines, buses, courtesy cars and car rentals.

- A. Applicability of rules. All individuals, partnerships and corporations operating taxicabs or limousines, courtesy cars or engaged in car rentals on the airport for the purpose of transporting persons or passengers for hire shall comply with the following rules and regulations.
- B. Car, truck and bus rental. No person, firm or corporation shall carry-on, conduct or engage in the business of renting "drive-it-yourself" automobiles, trucks or buses including advertising and soliciting, pick up and drop off of customers on the airport except pursuant to the terms of a written contract entered into with the City of Bisbee.

1-5-14: Park within designated parking areas.

No person shall park, stop or leave standing any vehicles, whether occupied or not, on the airport, except within designated parking areas.

1-5-15: Loading zones.

No vehicles shall be parked within designated "loading zones" on the airport for a longer period than is posted.

1-5-16: Parking areas reserved for "rent-a-car" companies.

Certain areas on the airport will be designated by the Airport Manager as reserved parking areas for "rent-a-car" companies' use and such areas shall be properly marked with signs. It shall be unlawful for any unauthorized person to park his vehicle in such reserved areas.

1-5-17: Right of ejection.

The Airport Manager shall have the right to cause to be ejected from the airport premises, any vehicle driver guilty of violation of any provisions contained in this division.

SECTION 6: EMERGENCIES

1-6-1: Control during emergencies.

In the event of an emergency and during such emergency at the airport, the Airport Manager or his designee shall have absolute control of the airport.

SECTION 7: CONDUCT OF THE PUBLIC

1-7-1: Entrance into restricted areas.

No person shall enter upon the landing areas, ramp and apron area, passenger ramp and apron area or the cargo ramp and apron area of the airport without permission except persons assigned to duty therein, authorized representatives of the Airport Manager or passengers entering upon the ramp and apron areas for purposes of embarkation or debarkation.

1-7-2: Sanitation.

No person shall dispose of garbage, papers, or other material on the airport except in the receptacles provided for that purpose; nor eat food or drink beverages in the terminal building lobby, other than the soft drink and candy normally sold in the building.

1-7-3: Preservation of property.

No person shall destroy, injure, deface or disturb in any way any building, sign, equipment, marker, or other structure, tree, flower, lawn or other property on the airport; nor alter, make additions to or erect any building or sign or make any excavations on the airport; nor willfully abandon any personal property on the airport; nor walk on the lawns and seeded areas on the airport.

1-7-4: Interfering or tampering with aircraft.

No person shall interfere or tamper with any aircraft or put in motion the engine of such aircraft, or use any aircraft, aircraft parts, instruments or tools, without permission of the owner or by specific direction of the Airport Manager.

1-7-5: Abandoning personal property.

No person shall abandon any personal property on the airport. Any personal property so abandoned shall be disposed of in the manner prescribed by applicable Arizona statutes.

1-7-6: Taking property on airport.

No person shall take or use any aircraft, aircraft parts, instruments, or tools owned, controlled, or operated by any person while the same are stored, housed, or otherwise left on the airport or within its hangars, except with the written consent of the owner or operator thereof, or other evidence of the right to do so satisfactory to the Airport Manager.

1-7-7: Model aircraft.

The flying of model aircraft within the airport area is prohibited unless authorized by the Airport Manager. No person shall operate or release any kite, balloon, model aircraft or parachute anywhere on the airport without permission of the Airport Manager.

1-7-8: Selling, soliciting, entertaining.

No person, unless duly authorized by the Airport Manager, shall, in or upon any area, platform, stairway, station, waiting room or any other appurtenance of the airport:

- A. Sell, or offer for sale any article or merchandise.
- B. Solicit any business or trade, including the carrying of baggage for hire; the shining of shoes or boot-blackening; or entertain any persons by singing, dancing, or playing any musical instrument.

SECTION 8: SAFETY

1-8-1: Cleaning and maintaining aircraft.

Cleaning, painting, washing, polishing of or otherwise maintaining aircraft shall be accomplished only in areas designated for that purpose by the Airport Manager.

1-8-2: Waste containers and disposal.

Airport aviation operators, employees, tenants, users, or visitors in the airport shall dispose of all waste in the appropriate waste containers. No petroleum products, industrial waste matter or other hazardous material shall be dumped or otherwise disposed of except in accordance with local, county, state and federal environmental laws.

1-8-3: Removal of gas, oil, grease, etc.

- A. In the event of spillage or dripping of gasoline, oil, grease, or any material, which may be unsightly or detrimental to the pavement in any area on the airport, the same shall be removed immediately. The responsibility for the immediate removal of such gasoline, oil, grease, or other material shall be assumed by the operator or owner of the equipment causing the same or by the tenant or concessionaire responsible for the deposit thereof
- B. The City may remove and impose storage, removal and transfer charges upon any property unlawfully spilled, placed or otherwise deposited on airport property and charge the responsible person(s) for the cost of the cleanup, any required environmental remediation, and expenses incurred by, or fines or damages imposed on, the City as a result thereof.
- C. Spills should be reported to the Airport Manager or his designee as soon as possible or no later than twenty-four (24) hours after the incident.

1-8-4: Endangering persons or property.

No person in or upon the airport shall do or omit to do any act if the doing or omission thereof endangers or is likely to endanger persons or property.

1-8-5: Smoking.

No person shall smoke or carry lighted cigars, cigarettes, pipes, matches or any open flame in or upon any place where smoking is specifically prohibited by signs.

1-8-6: Explosives and other dangerous articles.

No person shall store, keep, handle, use, dispense, or transport at, in or upon the airport any Class A or Class B explosives, any radioactive substances or material, or any other material at any such time or place or in any manner or condition as to endanger or as to be likely to endanger persons or property without permission of the Airport Manager.

1-8-7: Lubricating oils.

No person shall keep or store lubricating oils in or about the hangars; provided, however, that such materials may be kept in aircraft in the proper receptacles installed in the aircraft for such purposes or in containers provided with suitable draw off devices, and stored only in such places as approved by the Fire Marshall of the City or the Airport Manager.

1-8-8: Waste.

Lessees of hangars or other aircraft servicing or maintenance buildings, terminal buildings or other areas shall provide suitable metal receptacles with self-closing covers for the storage of oily wastes, rags and other rubbish and trash. All waste within this general classification shall be removed by the lessees from the airport premises and at regular intervals as may be established by the Airport Manager. No petroleum products or objectionable industrial waste matter shall be dumped or be permitted to drain into drainage ditches, canals, rivers, and ponding areas or into sewer systems or storm drains.

1-8-9: Care of apron areas.

Any person including the operators of aircraft causing overflowing or spilling of excess oil or grease on any apron areas shall be responsible for cleaning such areas. In order to maintain a high level of maintenance, upon the default of the responsible person to clean such area, the City may provide the necessary cleaning and bill the responsible person for the expense thereof.

1-8-10: Grounding of electrical potential during fuel handling.

During all fuel handling operations in connection with any aircraft at the airport, the aircraft and the fuel dispensing or draining apparatus shall be grounded by wire in accordance with current applicable City Fire Regulations to prevent the possibility of static ignition of volatile liquids.

1-8-11: Storage of fuel trucks and fuel trailers, fuel handling; refueling

- A. During all fuel handling operations in connection with any aircraft at the airport, the aircraft and the fuel dispensing or draining apparatus shall be grounded by wire to prevent the possibility of static ignition of volatile liquids.
- B. Refueling units shall be stored outside and not less than one hundred feet from a building or such other distance as shall be approved by the airport director except for the accomplishment of minor adjustments or repairs necessary to move such units to the storage area when failure occurs elsewhere on the airport.

No gasoline truck, empty or otherwise, shall be brought into, kept or stored within any building at the airport, unless said building is used exclusively for that purpose.

1-8-12: Motorized equipment.

All equipment must be parked so that it may be readily driven or towed away from the plane in case of emergency.

1-8-13: Fire extinguishers available.

During fuel handling operations in connection with any aircraft at the airport, at least two approved fire extinguishers (15-pound or larger) or other type fire extinguishers acceptable to and approved by the Airport Manager, shall be immediately available for use in connection therewith.

SECTION 9: AIRCRAFT TRAFFIC AND TAXI PATTERNS

1-9-1: Air traffic in flight and on the ground.

The following rules will govern the conduct of all aircraft in flight within the airport control zone, or in motion or parked on the runways, taxiways, aprons, or ramps of the airport, unless exceptions are specifically provided for in Federal Regulations or authorized by the Airport Manager.

- A. No person shall taxi an aircraft to or from the hangar line or to or from an approved parking space until he has ascertained that there will be no danger of collision with other aircraft, persons or objects in the immediate area. Aircraft shall be taxied at speeds that will insure complete control at all times. Aircraft shall not be taxied into or out of any hangar. No taxiing shall be done except on areas designated for taxiing.
- B. All landings and takeoffs shall be made on runways only, except in an emergency.
- C. No aircraft shall be hand propped without first being tied down or blocked, or it shall have a duly qualified person at the controls when it is hand propped.
- D. Operators of aircraft entering or leaving the traffic pattern of the airport or using the runways or movement areas for the purpose of landing or taking off, shall be the holders of a valid, current, student pilot, private pilot or commercial pilot certificate with ratings appropriate to the type aircraft operated and conditions under which they are operating. Reciprocal certificates issued by foreign governments are acceptable if the authorizations contained in the certificates are comparable to the domestic certificates mentioned and are so accepted by the Federal Aviation Administration.
- E. Aircraft owners, their pilot or agent, shall be responsible for the prompt removal of disabled aircraft and parts thereof, unless required or directed by the Airport Manager, or the Federal Aviation Administration, to delay such action pending an investigation of an accident. In the event of failure to promptly remove such disabled aircraft at the direction of the City, the Airport Manager will cause the aircraft to be removed and bill the owners thereof for all charges incurred in the removal of same.
- F. Advisory Prior To Taxiing. Prior to aircraft taxiing in an airport taxilane safety area, aircraft operators are encouraged to broadcast their intentions on UNICOM frequency, 122.8 MHz.

SECTION 10: AIRPORT BUSINESS AND INDUSTRY

1-10-1: Airport use limited to aviation related activities.

The leased premises on the airport will be used for aviation and affiliated and related industries and businesses except where specifically authorized for other use by the City Council. Whenever a question arises, the City Council will finally determine whether an industry or business may be regarded as being affiliated or related to aviation.

1-10-2: Hold harmless clause.

Every lease in connection with the airport must include a hold-harmless clause in favor of the City.

1-10-3: Insurance clause required in airport leases.

If there are buildings on the leased premises at the airport, there must be an insurance clause insuring the City's interest in full.

1-10-4: Lease re-negotiation clause.

Every lease negotiated for the City at the airport will contain a re-negotiation clause for at least every four (4) year period.

1-10-5: Airport tenants to comply with rules and ordinances.

Every airport user must comply with these Airport Rules and Regulations and all other City ordinances.

1-10-6: Subleasing of airport property.

Every lease shall contain a clause that if the tenant seeks to sublease the leased premises, he must first obtain the City's consent in writing.

1-10-7: Tenants liability for damages.

Every lease shall contain the provision that if City property is damaged through negligence of the tenant, the tenant will be liable for said damages.

1-10-8: Airport Tenants

Every airport user must comply with these airport rules and regulations as set forth in this chapter and all the other City ordinances.

SECTION 11: CONFLICT WITH FEDERAL REGULATIONS

Any part of this ordinance or any rule or regulation promulgated thereunder which is in conflict with any rule, regulation or decision of the Federal Aviation Administration is hereby declared to be null and void.

SECTION 12: DECLARATION OF CITY COUNCIL

It is hereby declared to be the intention of the City Council that the sections, paragraphs, sentences, clauses and phrases of this document and the Code hereby adopted are severable, and if any phrase, clause, sentence, paragraph or section of this document and the Code hereby adopted shall be declared unconstitutional or otherwise invalid by the valid judgment or decree of a court of competent jurisdiction, such unconstitutionality or invalidity shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections of this document and the Code hereby adopted.

**CHAPTER 2
AIRPORT MINIMUM OPERATING STANDARDS**

SECTION:

- 1. DEFINITIONS; APPLICATION; WAIVER**
- 2. APPLICATION PROCESS**
- 3. GENERAL CONTRACTUAL PROVISIONS**
- 4. INSURANCE**
- 5. GENERAL OPERATIONAL REQUIREMENTS**
- 6. FIXED BASE OPERATORS**
- 7. GENERAL AVIATION SPECIALTY SERVICES**

**BISBEE MUNICIPAL AIRPORT
MINIMUM OPERATING STANDARDS**

General

The Federal Aviation Administration (FAA) contends that it is the prerogative of the airport owner (sponsor) to impose minimum standards to establish the threshold entry criteria for those wishing to engage in providing aeronautical services to the public on the airport. Airports receiving Federal funding provide the assurance that they will make the airport available for public use on fair and reasonable terms and without unjust discrimination to all types, kinds and classes of aeronautical use. This assurance is met through the adoption and enforcement of minimum operating standards.

The City of Bisbee, as owner and sponsor of Bisbee Municipal Airport, does hereby establish the following Minimum Operating Standards.

In addition to addressing the threshold entry criteria for aeronautical services, these Minimum Operating Standards also outline the leasing policy, application procedures, and minimum operating standards for any person, business, or organization that desires to: 1) lease land or facilities on the Airport from the City of Bisbee or 2) operate any commercial operation on the Airport. The purpose is to outline the City of Bisbee's policy regarding such activities and to ensure fair and reasonable competition.

Section 1. Definitions; Application; Waiver

2-1-1. Definitions.

All definitions contained in Article 1, Section 1, of the Bisbee Airport Rules and Regulations are incorporated by reference into these minimum operating standards. For purposes of these minimum operating standards, all references to the "rules and regulations" are to the airport rules and regulations.

2-1-2. Application of minimum operating standards.

All persons conducting commercial aeronautical activities at the airport (hereinafter referred to as commercial airport operator), shall, as a condition of conducting such activities, comply with all applicable requirements concerning such activities as set forth in these minimum operating standards. The requirements set forth herein are the minimum standards which are applicable to Commercial Airport Operators who are all encouraged to exceed such minimum standards in conducting their activities. These minimum operating standards shall be deemed to be a part of each Commercial Airport Operator's lease, license, permit or agreement with or from the City unless any such provisions are waived or modified by the City pursuant to section 2-1-5. The mere omission of any particular standard from a commercial airport operator's written lease, license, permit or agreement with the City shall not constitute a waiver or modification of such standard in the absence of clear and convincing evidence that the City intended to waive or modify such standard.

2-1-3. Multiple activities by one Commercial Airport Operator.

Whenever a Commercial Airport Operator conducts multiple activities pursuant to one lease, license, permit or agreement with the City, such commercial airport operator must comply with the minimum operating standards set forth herein for each separate activity being conducted. If the minimum operating standards for one of the Commercial Airport Operator's activities are inconsistent with the minimum operating standards for another of the commercial airport operator's activities, then the minimum operating standards which are most beneficial to the City, and/or which are most protective of the public's health, safety and welfare, shall apply.

2-1-4. Activities not covered by minimum operating standards.

Any activities for which there are no specific minimum operating standards set forth herein shall be subject to such standards and provisions as are developed by the Airport Manager on a case-by-case basis and set forth in such Commercial Airport Operator's written lease, license, permit or agreement with or from the City.

2-1-5. Waiver or modification of standards.

The Airport Manager may, in their discretion, waive or modify any portion of these minimum operating standards for the benefit of any governmental agency performing non-profit public services, emergency medical services to the public by means of aircraft, or fire protection or fire-fighting operations. The City's Public Works Director or his designee may waive or modify any portion of these minimum operating standards for any person when it determines, in their discretion, that such waiver or modification is in the best interest of the City and will not result in any competitive inequities among Commercial Airport Operators at the airport.

Section 2. Application Process

2-2-1. Applications.

Any person who desires to become and/or act as a Commercial Airport Operator at the airport covered by these minimum operating standards shall, prior to conducting such activities, submit an aeronautical business permit application to, and receive approval thereof, from the Airport Manager. In addition to the following requirements, the Airport Manager may require the applicant to provide additional information that is necessary to ensure compliance with the Bisbee Airport Rules and Regulations, and/or these minimum operating standards. The applicant shall, at a minimum, submit the following documentation with the above referenced application:

- A. A detailed description of the scope of the intended operations, including all services to be offered;
- B. The amount of land, office space, and/or aircraft storage areas required for the operation;
- C. A detailed description of any improvements or modifications to be constructed or made to airport property, including cost estimates and a construction timetable;
- D. The proposed hours of operation;
- E. Documentation of the applicant's financial capabilities to construct any improvements and to conduct any proposed activities;
- F. A detailed description and/or evidence of the applicant's technical abilities and experience in conducting the proposed activities, including personal references and Federal Aviation Administration (FAA) certificates, if applicable;
- G. The commencement date for the applicant's activities and the term of the lease, license, permit or agreement sought, including all option periods;

H. One of the following:

1. If the applicant is a corporation, a copy of the articles of incorporation as filed with the Arizona Corporation Commission;
2. If the applicant is a limited liability company, a copy of the articles of organization filed with the Arizona Corporation Commission;
3. If the applicant is a limited partnership, a copy of the certificate of limited partnership filed with the Arizona Secretary of State; or
4. If the applicant is a general partnership, a copy of the written partnership agreement, if any.

I. An original copy of a certificate of insurance, in the amounts outlined hereunder, naming the City as an additional insured;

J. A copy of a lease/sublease agreement with the City or a bona fide airport tenant;

K. A copy of the applicant's appropriate Business/Privilege Tax License;

L. A list of all employees which will be working at Bisbee Airport, including name, address, and phone number; and

M. A rates and charges schedule of all services to be conducted at Bisbee Airport.

2-2-2. Processing; Denial.

The Airport Manager, in accordance with Bisbee City Code Section 14.1.21, shall be responsible for processing an application for a lease, license, permit or agreement to act as Commercial Airport Operator at the airport. Any lease, license, permit or agreement not meeting the criteria outlined in Bisbee City Code Section 14.1.21 is subject to the approval of the Airport Advisory Board and the City Council. The Airport Manager may deny any application if it is determined that:

- A. The applicant does not meet the qualifications and standards set forth in Chapter 14 of the Bisbee City Code, the Rules and Regulations, and these minimum operating standards;
- B. The proposed activities are likely to create a safety hazard at the airport;
- C. The activities will require the City to expend funds, or to supply labor or materials as a result of the applicant's activities, or will result in a financial loss to the airport;
- D. No appropriate space or land is available to accommodate the proposed activities;
- E. The proposed activities are not consistent with the airport's master plan and/or airport layout plan;
- F. The proposed activities are likely to result in a congestion of aircraft or buildings, a reduction in airport capacity, or an undue interference with airport operations or the operations of any existing airport users at the airport;
- G. The applicant or any of its principals has knowingly made any false or misleading statements in the course of applying for a lease, license, permit or agreement;
- H. The applicant or any of its principals has a record of violating Chapter 14 of the Bisbee City Code, the rules and regulations, these minimum operating standards, federal aviation regulations or any other applicable laws, ordinances, rules or regulations;

- I. The applicant does not have the technical capabilities or experience or financial resources to properly conduct the proposed activities;
- J. The applicant has not submitted appropriate documentation supporting the proposed activity as outlined in Section 2-2-1 above.

2-2-3. Appeal Process.

- A. The applicant shall have the ability to appeal the denial of an application by the Airport Manager by:
 - 1. Providing written notice of appeal to the Airport Manager within ten (10) days of said denial.
 - 2. The notice of appeal will be forwarded to the Airport Appeals Board for review.
 - 3. Applicant shall be notified in writing of the date of the scheduled appeal review.
 - 4. Applicant shall be present at the appeal review to justify the applicant's application. If applicant is not present, the Airport Manager's denial shall remain unchanged.
 - 5. The Airport Appeals Board shall take comments from the applicant and the Airport Manager.
 - 6. The decision of the Airport Appeals Board shall be final as to the denial or approval of the application.

Section 3. General Contractual Provisions

2-3-1. General Provisions.

Except as otherwise provided in Chapter 14 of the Bisbee City Code, all leases, licenses, permits or agreements affecting Commercial Aircraft Operators shall contain the following provisions:

- A. Rights to engage in specific activities at the airport are non-exclusive.
- B. Defense and indemnification of the City and its elected or appointed officials, officers, representatives, directors, commissioners, agents and employees from and against all damages, claims, suits, actions, losses and expenses (including court costs and reasonable attorney's fees) for personal injury or death or for property damage or loss arising out of the use of the airport;
- C. A termination clause allowing the City to terminate the commercial airport operator's lease, license, permit or agreement no later than thirty (30) days after notice of default is given to the commercial airport operator if the commercial airport operator fails to cure its default within the thirty (30) day period, and allowing the city to terminate the lease, license, permit or agreement immediately if the commercial airport operator fails to maintain the required insurance.
- D. No improvements or modifications to airport property without the prior written consent of the Airport Manager and Public Works Director and without posting appropriate payment and performance bonds. Before commencing any improvements or modifications, the commercial airport operator shall submit detailed construction plans and specifications to the City. Upon completion of the construction, the commercial airport operator shall provide the City with two (2) complete sets of detailed plans and specifications of the work as completed. All improvements or modifications made to airport property shall become the property of the City, at no cost to the City, upon termination of the commercial airport operator's lease, license, permit or agreement.

- E. No lease, license, permit, agreement, or any rights thereunder, shall be assigned without the prior written consent of the Public Works Director. The Airport Manager may require any potential assignee to submit biographical and financial information at least thirty (30) days prior to a proposed assignment.
- F. All FAA required provisions.

Section 4. Insurance

2-4-1. General insurance requirements.

Except as otherwise provided in section 6 or section 7, each Commercial Airport Operator shall at all times maintain in effect the following types and minimum amounts of insurance:

- A. Commercial General Liability insurance in the amount of \$500,000 per occurrence and \$1,000,000 annual aggregate. Such insurance shall contain contractual liability insurance covering applicable leases, licenses, permits, or agreements.
- B. Commercial/business automobile liability insurance for all owned, non-owned and hired vehicles assigned to or used in performance of commercial aeronautical activities in the amount of a least \$500,000 per occurrence.
- C. Fire and extended property coverage for all improvements and fixtures on the commercial airport operator's premises in an amount not less than the full replacement cost thereof, to the extent of the commercial airport operator's insurable interest in the premises.
- D. Worker's compensation insurance as required by law and employers liability insurance in the amount of \$100,000 per accident, \$100,000 disease per person, \$500,000 disease policy limit.
- E. Aircraft liability insurance in the amount of at least \$1,000,000 per occurrence.
- F. Hangarkeeper's liability insurance in the amount of at least \$3,000,000 per occurrence.
- G. Renter pilot and student pilot (permissive user) liability insurance in the amount of \$100,000 per occurrence.
- H. Product liability insurance in the amount of at least \$1,000,000 per occurrence.
- I. Chemical and environmental clean-up liability insurance in the amount of at least \$1,000,000 per occurrence.
- J. All insurance policies cited herein shall contain a waiver of subrogation rights endorsement with respect to the City.

2-4-2. Additional insurance required by City Manager.

In addition to the types and amounts of insurance required by section 2-4-1, each commercial airport operator shall at all times maintain such other insurance as the City Manager may reasonably determine to be necessary for such Commercial Airport Operator's activities.

2-4-3. Form; acceptance by City.

All insurance shall be in a form and from an insurance company with a Best's financial rating of at least B ++
6. All policies, except worker's compensation policy, shall name the City and its elected or appointed officials, officers, representatives, directors, commissioners, agents and employees as "Additional Insureds", and the Commercial Airport Operator shall furnish certificate of insurance evidencing the required coverage cited herein prior to engaging in any

aeronautical activities. Such certificates shall provide for unequivocal thirty (30) day notice of cancellation or material change of any policy limits or conditions.

Section 5. General Operational Requirements

2-5-1. Airport rules and regulations.

Each commercial airport operator shall abide by the Bisbee Revised Code, rules and regulations and any other documents established by the City for the safe, orderly and efficient operation of the airport.

2-5-2. Taxiway access.

If not already provided, each Commercial Airport Operator conducting aeronautical activities shall provide paved access from its leased premises to the airport's taxiway/taxilane/apron system. Such access shall meet all applicable FAA standards for the largest aircraft type anticipated to use the commercial airport operator's premises.

2-5-3. Right-of-entry reserved.

The City reserves the right at all reasonable times to enter upon each commercial airport operator's premises for any lawful purpose, provided that such entry does not unreasonably interfere with the Commercial Airport Operator's use of the premises.

2-5-4. Rates and charges.

Each Commercial Airport Operator may determine the rates and charges for all of its activities and services, provided that such rates and charges shall be reasonable and fairly applied to all of the Commercial Airport Operator's customers.

2-5-5. Personnel, subtenants and invitees; control and demeanor.

Each commercial airport operator shall employ a sufficient number of trained, on duty personnel to provide for the efficient, safe, orderly and proper compliance with its obligations under its lease, license, permit or agreement. Each Commercial Airport Operator shall control the conduct and demeanor of its personnel, subtenants, licensees and invitees and, upon objection by the City concerning the conduct or demeanor of any such person, the commercial airport operator shall immediately take all lawful steps necessary to remove the cause of the objection. Each Commercial Airport Operator shall conduct its operations in a safe, orderly, efficient and proper manner so as not to unreasonably disturb, endanger or be offensive to others.

2-5-6. Interference with utilities and systems.

No Commercial Airport Operator shall do or permit to be done anything that may interfere with the effectiveness or accessibility of any public utility system, drainage system, sewer system, fire protection system, sprinkler system, alarm system or fire hydrant and hoses.

2-5-7. Fire equipment.

Each Commercial Airport Operator shall supply and maintain such adequate and readily accessible fire extinguishers and equipment as may be required by law and/or the City's fire department.

2-5-8. Vehicle Identification.

Any vehicle used in the airside area must bear identification designating the Commercial Airport Operator to whom the vehicle is assigned. Letters shall be a minimum of three (3) inches in height on a contrasting background and displayed in a manner that is acceptable to the Airport Manager.

2-5-9. Indemnification.

To the fullest extent permitted by law, any person accessing or using the airport or any of its facilities, and their respective successors, assigns and guarantors, shall indemnify, defend and hold the City, its agents, employees, officials, directors, officers, commissioners and representatives harmless from and against any and all claims, demands, charges, penalties, obligations, fines, administrative and judicial actions or proceedings, suits, liabilities, judgments, damages, and losses of any kind or nature (including, without limitation, personal injury, bodily injury, sickness, disease, death, property damage, destruction or other impairment of any description (including, without limitation, loss of use), environmental damage, cleanup, response, removal and remediation costs) (and including damage to City property), and all costs and/or expenses of any kind or nature (including, but not limited to, attorney fees and expenses, fees and expenses of expert witnesses and consultants, arbitration fees, court costs and the cost of appellate proceedings) (collectively, "Damages") imposed upon or incurred by or asserted against the City, its agents, employees, officials, directors, officers, commissioners or representatives by reason of said access or use, and/or the discharge of any duties or the exercise of any rights or privileges pursuant to this chapter or any regulations promulgated hereunder.

Section 6. Fixed Base Operators

2-6-1. Statement of concept.

A fixed base operator means a person engaged in a wide range of commercial and aeronautical activities based on the airport, including, at a minimum, the following:

- A. Aircraft fueling;
- B. Aircraft line services;
- C. Major aircraft power plant and accessory repair services;
- D. Aircraft storage;
- E. Sale of aircraft parts and accessories; and
- F. Provision of customary services to general aviation users, such as public restrooms, waiting lounges, conference rooms, crew lounges and flight planning services.

A fixed base operator shall comply with all of the standards contained in section 6 and may engage in any general aviation specialty service activities contained in section 7 upon meeting all standards identified for those specific activities.

2-6-2. Land leased for aircraft operating area.

A fixed base operator shall lease at least 280,000 square feet of contiguous land for its aircraft operating area (independent of any building area, automobile parking area, and fuel storage area) from the City. This area shall accommodate the following:

- A. Airplane Design Group II aircraft (wingspans up to 79 feet);
- B. Transient jet parking for 40 aircraft;
- C. Circulation taxilanes around aircraft operating area; and
- D. Adequate area to simultaneously accommodate transient activities while emptying aircraft from storage hangars/shades.

2-6-3. Hours of operation.

Unless otherwise agreed to in writing by the Airport Manager, a fixed base operator shall provide aircraft fueling and line services seven (7) days-per-week from 6:00 a.m. to 10:00 p.m., and shall keep the fixed base operation open for general aircraft maintenance at least eight (8) hours-per-day, five (5) days-per-week. The fixed base operator shall also be on-call on a twenty-four (24) hour basis.

2-6-4. Subcontracting services; restrictions.

A fixed base operator may not subcontract any of the activities identified in section 2-6-1. If the activity is not identified in section 6-1, a fixed base operator may subcontract any activities included in section 7, provided that such subcontractor meets the requirements in section 7 and operates from the fixed base operator's premises and in such areas as are approved by the Airport Manager.

2-6-5. Aircraft service equipment.

A fixed base operator shall maintain tools, jacks, tugs, towing equipment, tire repair equipment, ground power units, emergency starting equipment, portable compressed air tanks, oxygen cart and supplies, fire extinguishers, chocks, ropes and tie-down supplies as are necessary for the servicing of aircraft types expected to use the airport.

2-6-6. Aviation fueling requirements.

- A. All aircraft fuel handling, dispensing and storage shall comply with National Fire Protection Association's codes and standards, as amended, FAA Advisory Circular 150/5230-4, as amended, all requirements of the rules and regulations, and all other applicable laws.
- B. A fixed base operator shall maintain tank farm storage facilities for aviation fuels in minimum capacities of at least 6,000 gallons of aviation gasoline and 6,000 gallons of turbine fuel, in an area to be designated by the Airport Manager. A fixed based operator shall not construct or modify any fuel storage or distribution facilities without the written consent of the City and without complying with all City safety standards. The City may inspect such facilities periodically to assure compliance with all standards.
- C. A fixed base operator shall provide mobile dispensing equipment and trucks sufficient to serve the needs of the airport. All equipment must be approved by the Airport Manager and shall meet all City safety standards. The metering devices shall be annually inspected, checked and certified by appropriate state and local agencies. The City may inspect such equipment periodically to ensure compliance with all standards.
- D. A fixed based operator shall require all of its fuel-handling personnel to attend training courses, obtain a fuel handler's permit, and receive periodic refresher training as required by the Airport Manager and City fire department. A fixed based operator shall develop a standard operating procedure for aviation fueling activities and provide a current copy of the same to the Airport Manager. The City and FAA may periodically conduct inspections of the fixed base operator's activities and personnel to ensure adherence to safe practices.

2-6-7. Insurance.

A fixed base operator shall maintain the applicable types and amounts of insurance required by section 4, except that the operator shall at all times maintain commercial general liability insurance in the amount of at least \$5,000,000 per occurrence and annual aggregate.

2-6-8. Monthly aeronautical business permit fee.

- A. Fixed base operators shall pay fees as prescribed by lease, license, permit or agreement. At a minimum, a fixed base operator, in addition to paying a monthly land rental payment commensurate with market rates, shall pay the following monthly aeronautical business permit fees:
 - 1. An airport/airpark fuel flowage fee, as identified in the airport/airpark rates and fees schedule, for fuel dispensing during the calendar month just ended or as per negotiated contract.
 - 2. A market percentage or flat fee, to be negotiated at the time of lease, of all gross revenues, except fuel sales, internal maintenance, overnight tie-down fees and commercial landing fees or as per negotiated contract.
 - 3. Fifty (50) percent of gross overnight tie-down revenues or as per negotiated contract.
 - 4. Fifty (50) percent of gross commercial landing fees collected from any commercial operator or as per negotiated contract.
 - 5. The above-indicated fees are not in lieu of any transaction privilege taxes or other taxes.
- B. Fixed base operators shall not sublease, permit or allow any other person to operate as a specialty shop operator or a fixed base operator within the leased or permitted area, or conduct any business venture which directly or indirectly relates to aeronautics or flight, without first determining if said person has a valid aeronautical business permit.
- C. All payments due the City shall be accompanied by forms prescribed by the City's accounting office or the Airport Manager.

Section 7. General Aviation Specialty Services

2-7-1. Hangar/shade leasing services.

A hangar/shade leasing services operator means a person located on the airport engaged in the business of leasing hangars/shades to aircraft owners or operators solely for aircraft storage purposes. A hangar/shade leasing services operator may engage in the business of constructing and operating hangars/shades to be leased. A hangar/shade leasing services operator shall comply with the following minimum standards:

- A. A hangar/shade leasing services operator shall lease sufficient land to accommodate the proposed number of hangars/shades based on the following.
 - 1. The FAA has established minimum standards for hangars/shades for the storage of aircraft as follows: 2,500 square feet for jet aircraft, 2,000 square feet for turboprop and twin engine aircraft, and 1,000 square feet for single engine aircraft and helicopters.
 - 2. Each hangar/shade leasing services operator shall register with the Airport Manager only as many aircraft to be based at Bisbee airport as can be stored within the operator's hangar/shade under the FAA guidelines in section 7.A.1. Transient aircraft storage is prohibited.
- B. The construction plans and specifications for any hangars/shades to be constructed, including minimum hangar/shade sizes and architectural design plans, are subject to the written approval of the City.
- C. A hangar/shade leasing services operator leasing no more than fifteen (15) hangars/shades in its operations shall maintain the types and amounts of insurance required by section 4 for any of its activities which may be covered by such insurance, except that such operator shall at all times maintain commercial

general liability and property damage insurance in the amount of at least \$3,000,000 per occurrence and annual aggregate.

- D. A hangar/shade leasing services operator leasing more than fifteen (15) hangars/shades in its operations shall maintain the types and amounts of insurance required by section 4 for any of its activities which may be covered by such insurance, except that such operator shall at all times maintain commercial general liability and property damage insurance and hangar keeper's liability insurance in the amount of at least \$5,000,000 per occurrence and annual aggregate.
- E. A hangar/shade leasing services operator's hangars/shades shall include at least one (1) indoor restroom for each fifteen (15) hangar/shade facilities for the use by operator's lessees, and appropriate office and lounge areas for the operator's employees.
- F. Hangar/shade leasing services operators on the airport shall pay fees as prescribed by lease, license, permit or agreement commensurate with market rates.

2-7-2. Aircraft sales services.

An aircraft sales services operator means a person located on the airport engaged in the sale of new and/or used aircraft and shall:

- A. Lease from a bona fide airport tenant or the City a minimum of 100 square feet of office space.
- B. Maintain an approved Aircraft Dealers Certificate from the State of Arizona.
- C. At all times maintain in effect the types and minimum amounts of insurance specified in section 4, for any of its activities at the airport which may be covered by such insurance.
- D. Pay fees as prescribed by lease, license, permit or agreement. At a minimum, an operator, in addition to paying a monthly land rental payment commensurate with market rates, shall pay the greater of twenty-five dollars (\$25.00) per month or a monthly aeronautical business permit fee of one-hundred dollars (\$50.00) for the sale of a single engine piston aircraft and/or single rotor piston helicopter, two hundred dollars (\$100.00) for the sale of a twin engine piston aircraft and/or twin rotor piston helicopter, and three-hundred dollars (\$200.00) for the sale of a turboprop and turbine powered aircraft and/or helicopter. These monthly aeronautical business permit fees are applicable to all aircraft sales subject to the State of Arizona's transaction privilege tax.

2-7-3. Aircraft maintenance and repair services.

An aircraft maintenance and repair services operator means a person located on the airport providing one or more of the following services: airframe, engine or accessory overhaul; repair services on aircraft, including jet aircraft and helicopters; and sales of aircraft parts and accessories. An aircraft maintenance and repair services operator shall:

- A. Lease sufficient land to accommodate the proposed operations.
- B. Provide office space, hangar/shade facilities, a paved aircraft parking apron, an adequate number of paved automobile parking spaces for its customers and employees, a public lounge and waiting room and public restrooms on its premises.
- C. Provide sufficient shop space, equipment, supplies and availability of parts equivalent to that required for certification by the FAA as an approved repair station.
- D. Employ and have on-duty during normal business hours at least one person who is currently certified by the FAA with ratings appropriate to the work being performed and who holds an airframe, power plant or aircraft inspector rating. The operator shall maintain a current FAR Part 145 Certificate.

- E. Not conduct major maintenance, repair operations, or business activities at any time inside hangars/shades or other structures not designed for such function. Specific lease agreement and/or City fire codes shall determine what hangars/shades or other structures shall be approved for major maintenance activities.
- F. At all times maintain in effect the types and minimum amounts of insurance specified in section 4, for any of its activities at the airport which may be covered by such insurance.
- G. Pay fees as prescribed by lease, license, permit or agreement. At a minimum, an operator, in addition to paying a monthly land rental payment commensurate with market rates, shall pay the greater of twenty-five dollars (\$25.00) per month or a monthly aeronautical business permit fee of two and one-half (2 1/2) percent of monthly gross income from the operator's sales of all services, parts and accessories.

2-7-4. Aircraft leasing or rental services.

An aircraft leasing or rental services operator means a person located on the airport engaged in the leasing or rental of aircraft to the public. An aircraft leasing or rental services operator shall:

- A. Lease from a bona fide airport tenant or the City a minimum of 100 square feet of office space.
- B. Employ and have on-duty during normal business hours at least one person holding a current FAA commercial pilot's certificate with appropriate ratings, including instructor rating.
- C. At all times maintain in effect the types and minimum amounts of insurance specified in section 4, for any of its activities at the airport which may be covered by such insurance.
- D. Pay fees as prescribed by lease, license, permit or agreement. At a minimum, an operator, in addition to paying a monthly land rental payment commensurate with market rates, shall pay the greater of twenty-five dollars (\$25.00) per month or a monthly aeronautical business permit fee of two and one-half (2 1/2) percent of adjusted gross income from the operator's leasing and rental income. For aircraft rental, adjusted gross income shall equal gross income less the cost to provide the aircraft or lease payment on the aircraft. Adjusted gross income shall not be reduced by the sum of any operations and maintenance expenses including, but not limited to, fuel, oil, parts, repairs and accessories.

2-7-5. Flight training services.

A flight training services operator means a person located on the airport engaged in instructing pilots in dual and solo flight training, in fixed-wing and/or rotary-wing aircraft, and providing such related ground school instruction as is necessary to take a written examination and flight check ride for the categories of pilot's licenses and ratings involved. A flight training services operator shall:

- A. Lease from a bona fide airport tenant or the City a minimum of one hundred (100) square feet of office space.
- B. Provide adequate classroom facilities for the amount and type of training involved.
- C. Employ and have on-duty during normal business hours at least one instructor who is currently certified by the FAA to provide the type of training offered.
- D. At all times maintain in effect the types and minimum amounts of insurance specified in section 4, for any of its activities at the airport which may be covered by such insurance.
- E. Pay fees as prescribed by lease, license, permit or agreement. At a minimum, an operator, in addition to paying a monthly land rental payment commensurate with market rates, shall pay the greater of twenty-five dollars (\$25.00) per month or a monthly aeronautical business permit fee of two and one-half (2 1/2) percent of gross income from the operator's sales of all services including, but not limited to, flight instruction, ground school, testing examinations, sales of books and materials.

2-7-6. Specialized aircraft repair services.

A specialized aircraft repair services operator means a person located on the airport engaged in the business of repairing aircraft radios, avionics, instruments, propellers, accessories, upholstery, painting and/or similar aircraft components. A specialized aircraft repair services operator sells new or used parts and components necessary for such repairs. A specialized aircraft repair services operator shall:

- A. Lease sufficient land to accommodate the proposed operations.
- B. Provide hangar/shade facilities, a paved aircraft parking apron, an adequate number of paved automobile parking spaces for its customers and employees, a public lounge and waiting room and public restrooms on its premises.
- C. Employ and have on-duty during normal business at least one person who is currently certified by the FAA with ratings appropriate to the services offered.
- D. Not conduct maintenance or repair operations or business activities at any time inside hangars/shades or other structures not designated for such functions. Specific lease agreements and/or City fire codes shall determine what hangars/shades or other structures shall be approved for major maintenance activities.
- E. At all times maintain in effect the types and minimum amounts of insurance specified in section 4, for any of its activities at the airport which may be covered by such insurance.
- F. Pay fees as prescribed by lease, license, permit or agreement. At a minimum, an operator, in addition to paying a monthly land rental payment commensurate with market rates, shall pay the greater of twenty-five dollars (\$25.00) per month or a monthly aeronautical business permit fee of two and one-half (2 1/2) percent of gross income from the operator's sales of services, parts and materials.

2-7-7. Aircraft charter services.

An aircraft charter services operator means a person located on the airport engaged in the business of providing air transportation of persons or property to the general public for hire, either on a charter basis or as defined by the FAA under Part 135. Aircraft charter services may include the performance of aircraft management services as defined in these minimum operating standards, as long as all requirements of such services are met. An aircraft charter services operator shall:

- A. Lease from a bona fide airport tenant or the City a minimum of 100 square feet of office space.
- B. Employ and have on-duty during normal business hours at least one person who holds current FAA commercial pilot and medical certificates and ratings appropriate for the operator's flight activities. All flight crews shall be properly rated for the aircraft operated, and the operator shall provide reasonable assurance of the continued availability of qualified operating crews after a reasonable notice period.
- C. Own or lease exclusively by written agreement aircraft currently certified and continuously airworthy. All aircraft shall meet the requirements of the FAA certificate held by the aircraft charter service operator.
- D. Have and provide the City with a current FAR Part 135 Certificate or provisional FAR Part 135 Certificate, as well as the aircraft identification page from the operating specifications listing all aircraft on the certificate.
- E. At all times maintain in effect the types and minimum amounts of insurance specified in section 4, for any of its activities at the airport which may be covered by such insurance.

- F. Pay fees as prescribed by lease, license, permit or agreement. At a minimum, an operator, in addition to paying a monthly land rental commensurate with market rates, shall pay a monthly aeronautical business permit fee of one or more of the following:
1. A monthly permit fee of one-hundred dollars (\$100.00) for the operation of one or more piston-engine aircraft less than 12,500 pounds certificated maximum takeoff weight; and
 2. A monthly permit fee of one-hundred and fifty dollars (\$150.00) for the operation of each turbine/jet aircraft less than 12,500 pounds certificated maximum takeoff weight; and
 3. A monthly permit fee of two-hundred and fifty dollars (\$250.00) for the operation of each aircraft weighing 12,500-29,999 pounds certificated maximum takeoff weight; and
 4. A monthly permit fee of three-hundred and fifty dollars (\$350.00) for the operation of each aircraft greater than 30,000 pounds certificated maximum takeoff weight.

2-7-8. Specialized commercial flying services.

A specialized commercial flying services operator means a person located on the airport engaged in air transportation for hire for any of the following purposes: nonstop sightseeing flights that begin and end at the airport, aerial photography or survey, powerline or pipeline patrol, fire-fighting or fire patrol, air ambulance service, airborne mineral exploration, or any other operations specifically excluded from FAR Part 135. A specialized commercial flying services operator shall:

- A. Lease from a bona fide airport tenant or the City a minimum of 100 square feet of office space.
- B. Employ and have on-duty during normal business hours at least one person who holds a current commercial pilot certificate with appropriate ratings for the aircraft to be flown.
- C. At all times maintain in effect the types and minimum amounts of insurance specified in section 4, for any of its activities at the airport which may be covered by such insurance.
- D. Pay fees as prescribed by lease, license, permit or agreement. At a minimum, an operator, in addition to paying a monthly land rental payment commensurate with market rates, shall pay the greater of twenty-five dollars (\$25.00) per month or a monthly aeronautical business permit fee of two and one-half (2 1/2) percent of gross income from the operator's sales of all services.

2-7-9. Aircraft management services.

An aircraft management services operator means a person located on the airport performing one or more of the following services in the management of another person's aircraft: pilot staffing, records management, and other aircraft-related services not including services detailed in any other sections contained herein. Aircraft management also encompasses the exercise of the privilege of FAR Part 91.501 on behalf of the owner and the brokerage of a qualified aircraft through a FAR Part 135 operator to the general public. Aircraft management does not include the control of or operation of aircraft under FAR Part 135. An aircraft management services operator shall:

- A. Lease from a bona fide airport tenant or the City a minimum of 100 square feet of office space.
- B. At all times maintain in effect the types and minimum amounts of insurance specified in section 4, for any of its activities at the airport which may be covered by such insurance.
- C. Pay fees as prescribed by lease, license, permit or agreement. At a minimum an operator, in addition to paying a monthly land rental payment commensurate with market rates, shall pay a monthly aeronautical business permit fee of one or more of the following:

1. A monthly permit fee of fifty dollars (\$50.00) for the management of one or more piston-engine aircraft less than 12,500 pounds certificated maximum takeoff weight; and
2. A monthly permit fee of fifty dollars (\$50.00) for the management of each turbine/jet aircraft less than 12,500 pounds certificated maximum takeoff weight; and
3. A monthly permit fee of seventy-five dollars (\$75.00) for the management of each aircraft weighing 12,500-29,999 pounds certificated maximum takeoff weight; and
4. A monthly permit fee of one hundred dollars (\$100.00) for the management of each aircraft greater than 30,000 pounds certificated maximum takeoff weight.
5. An annual permit fee of one hundred and fifty dollars (\$150.00) in advance for the management of heavy, turbo jet, and rotor-wing aircraft.

LANDLORD'S CONSENT

Borrower:

Lender:

THIS LANDLORD'S CONSENT ("Agreement") is entered into among ("Borrower") _____, whose address is _____, ("Lender") _____, and **THE CITY OF BISBEE, ARIZONA** ("Landlord"), whose address is 118 South Arizona Street, Bisbee, Arizona 85603.

Borrower and Lender have entered into, or are about to enter into, an agreement whereby Lender has acquired or will acquire a security interest or other interest in the Collateral (as described herein). Some or all of the Collateral may be affixed or otherwise become located on the Premises, which is the real property described in attached Exhibit "A." To Induce Lender to extend the loan to Borrower against such security interest in the Collateral and for other valuable consideration, Landlord hereby agrees with Lender and Borrower as follows:

COLLATERAL DESCRIPTION: The word Collateral means certain of Borrower's personal property in which Lender has acquired a security interest, including without limitation, the following specific property:

FIXTURES. ALL GOODS, NOW OR IN THE FUTURE AFFIXED OR ATTACHED TO REAL PROPERTY DESCRIBED IN ATTACHED EXHIBIT "A" AND THE SUBJECT GROUND LEASE AND LEASEHOLD INTEREST.

BORROWER'S ASSIGNMENT OF GROUND LEASE: Borrower hereby assigns to Lender all of Borrower's rights in the Ground Lease, as partial security for the Loan as more fully set forth in the Related Documents. The parties intend that this assignment will be a present transfer to Lender of all of Borrower's rights under the Lease, subject to Borrower's rights to use the Premises and enjoy the benefits of the Lease while not in default on the Loan or Lease. Upon full performance by Borrower under the Loan, this assignment shall be ended, without the necessity of any further action by any of the parties. This assignment includes all renewals and amendments to the Lease or the Loan, until the Loan is paid in full. No amendments may be made to the Lease without Lender's prior written consent, which shall not be unreasonably withheld or delayed.

CONSENT OF LANDLORD: Landlord consents to the above assignment. If Borrower defaults under the Loan or the Lease, Lender may reassign the Lease after receiving Landlord's consent, and Landlord agrees that Landlord's consent to any such reassignment will not be unreasonably withheld or delayed. So long as Lender has not entered the Premises for the purpose of operating a business, Lender will have no liability under the Lease, including without limitation, liability for rent. Whether or not Lender enters into possession of the Premises for any purpose, Borrower will remain fully liable for all obligations of Borrower as lessee under the Lease. While Lender is in possession of the Premises, Lender will cause all payments due under the Lease and attributable to that period of time to be made to Landlord. If Lender later reassigns the Lease or vacates the Premises, Lender will have no further obligation to Landlord.

LEASE DEFAULTS: Both Borrower and Landlord agree and represent to Lender that, to the best of their knowledge, there is no breach or offset existing under the Lease or under any other agreement between Borrower and Landlord. Landlord agrees not to terminate the Lease, despite any default by Borrower, without giving Lender written notice of the default and an opportunity to cure the default within a period of sixty (60) days from the receipt of the notice. If the default is one that cannot reasonably be cured by Lender (such as insolvency, bankruptcy, or other judicial proceedings against Borrower), then Landlord will not terminate the Lease so long as Landlord receives all sums due under the Lease for the period during which Lender is in possession of the Premises, or so long as Lender reassigns the Lease to a new lessee reasonably satisfactory to Landlord.

DISCLAIMER OF INTEREST: Landlord agrees that any lien or claim it may now have or may hereafter have in the Collateral will at all times be subject and subordinate to Lender's security interest (or other present or future interest) in the Collateral and will be subject to the rights granted by Landlord to Lender in this Agreement.

ENTRY ONTO PREMISES: Landlord and Borrower grant to Lender the right to enter upon the Premises for the purpose of removing the Collateral from the Premises or conducting sales of the Collateral on the Premises. The rights granted to Lender in this Agreement will continue until a reasonable time after Lender receives notice in writing from Landlord that Borrower is no longer in lawful possession of the Premises. If Lender enters onto the Premises and removes the Collateral, Lender agrees with Landlord not to remove any Collateral in such a way that the Premises are damaged, without either repairing any such damage or reimbursing Landlord for the cost of repair.

MISCELLANEOUS PROVISIONS: The following miscellaneous provisions are a part of this Agreement. This Agreement shall extend to and bind the respective heirs, personal representatives, successors, and assigns of the parties to this Agreement. The covenants of Borrower and Landlord respecting subordination of the claim or claims of Landlord in favor of Lender shall extend to, include, and be enforceable by any transferee or endorsee to whom Lender may transfer any claim or claims to which this Agreement shall apply. Lender need not accept this Agreement in writing or otherwise to make it effective. This Agreement shall be governed by and construed in accordance with the laws of the State of Arizona. Any agent or other person executing this Agreement on behalf of Landlord represents and warrants to Lender that he or she has full power and authority to execute this Agreement on Landlord's behalf. Lender shall not be deemed to have waived any rights under this Agreement unless such waiver is in writing and signed by Lender. Without notice to Landlord and without affecting the validity of this Agreement, Lender may do or not do anything it deems appropriate or necessary with respect to the Loan, any obligors of the Loan, or any Collateral for the Loan; including without limitation extending, renewing, or accelerating any of the Loan indebtedness.

AMENDMENTS: Subject to the following sentence, this Agreement, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. To the extent that the provisions of this Agreement conflict with the provisions of the Related Documents, the provisions of this Agreement shall control. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

NO WAIVER BY LENDER: Lender shall not be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such a right or any

other right. A waiver by Lender of a provision of this Agreement shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by Lender, nor any course of dealing between Lender and Landlord, shall constitute a waiver of any of Lender's rights or of any of Landlord's obligations as to any future transactions. Whenever the consent of Lender is required under this Agreement, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

SEVERABILITY: If a court of competent jurisdiction finds any provision of this Agreement to be illegal, invalid, or unenforceable as to any circumstance, that finding shall not make the offending provision illegal, invalid or unenforceable as to any other circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Agreement. Unless otherwise required by law, the illegality, invalidity or unenforceability of any provision of this Agreement shall not affect the legality, validity or enforceability of any other provision of this Agreement.

ADDITIONAL PROVISIONS: Notwithstanding any provision of this document or any other documents to the contrary, The City of Bisbee, Arizona shall have the absolute right to approve or disapprove any assignment or reassignment contemplated by this Agreement, which approval will not be unreasonably withheld. No assignee of Lender or Borrower shall have any rights in the leasehold premises unless and until The City of Bisbee has approved said assignment or reassignment.

NOTICE: In the event of default by Assignor under the Ground Lease, the Landlord shall provide notice and an opportunity to cure to Lender concurrently with notice to the Borrower.

DEFINITIONS: The following capitalized words and terms shall have the following meanings when used in this Agreement. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Agreement shall have the meanings attributed to such terms in the Uniform Commercial Code:

Agreement. The word "Agreement" means this Landlord's Consent, as this Landlord's Consent may be amended or modified from time to time, together with all exhibits and schedules attached to this Landlord's Consent from time to time.

Borrower. The word "Borrower" means _____, and all other persons and entities signing the Note in whatever capacity.

Collateral. The word "Collateral" means all of Landlord's right, title and interest in and to all of the Collateral as described in the Collateral Description section of this Agreement.

Landlord. The word "Landlord" means THE CITY OF BISBEE, ARIZONA, and is used for convenience purposes only. Landlord's interest in the Premises may be that of a fee owner, lessor, sublessor, or lien holder, or that of any other holder of an interest in the Premises, which may be, or may become, prior to interest of Lender.

Lease. The word "Lease" means that certain ground lease of the Premises approved of even date herewith, which was entered into between Borrower and Landlord.

Lender. The word "Lender" means _____, its successors and assigns.

Loan. The word "Loan" means any and all loans and financial accommodations from Lender to Borrower whether now or hereafter existing, and however evidenced.

Premises. The word "Premises" means the real property described in attached Exhibit "A."

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security agreements, collateral mortgages and assignments, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Loan.

BORROWER, LENDER AND LANDLORD ACKNOWLEDGE HAVING READ ALL THE PROVISIONS OF THIS LANDLORD'S CONSENT, AND BORROWER, LENDER, AND LANDLORD AGREE TO ITS TERMS. THIS AGREEMENT IS DATED _____.

BORROWER:

By: _____
Its: _____

LANDLORD:

The City of Bisbee, Arizona

By: _____
Its: _____

LENDER:

By: _____
Its: _____

STATE OF ARIZONA)
) ss
COUNTY OF COCHISE)

The foregoing instrument was acknowledged before me this ____ day of _____, 200_,
by _____, authorized representative for (“Borrower”).

Witness my hand and official seal.
My commission expires: _____.

Notary Public

STATE OF ARIZONA)
) ss
COUNTY OF COCHISE)

The foregoing instrument was acknowledged before me this ____ day of _____, 200_,
by _____, authorized representative for (“Lender”).

Witness my hand and official seal.
My commission expires: _____.

Notary Public

STATE OF ARIZONA)
) ss
COUNTY OF COCHISE)

The foregoing instrument was acknowledged before me this ____ day of _____, 200_,
by _____, authorized representative for (“Landlord”) The City of Bisbee,
Arizona.

Witness my hand and official seal.
My commission expires: _____.

Notary Public