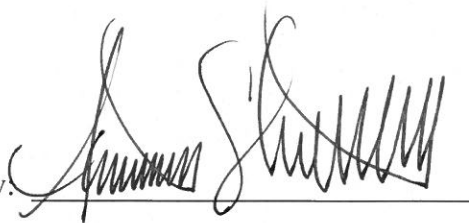


SEDONA-OAK CREEK AIRPORT AUTHORITY
MINIMUM STANDARDS
FOR
AERONAUTICAL ACTIVITY

Authorized by:

A handwritten signature in black ink, appearing to be "A. Stinson", written over a horizontal line.

Effective Date: October 24, 2016

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MINIMUM STANDARDS FOR AERONAUTICAL ACTIVITIES

1.0 BACKGROUND

The purpose of these Minimum Standards for aeronautical activities at Sedona-Oak Creek Airport (the "Airport" or "Sedona Airport") is to promote fair competition at the Airport, not expose those who have undertaken to provide commodities and services to irresponsible competition, and to provide a safe operating environment for commercial operators, visitors to the Airport, and airport patrons. Prudent airport owners adopt and enforce minimum standards to be met by those who propose to conduct commercial activities on airports. Such standards, by expressing minimum levels of service which must be offered, relate primarily to the public interest. Appropriate requirements, uniformly applied, also discourage substandard enterprises, thereby protecting both the established aeronautical activity and the airport patrons.

The following minimum standards and requirements for commercial aeronautical activities have been established in the public interest for the safe and efficient operation of the Sedona Airport, to enhance its orderly growth; to preclude the granting of an exclusive right to conduct an aeronautical activity in violation of Section 308(a) of the Federal Aviation Act of 1958; to conform to Title VI of the Civil Rights Act of 1964 and Part 21 of the U.S. Department of Transportation Regulations and to assure all lessees and potential lessees the availability of airport property on fair and reasonable terms and without unjust discrimination.

FAA Order 5190.6B (FAA Airport Compliance Manual) was used to provide guidance in the general preparation of these standards.

2.0 DEFINITIONS.

Aeronautical Activity: Any activity which involves, makes possible or is required for the operation of aircraft or which contributes to or is required for the safety of such operation.

Air Carrier: An operator transporting persons or property by air for compensation under Federal Aviation Regulations (FAR) Parts 121 or 125.

Air Operations Area (AOA): That area of the airport separated from public traffic by buildings, fences and gates comprising the general air side operational area, aprons, maneuvering areas, and roadways designated for use of aircraft and aircraft servicing and ground support vehicles.

Air Taxi: An air operator transporting persons or property by air for compensation under FAR Part 135.

Air Traffic Control: A service provided by the Federal Aviation Administration (FAA) to promote the safe, orderly and expeditious flow of aircraft air and ground traffic.

Aircraft: Any and all contrivances now known or hereinafter designed and amended or used for navigation of or flight in the air.

Aircraft Operator: The owner of an aircraft or any person who has rented such aircraft for the purpose of operations by himself or his agents.

Airport: Sedona Airport.

Airport Management: As used in these Minimum Standards the Airport Management is Sedona-Oak Creek Airport Authority or its General Manager and its designated employees charged with the operation and management of the airport.

Apron/Ramp: Any defined area on the airport intended to accommodate aircraft for the purpose of loading or unloading passengers or cargo refueling, parking or maintenance.

Commercial Activity License: The License between the Sedona-Oak Creek Airport Authority and the Commercial Operator for commercial activities at the Airport.

Commercial Operator: Any air carrier or business entity engaged in aeronautical activities (including general aviation activities) providing its services to other aeronautical users, patrons or persons or aircraft operators for compensation. Commercial Operators include without limitation helicopter and bi-plane tour operators, air taxis, commuter operations, and charter or passenger air carriers.

Commuter Operation: A commuter operation is any scheduled air taxi operation conducted by any person operating a non-turbo jet powered aircraft of nine seats or less and a maximum payload capacity of 7,500 pounds or less, or a rotorcraft, with a frequency of operations of at least five round trips per week on at least one route between two or more points according to published flight schedules.

Fixed Base Operator: A commercial enterprise performing aeronautical services as defined in these Minimum Standards for the aviation public. Minimum services provided by a Fixed Base Operator include aircraft refueling, maintenance and ground handling.

Flying Cub: Any combination in which two or more persons are associated directly or indirectly as individuals or as an association or legal entity to provide such persons the privilege of piloting club owned aircraft normally based on the airport. A flying club shall be operated on a non-profit basis so that it does not receive greater revenue than the amount necessary for the operation, maintenance, acquisition and replacement of its aircraft. The non-profit status shall be substantiated by documentation from the Director of Internal Revenue.

Fuel Handling: The transportation, delivery, fueling and draining of fuel or fuel waste products.

General Aviation: All aviation activities, including commercial, private, business, recreational and agricultural aircraft operations other than air carrier and government or military operations.

Lease: A conveyance of real property rights for occupancy or use of land, improvements or combination thereof for a specified period of time.

License: For the purpose of these Minimum Standards, a license is a conveyance of personal rights rather than interest in real property derived from the proprietary interest of the airport operator for occupancy or use of an area of property.

Line Services: The sale and into plane delivery of recognized brands of fuels, lubricants and other related aviation products. Line services also includes servicing of aircraft, ramp assistance, parking, storage and tie down of aircraft within the leased area.

Minimum Standards: Qualifications which may be established as the minimum requirements to be met as conditions to conduct an activity at the airport. It is the responsibility of all lessees and sublessees and any operator on the airport to be aware of the contents of and to adhere to the Minimum Standards.

Noncommercial Aviation Operator: Any business entity engaged in general aviation activities for its own business purposes or individuals owning and operating aircraft for private purposes but not providing those services to other aeronautical users, patrons or persons or aircraft operators for compensation.

On Demand Air Taxi: An on demand air taxi is an operator transporting persons or property by air for compensation under a charter or individual contract as opposed to a scheduled operation.

Permit: As used in these Minimum Standards the term permit refers to a conveyance of personal rights rather than real property interests under the police powers of the airport operator to insure health and safety of the occupant or user of airport property and all surrounding tenants and other users.

Scheduled Operation: A scheduled operation is any common carriage passenger carrying air operation for compensation for which the operator offers in advance the departure location, departure time and arrival time.

Self-Fueling: Airport operators shall be permitted to perform self-fueling activities, including bringing fuel to the Sedona Airport with its own employees in conformance with the Sedona-Oak Creek Airport Authority rules and regulations pertaining to self-service operations.

3.0 GENERAL REQUIREMENTS.

The following general minimum standards shall apply to all aeronautical activities conducted at the airport:

3.1 Any aeronautical activity on the airport shall comply with all applicable federal, state and local laws including business codes and business licensing requirements of the City, County and State.

3.2 Insurance for any particular activity shall be provided as required in a specific contract or pursuant to standards established by the Airport Manager.

3.3 Any provider of or party conducting any aeronautical activity shall have first obtained a lease, sublease, license agreement, permit or other authorization issued by Sedona-Oak Creek Airport Authority authorizing use of facilities in a designated area on the airport.

3.4 All persons conducting aeronautical activity on the airport for commercial purposes shall provide adequate employee and customer vehicle parking as specified in these standards or pursuant to applicable local laws and regulations.

3.5 All charges for services on the Airport shall be reasonable and shall be equally and fairly applied to all users of the services.

3.6 All operators or providers of aeronautical activities shall pay all taxes and assessments against any buildings or other structures which they have placed on any premises as well as all taxes and assessments against the personal property used by them in their operations.

3.7 All contracts, leases or other agreements at the airport shall be subordinate to the provisions of any existing or future agreement between Yavapai County, Sedona-Oak Creek Airport Authority and the United States regarding the operation and maintenance of the airport, the execution of which has been or may be required as a condition precedent to the expenditure of federal funds for the development of the airport.

3.8 Any sublease of any agreement, license, permit or other authorization shall be subject to all of the minimum standards set forth in this document. Any subtenant will assume the full obligations of the authorization under which they are subtenant and shall immediately comply with any reasonable request or direction of the Airport Management as it relates to the enforcement of these standards.

3.9 All Commercial Operators shall be required to execute a Commercial Activity License with a term concurrent with any other leases or agreements between the Airport and the Commercial Operator.

3.10 Sedona-Oak Creek Airport Authority reserves the right to take any action it considers necessary to protect the aerial approaches to the airport against obstructions together with the right to prevent any tenant from erecting or permitting to be erected any building, sign or other structure on the airport which, in the opinion of the Airport Manager would limit the usefulness of the airport or constitute a hazard to aircraft.

3.11 All airport property shall be available to any aeronautical user consistent with these Minimum Standards, the adopted Airport Layout Plan, any adopted Airport Land Use Plan or Airport Master Plan for use of the airport. However, Sedona-Oak Creek Airport Authority reserves the right to lease any available building or area as one parcel rather than to several tenants with smaller parcel sizes in order to comply with the requirements of these Minimum Standards provided that such activity shall not be done for the purpose of excluding any individual, but to smaller parcel sizes in order to comply with the requirement of these Minimum Standards provided that such activity shall not be done for the purpose of excluding any individual, but to reduce lease administrative costs and other problems relative to multiple small tenancy buildings.

3.12 These standards may be revised from time to time by simple majority vote of those members of the Board of Directors present and voting, based on changing circumstances.

4.0 MINIMUM STANDARDS FOR AERONAUTICAL ACTIVITIES.

4.1 Rules and Regulations

All Airport users (including aeronautical users, general aviation users, commercial operators and noncommercial operators) must comply, and must use their best efforts to cause their passengers, guests, invitees, and independent contractors to comply, with all rules, regulations and policies governing the conduct and operation of the Airport, promulgated from time to time by the Sedona-Oak Creek Airport Authority or its Board.

4.2 Compliance with Laws

All Airport users (including aeronautical users, general aviation users, commercial operators and noncommercial operators) must comply with all applicable Federal, state and local laws, codes, regulations, Board resolutions, rules and orders.

4.3 Flight Instruction.

All providers of flight instruction must hold required FAA and State certifications for the type or level of instruction provided. The provider must have on airport office space and a telephone. Restroom facilities must be available within reasonable walking distance of the office space. The provider must have parking available for both customer and employee vehicles as set forth either in these Minimum Standards or in applicable local jurisdiction laws and regulations affecting the airport.

4.4 Aircraft Sales.

Aircraft sales businesses must maintain an on airport office and must hold licenses as required by any government agencies having jurisdiction over such activities. Aircraft owners selling their own airplanes and exempt from State sales licensing requirements are considered exempt from these requirements as well.

4.5 Aircraft Storage.

Aircraft tiedown spaces shall be designed to provide for no aircraft overlap. Adequate tiedown hardware shall be provided for wing and tail tiedowns. Taxi lanes for use by aircraft under power shall be designed with minimum taxi lane widths consistent with FAA Advisory Circular 150\5300-13A, "Airport Design", and shall be maintained as designed. Such taxi lane shall also be marked in accordance with the standards set forth in FAA Advisory Circular 150\5340-1G, "Standards for Airport Markings."

4.6 Airport Owned Aircraft Storage Hangars.

Aircraft storage hangars shall be used exclusively for the storage of aircraft and no commercial operations shall be conducted out of such hangar unless authorized pursuant to a

written agreement between the operator of such commercial activity and the Airport Management.

4.7 Aircraft Maintenance and Repair.

Any provider of aircraft maintenance and repair services shall have the FAA approvals and certifications necessary for performance of 100 hour and annual inspections. To the extent repair services are provided, such service provider must also have the appropriate FAA certifications for the specified types and levels of repairs. Any provider of aircraft maintenance and repair services must maintain an on airport office, a telephone, and hangar area sufficient for the parking of customer aircraft. These requirements, except for the certification and authorization requirements from FAA do not apply to aircraft owners providing service to their own aircraft and not receiving any compensation therefore.

4.8 Fuel/Line Services.

Fuel services shall be provided by the Airport during normal business hours and shall also be available through a posted call-up number during the remainder of Airport operating hours.

4.9 Aircraft Rental.

Any provider of aircraft rentals shall maintain an on airport office and adequate assigned tiedown or inside storage area for all rental aircraft. Restroom facilities shall be available within reasonable walking distance of the office.

4.10 Radio and Electronic Sales and Services.

Any provider of radio and electronic sales and services shall hold all required FAA and FCC licenses. In addition, the provider of such services shall maintain an on airport shop or office. The provider of electronic sales and service shall also maintain sufficient aircraft parking spaces for storage of customer aircraft.

4.11 Flying Clubs (non-profit).

A flying club shall be a non-profit corporation or partnership. Club aircraft must be owned or leased by the club. The club may not offer or conduct charter, air taxi, rental or flight instruction, and only members of the flying club may operate club aircraft. The club shall not permit its aircraft to be used for the giving of flight instruction to any person including club members, where such person pays or becomes obligated to reimburse for such instruction except when instruction is given by a lessee or permittee authorized to give such instruction. Exceptions are permitted to the above restrictions when flight instructors or mechanics are club members. Such club members may perform instruction, maintenance or repair services where compensation is limited to credit against payment of dues or flight time provided that such instructors or mechanics have the required FAA certifications and licenses.

4.12 On Demand Air Taxi Operations.

On demand air taxi operators shall provide adequate sheltered waiting areas within 500 feet of the loading ramp. The waiting area shall be of sufficient size to hold the passenger load for the type of aircraft used and meet the applicable fire codes for occupancy of such waiting area space. Restrooms shall be available at the waiting area. Adequate vehicle parking spaces shall be provided within reasonable walking distance of the waiting area. The number of parking spaces shall equal one vehicle per passenger as related to the passenger capacity of the aircraft. The on demand air taxi operator shall hold all applicable FAA and DOT licenses and/or certificates. The operator shall provide adequate ground handling equipment for the type of aircraft used. The operator shall also provide public telephones within reasonable walking distance of the waiting area.

4.13 Commuter Operations.

Commuter operations may be conducted only from the airport's main terminal building and associated ramp area. Any commuter aircraft operator shall provide either customer service, counter personnel or a direct line customer service counter telephone from 6:00 a.m. to 11:00 p.m. and for such additional hours as are required to coincide with any delayed flight. The operator will provide adequate guidance and escort for passengers between the boarding lounge gate and the aircraft door. The operator will escort all unscreened passengers from the aircraft through security identification display when disembarking. Unscreened passengers shall only use exit gates authorized by the Airport Management. The commuter operator shall provide queuing stanchions of approved type for crowd control as necessary and shall abide by all signage requirements of the airport. All commuter operators will comply with the requirements of any FAA approved airport security program applicable to the airport.

4.14 Specialized Aviation Services.

Specialized aviation services include aircraft modifications aircraft paint, aircraft upholstery, aircraft propeller service, aircraft engine component overhaul, aircraft major rehabilitation or reconstruction and helicopter repair (exclusive of fixed-wing). Any provider of such specialized services shall hold the required FAA certification for the type of work done and shall have an office or other fixed place of business on the airport.

4.15 Banner Tow Operations.

Banner tow operations are prohibited unless expressly authorized by the Airport and its Board in writing. Any banner tow operator must obtain a permit from the Airport Management to perform such operations. A ground crew consisting of at least one individual is required for all banner tow operations. Any vehicles operated on the airport must display airport required identification and markings. Banner tow pickup and drop operations will be conducted only in areas designated by the Airport Management for such activities.

4.16 Mobile Aircraft Washing and Detailing.

Aircraft washing may be conducted only in designated areas for such activities. Operators of such mobile aircraft washing and detailing services must contain all water and associated discharge from their activities. All such effluent must be recycled or removed from the airport. Operators of mobile aircraft washing and detailing services shall obtain appropriate

permits from the Airport Management and must obtain the permission of the lessee or permittee of any airport premises before entering.

4.17 Mobile Catering.

Mobile catering permits may be issued on a nonexclusive basis. Permittees shall not operate their catering units within 300 feet of the terminal building. Mobile caterers must obtain the approval of any lessee or permittee at the airport before entering their premises.

4.18 Aircraft Self-Fueling

- A. This section governs aircraft self-fueling at the Sedona-Oak Creek Airport and the standards under which Self-Fueling Permits are granted upon application as provided herein.
- B. Any person authorized to perform self-fueling activities at the Airport (hereinafter referred to as the "Permittee" or a "Bona fide employee") must comply with all applicable requirements concerning such activities as set forth in these Rules and Regulations and any amendments later duly enacted.
- C. These Rules and Regulations, as modified or amended, shall be deemed to be a part of each Self-Fueling Permit unless otherwise provided in the Permit. The mere omission of any particular standard from a written permit shall not constitute a waiver or modification of such standard in the absence of clear and convincing evidence that the Airport intended to waive or modify such standard.
- D. Self-fueling shall be allowed only after the Permittee has obtained a Self-Fueling Permit.
- E. Permittee's fuel dispensing activities shall consist of and be limited to self-fueling by the Permittee or the Permittee's bona fide employee of aircraft and fueling equipment which the Permittee owns or exclusively leases for its own use of one (1) year or more. **Self-Fueling Co-Ops are prohibited.**
- F. Permittee or its bona fide employee must transport and dispense the Permittee's own products.
- G. Fueling is permitted into approved aircraft and ground service equipment only. Permittee must identify each aircraft it intends to self-fuel. Each such aircraft shall be identified on the Self-Fueling Permit. Permittee shall be entitled to add or delete aircraft that it owns or sells to the Self-Fueling Permit, but may not self-fuel any aircraft not identified on the Self-Fueling Permit. Fueling of aircraft not specifically approved and identified on the Self-Fueling Permit, non-aviation vehicles including jet skis, boats, automobiles, recreational vehicles, all-terrain vehicles, and

sand rails is strictly prohibited. Commercial dispensing of fuel products is strictly prohibited. Any such fueling shall result in an immediate revocation of the Self-Fueling Permit and self-fueling privileges.

- H. The aircraft being fueled, and all equipment used to fuel said aircraft, must be owned or used under an exclusive lease agreement for not less than one year by the Permittee. Documentation to prove ownership of aircraft and self-fueling equipment, including vehicles used for product transport, will be submitted with the Self-Fueling Permit application and kept current for the duration of the Permit. Permittee shall notify the Airport, and provide updated proof of ownership documentation reflecting any changes in status of ownership of aircraft or self-fueling equipment within ten (10) business days such that the information may be updated on the Self Fuel Permit. If as a result of the change in ownership, the Permittee no longer has any aircraft identified on the permit, then the permit will automatically terminate in ninety (90) days, unless the Permittee notifies the Airport of a replacement aircraft within in the ninety (90) days.
- I. Permittee shall have sole responsibility for maintaining fuel quality standards in all phases of fuel dispensing operations. Prior to any self-fueling operation, the fueling equipment shall be bonded by use of a cable, thus providing a conductive path to equalize the potential between fueling equipment and other fueling equipment or an aircraft.
- J. Self-Fueling dispensing equipment and/or fuel trucks are limited to 500 gallons in capacity. Only equipment that is specifically identified on the Self-Fueling Permit is allowed on airport property.
- K. Any fuel transfer between fuel delivery trucks or trailers into fuel tanks shall only be done during daylight hours. Only fuel dispensing equipment and/or fuel trucks that are specifically identified and approved for overnight storage on the Self-Fuel Permit may be parked overnight on the Airport. The Self-Fuel Permit shall identify the location of such parking and the fuel dispensing equipment and/or fuel trucks shall only be parked in such a location.
- L. Self-fueling equipment will operate only on the established roadways and routes on the Airport as designated by the Airport on the Self Fuel Permit. Fueling operations are restricted to specific locations as designated on the Self Fuel Permit.
- M. Permittee shall give the Airport access to Permittee's Self-Fueling equipment on the Airport for the purpose of inspecting the equipment. Fuel storage and dispensing records shall be subject to inspection by the Airport upon 24 hours' notice. Such inspection may include, but not be limited to, taking meter readings, and reviewing and inspecting fuel

storage records, fueling apparatus, training records, emergency equipment, and any and all material for safe fuel handling.

- N. It is the responsibility of the Permittee to ensure all equipment conforms to, and is in compliance with Federal and State Department of Transportation regulations, where applicable. The failure of any such equipment to meet any such regulation shall result in the removal of that equipment for the Self Fuel Permit approved equipment list.
- O. All self-fueling equipment with a capacity in excess of 100 gallons shall be equipped with Airport approved dispensing meters. Meters shall be calibrated and sealed in accordance with State of Arizona Requirements.
- P. Piping, hoses, pumps, tanks and equipment used in the dispensing or transfer of Class I, Class II, and Class III-A flammable and combustible liquids shall be listed or approved for the intended use. In over wing fueling operations, the dead man control device shall be located on the nozzle. Hold-open devices are prohibited for all fueling equipment.
- Q. No person will smoke within one hundred (100) feet of the aircraft during any fueling operation. Open flames within one hundred (100) feet of any fuel servicing operation or fueling equipment are prohibited.
- R. Open flames within one hundred (100) feet of any fuel servicing operation or fueling equipment are prohibited. This shall include but not be limited to the following:
- a. Lighted cigarettes, cigars, or pipes;
 - b. Heaters;
 - c. Heat-producing, welding, cutting devices and blowtorches;
 - d. Open flame lights.
- S. There shall be at least one fire extinguisher having a minimum rating of 20-B:C accessible within 50 feet during fueling operations. Tanker trucks shall have a minimum of two fire extinguishers of a type and in a location which conform to N.F.P.A. 407 standards
- T. Positive control of fuel flow must be maintained at all times. Pouring of fuel in over wing fueling operations shall not be permitted from a container with a capacity of more than six (6) gallons.
- U. Hot fueling of helicopters, except as provided under National Fire Protection Association (N.F.P.A.) regulation, are prohibited. Aircraft shall not be fueled while any aircraft engine is running except in accordance with N.F.P.A. 407 Section 5.21.2 requirements

V. All aviation fueling equipment with a capacity of more than six (6) gallons shall be prominently labeled in large block letters indicating the following information:

- a. Type of fuel stored or dispensed;
- b. "NO SMOKING";
- c. "FLAMMABLE";
- d. Tail numbers (N#s) of all aircraft authorized to receive fuel from said equipment as identified in the Self Fuel Permit.

W. Fueling while passengers are on board is prohibited unless where applicable a passenger loading ramp is in place at the cabin door of the aircraft, the aircraft door is in the open position and a member of the flight crew is present at or near the cabin door. When a medical patient is on-board, a fire truck must be standing by and positioned in such a way as to have the ability to immediately fight a fire.

X. All fuel spills, regardless of size or location, must be reported to the Sedona-Oak Creek Airport Authority so that the spill can be dealt with in a safe and expeditious manner. Permittee must have fuel spill containment materials available prior to any fueling operation.

Y. Applications for Self-Fueling Permits are available from the Sedona-Oak Creek Airport Authority. Applicant shall fill out the application and submit to the Sedona-Oak Creek Airport Authority General Manager.

Z. The Airport may terminate any Self Fueling Permit for any reason where such action is necessary for public health, safety or welfare of the Airport as determined in the sole discretion of the Airport upon giving Permittee ten (10) days' notice.

AA. The Airport may immediately terminate any Self Fueling Permit for non-payment of fees or violation of any of the requirement of this self-fueling policy. Any violation of the Self Fueling Permit shall also be a breach of the Permittee's Commercial License or Lease.

BB. The terms of the Self-Fueling Permit shall be month-to-month and subject to renewal on an annual basis.

CC. The Airport shall assess the following fees for the Self Fueling Permit.

- a. Permittee shall pay at the time of application and on an ongoing annual basis a permit fee of \$100.00. This fee shall be subject to revision from time to time at the discretion of the Sedona-Oak Creek Airport Authority Board of Directors.

- b. Permittee's utilizing containers great than 100 gallons shall pay to the Airport on or before the tenth (10th) calendar day of each month a fuel flowage fee. The fuel flowage fee shall be \$0.25 a gallon of aviation fuel delivered into Permittee's aircraft on the Airport for the immediate past month. This fee is subject to revision from time to time, at the discretion of the Sedona-Oak Creek Airport Authority Board of Directors.
- c. The fuel flowage fee shall be accompanied by a daily log listing the quantity and types by sealed meter reading of fuel dispensed into the authorized aircraft by N-number for the prior month.

DD. Permittee shall at all times comply with the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 [CERCLA], 42 U.S.C. Sections 9601 et seq., as amended by the Superfund Amendment and Reauthorization Act [SARA]; the Solid Waste Disposal Act [SWDA], 42 U.S.C. Sections 6901 et seq., as amended by the Resource Conservation and Recovery Act [RCRA] including Subtitle I, Underground Storage Tanks; the Toxic Substances Control Act [TSCA], 15 U.S.C. Sections 2601 et seq.; the Public Health Service Act (Title XIV) [PHSA] a.k.a. the Safe Drinking Water Act [SDWA] and SDWA Amendments of 1996, 42 U.S.C. Sections 300f et seq.; the Federal Water Pollution Control Act [FWPCA], as amended by the Clean Water Act, 33 U.S.C. Sections 1251 et seq.; the Clean Air Act, 42 U.S.C. Sections 7401 et seq.; Title 49 of the Arizona Revised Statutes, including the Arizona Environmental Quality Act, A.R.S. Sections 49-201 et seq.; the Arizona Hazardous Waste Management Act, A.R.S. Sections 49-921 et seq.; the Arizona Underground Storage Tank Regulation Act, A.R.S. Sections 49-1001 et seq.; the Arizona Solid Waste Management Act, A.R.S. Section 49-701 et seq.; the Occupational Safety and Health Act of 1970 as amended, 29 U.S.C. Sections 651-678 and the regulations promulgated there under and any other laws, regulations and ordinances (whether enacted by local, state or federal government) now in effect or hereafter enacted, that provide for the regulation or protection of human health or the environment, including the ambient air, ground water, surface water, and land use, including substrata soils. Any violation of any of the above shall constitute a breach of the Self-Fueling Permit.

EE. Permittee shall indemnify, defend and hold harmless, on demand, the County of Yavapai, the Sedona-Oak Creek Airport Authority its successors and assigns, its elected and appointed officials, employees, agents, boards, commissions, representatives, and attorneys, for, from and against any and all liabilities, obligations, damages, charges and expenses, penalties, suits, fines, claims, legal and investigation fees or costs, arising from or related to any claim or action for injury, liability, breach of warranty or representation, or damage to persons, the environment or

premises and any and all claims or actions brought by any person, entity or governmental body, alleging or arising in connection with contamination of, or adverse effects on, human health or the environment pursuant to any Environmental Law, the common law, or other statute, ordinance, rule, regulation, judgment or order of any governmental agency or judicial entity, which are incurred or assessed as a result, whether in part or in whole, of any use of the Airport during the term of the Permit or any previous lease or uses of the Airport by Permittee or its owners or affiliated entities, agents, employees, invitees, contractors, visitors or licensees. Regardless of the date of termination of the Permit, Permittee's obligations and liabilities under this Section shall continue so long as Airport bears any liability or responsibility under the Environmental Laws arising from Permittee's use of the Airport during the term of the Permit. This indemnification of Airport by Permittee includes, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, remedial actions, removal or restoration work required or conducted by any federal, state or local governmental agency or political subdivision because of regulated substances located on the Airport or present in the soil or ground water on, or under the Airport.

FF. Without limiting the foregoing, if the release by Permittee of any regulated substance on or under the Airport results in any contamination of Airport property, Permittee shall promptly take all actions at its sole cost and expense that are necessary to mitigate any immediate threat to human health or the environment. Permittee shall then undertake any further action necessary to return the contaminated site to the condition existing prior to the introduction by Permittee of any regulated substance; provided that Airport's approval of such actions shall first be obtained. Permittee shall undertake such actions without regard to the potential legal liability of any other person; however, any remedial activities by Permittee shall not be construed to impair Permittee's rights, if any, to seek contribution or indemnity from another person.

GG. The Airport shall have the right to access, within ten (10) days of Permittee's receipt of written request, and copy any and all records, test results, studies and/or other documentation, other than trade secrets and legally privileged documents, regarding environmental conditions relating to the use, storage, or treatment of regulated substances by Permittee on or under the Airport.

HH. Permittee shall immediately notify the Airport in writing of any of the following:

- a. Any correspondence or communication from any governmental agency regarding the application of Environmental Laws to the Airport or Permittee's use of the Airport;

- b. Any change in Permittee's activities on the Airport that will change or have the potential to change Permittee's or Airport's obligations or liabilities under Environmental Laws;
- c. Any assertion of a claim or other occurrence for which Permittee may incur an obligation under this Section.

II. Any Permittee utilizing any fuel distribution system or fueling vehicle with a capacity in excess of 500 gallons shall obtain pollution, products liability, and automobile liability insurance naming the Airport as additional insured with liability limits of at least \$1,000,000. Permittee shall obtain a certificate of insurance which shall demonstrate such insurance and deliver it to the Airport prior to the issuance of any Self Fueling Permit. Such insurance certificate shall state that it may not be cancelled for any reason except upon 30 days' notice to the Airport. In the event that such insurance is cancelled for any reason, the Self Fueling Permit shall be immediately revoked.

4.19 Full Service Fixed Base Operator.

A full service fixed base operator conducts at least the following aeronautical activities: aircraft fueling and servicing, aircraft maintenance, flight instruction and aircraft storage. Such full service fixed base operator shall comply with all of the minimum standards applicable to all aeronautical activities and services provided.

4.20 Aircraft Rental and Leasing.

The operator of an aircraft rental and leasing business must maintain and operate an office on the airport. The office shall be sufficient in size for the required number of employees and anticipated customers. The operator of a fixed business shall provide adequate customer parking within reasonable walking distance of the office space. A restroom shall be available within reasonable and safe walking distance of the office space. The operator of such aircraft rental and leasing business shall maintain sufficient aircraft tiedown spaces or hangar spaces for all aircraft utilized in its rental and leasing business. Each such aircraft available for rental or leasing must hold FAA registration and a current airworthiness certificate. The operator of such aircraft rental and leasing business shall procure and maintain aircraft liability and insurance in an amount specified by the Airport Management which shall name Yavapai County and Sedona-Oak Creek Airport Authority as additional insureds.

4.21 Special Events.

Air shows and other special events shall be conducted on the airport, only pursuant to specific written agreements between the proponent of such activity and Sedona-Oak Creek Airport Authority which shall set forth the specific activities to be conducted, the terms and conditions and insurance requirements applicable to such activities. The proponent shall obtain all required FAA approval for the special event.

4.22 Other Aeronautical Activities.

All aeronautical activities not listed separately in the categories set forth in these Minimum Standards shall be subject to the requirements set forth in FAA Advisory Circulars and other applicable documents, rules, regulations which may apply to such activity. Such activities must comply with all FAA, state and local certification and licensing requirements to conduct the type of operations in question and shall provide appropriate liability, hangar keepers and/or other insurance as deemed appropriate by the Airport Management. Proof of such insurance shall be submitted to the Airport Management prior to commencement of operations. Such proof of insurance shall also indicate that Yavapai County and Sedona-Oak Creek Airport Authority are named as additional insureds.

5.0 GENERAL RULES REGULATIONS FOR AIRPORT USE.

5.1 Airport Roadways and Walkways.

No person shall travel upon any portion of the airport except upon the roadways walkways or places provided and marked for the particular class of traffic nor occupy the roadways or walkways in an unsafe manner or in such manner as to hinder or obstruct their proper use. All persons shall abide by all posted speed and other limitations.

5.2 Personal Conduct.

No person shall enter or remain on airport property or do or omit to do any act if the doing or omission thereof endangers unreasonably or is likely to endanger persons or property.

5.3 Commercial Activity.

No person shall enter or remain on airport property exclusive of the leaseholds to buy, sell, peddle or offer for sale or purchase any goods, merchandise, property or perform services including surveys of any kind whatsoever on or from the airport property without the express written consent of the Airport Management.

5.4 Advertisement.

No person shall post, distribute or display signs, circulars, printed or written material of an advertising nature at the airport without express written consent of the Airport Management and in such manner as the Airport Management or applicable rules relating to signage may prescribe.

5.5 Litter and Refuse.

No person shall place, discharge or deposit in any manner paper trash rubbish or other refuse anywhere on the airport except in trash receptacles designed for such purpose. All litter and refuse must be covered when transported in vehicles and all receptacles must have covers to preclude leaking, dripping, shifting or otherwise escaping of such materials. All airport tenants shall provide sufficient trash receptacles for their operations.

5.6 Construction.

No on or offsite construction on any leasehold or other interest on the airport may commence without the prior written consent of the Airport Management.

5.7 Damage or Destruction of Property.

No person shall destroy or cause to be destroyed injured, damaged, defaced or disturb any airport property.

5.8 Abandoned Personal Property.

No person shall abandon any personal property in public areas of the airport. The registered owner of any abandoned aircraft or vehicle shall be liable for any damages resulting from the abandonment of such property or for the removal of such abandoned property. Liability for removal shall include any incurred storage fees.

5.9 Aircraft Operations.

All operation, service, maintenance and repair of aircraft shall comply with rules and regulations set forth by the FAA, the National Transportation Safety Board and other federal and state entities having jurisdiction thereover. No person shall work on or park an aircraft on or adjacent to any active taxiway or runway. All parked aircraft must be within the boundary lines of a designated tenant leasehold.

5.10 Aircraft Incident Reports.

The operator of any aircraft involved in an incident or accident resulting in personal injury or property damage shall comply with all requirements of the National Transportation Safety Board. In addition to all other reports required to be made the operator shall make a prompt and complete report concerning said incident or accident to the Airport Management.

5.11 Disabled Aircraft.

The owner, lessee, operator or other person having control or the right of control over any disabled aircraft shall be responsible for the prompt removal thereof from the airport and disposal of such disabled aircraft and any or all parts thereof subject to the requirements or direction of the National Transportation Safety Board, the FAA or other entity having jurisdiction over such investigation relating to investigation of an accident or incident. Any aircraft which is an eyesore wrecked or in derelict condition shall be placed inside a hangar or screened fence or removed from the airport. The owner, lessee, operator or other person having control or the right of control of any aircraft shall cause any and all necessary actions to be taken to affect the prompt removal and disposal of any disabled aircraft which obstructs any part of the airport and shall pay any costs incurred by or on behalf of the airport for any such removal or disposal of any aircraft. No disabled aircraft may be left unattended or abandoned on any active airport area except for a brief period while seeking assistance.

5.12 Aircraft Movement in Operational Areas.

No aircraft shall be taxied, towed or otherwise moved on the airport in a careless or negligent manner or at a speed or in a manner which would unreasonably endanger persons or property.

5.13 Motor Vehicle Operation.

No motor vehicle shall be operated on the airport premises except on roadways, parking areas or other areas specifically designated for such vehicles. Vehicles operated on the airport shall display required identification markings at all times. Vehicles may be parked in appropriate and designated locations on the airport premises. Vehicles belonging to a particular operator shall be parked only on the operator's premises. Aircraft shall have the right of way over all vehicles at all times under all conditions. All other vehicles shall also yield the right of way to emergency equipment. No vehicle shall operate on or across any runway, taxiway or aircraft movement area without obtaining permission from the tower. Persons driving vehicles on the airport shall have received appropriate training in the operations of such vehicle and in on or near aircraft movement areas. Except as otherwise specifically provided in this section, all laws and rules of the State of Arizona governing motor vehicle operation, parking and maintenance shall apply.

5.14 Fire Safety.

All activities conducted on the airport shall conform to fire and fire safety regulations adopted by applicable state or local entities or regulatory authorities. Explosives shall only be handled in accordance with applicable laws and regulations governing such activities. No person shall store, keep, handle, use, dispose, transport any hazardous materials at or upon the airport except in compliance with all applicable federal, state and local laws rules and regulations. Fueling operations shall comply with National Fire Prevention Association standards regarding Aircraft Fuel Servicing, Section 407, and shall otherwise comply with all applicable laws, rules, codes, regulations or fire safety requirements adopted by any governmental authority having jurisdiction over such activities.

6.0 LEASE OR USE APPLICATION

Any request to use any land or building space on the area or on the airport must be in writing and delivered to the Airport Management. Such application may be on a form provided by the Airport Management and contain the information set forth therein but shall in any event set forth the name, mailing address and telephone number of the applicant, the type and nature of the organization or business entity, its officers or partners as well as the individual or business name and the mailing address as they should appear on any lease. The application should also specify the amount of land, the number of buildings, amount of business space or other land or building area for which use is desired. The application should also indicate the services to be offered and include a list of all intended services upon completion of any installation. If construction is to be provided, the completion date of any proposed construction of site preparation should be set forth as well as the date of any beginning operations. If building space is to be constructed, the application should identify the square footage, types of buildings and intended use for each as well as the estimated total cost of such construction. In addition, at least a tentative site plan depicting the proposed construction should be included with the application.

The application should also indicate the proposed hours of operation, the number of persons to be employed, the anticipated number and type of aircraft to be based at the airport and sufficient evidence of financial capability to perform and provide the services which may include, but may not be limited to, a current financial statement prepared or certified by a Certified Public Accountant, a written list of the assets owned or being purchased for use at the airport, a current credit report covering all areas in which the applicant has done business in the past 10 years, a list of references which may be contacted and an authorization for the Federal Aviation Administration or other aviation or aeronautic commissions, administrators or departments of any state or local jurisdiction in which the applicant has engaged in the aviation business to supply all information in their files relating to the applicant or applicant's operation. Applicant will execute such forms, releases and discharges as may be requested by any of these agencies.

An application for use of airport land or buildings shall be denied if any of the following are found to be true:

1. Not Qualified. The applicant does not meet the qualification requirements as set forth in these minimum standards.
2. Safety Hazard. The proposed operations or construction will constitute a safety hazard at the airport.
3. Expenditures. The application will require an expenditure of funds labor or materials in connection with the proposed operations which would result in financial loss to the Airport.
4. Availability. There is no appropriate adequate or available space or building at the airport to accommodate the activity of the applicant.
5. Noncompliance with Master Plan. The proposed operation airport development or construction does not comply with the adopted airport master plan or airport layout plan.
6. Congestion. Development or use of the area requested by the applicant which will result in depriving existing airport operators a portion of the area in which they have been conducting operations pursuant to existing agreements or would be unreasonably costly, burdensome or impracticable for the existing operators to provide the aviation services on the airport.
7. Misrepresentation. Any untrue statement of any material fact contained in the application or documents supporting the application or failure to make a full disclosure on the application or in supporting documents shall result in denial.
8. History of Violations. A record violating the Minimum Standards or rules and regulations of any other airport, Federal Aviation Regulations or any rules and regulations applicable to the Sedona Airport shall be deemed grounds to deny an application.
9. Default. Failure or default in the performance of obligations of any lease or other agreement with Yavapai County or Sedona-Oak Creek Airport Authority shall be grounds for denial of an application.

10. Credit Report. A credit report which contains derogatory information indicating that the applicant does not have satisfactory business responsibility and reputation shall be grounds for denial of an application.

11. Lack of Finances. Lack of financial capacity necessary to conduct the proposed operations shall be grounds for denial.

12. Undesirable Reputation. A party applying for or having an interest in the business who has been convicted of any crime or violation of any ordinance of such a nature which indicates that the applicant would not be a desirable operator shall be grounds for denial of an application. Such crime or violation shall reflect on the honesty or moral turpitude of the applicant.

13. Environmental Considerations. Considerations relating to the protection of the health, safety and welfare of the public shall justify denial of an application.