

**MINIMUM STANDARDS FOR COMMERCIAL OPERATORS, AUTHORIZED
OPERATORS AND AIRPORT TENANTS
AT THE
HERMISTON AIRPORT
HERMISTON, OREGON**

The owner of Hermiston Airport shall hereinafter be referred to as the "Authority." Authority is defined as the City of Hermiston, Oregon, or such other designee as the Authority may appoint. There shall also be an Airport Advisory Board, appointed by and responsible to the Authority. The Airport Advisory Board makes recommendations regarding airport policy and procedures to the Authority or its designee.

The following Minimum Standards establish requirements for all tenants on Airport property and all commercial aeronautical activities on the Hermiston Airport and have been established in the public interest for the safe and efficient operation of the Hermiston Airport (hereinafter the "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 Department of Transportation Regulations, and to assure that all commercial users and lessees receive access to and the use and availability of airport property on fair and reasonable terms without unjust discrimination. No person, firm or corporation shall conduct commercial operations at the Hermiston Airport, use the Airport as a base for conduct of business or otherwise provide services or goods to travelers, customers, lessees, or other persons, firms or corporations at the Airport, without first obtaining a written contract or lease from the Authority or its designee.

1. A Fixed Base Operator (FBO) or Operator is defined as any person, firm or corporation performing some of the functions and services hereinafter set out for an FBO and/or Operator at the Hermiston Airport under categories "A" (Flight Instruction and/or Aircraft Rental), "E" (Aircraft, Engine, Propeller and Accessory Maintenance), and "G" (Sale of Aviation Petroleum Products and Ramp Service). No person, firm or corporation shall engage in any commercial activity covered by any of the categories hereinafter set forth in A-G, unless same is done in full compliance with the standards, rules and regulations herein set forth.
2. An Airport Tenant is defined as any person, firm or corporation leasing property at the Hermiston Airport. An Airport Tenant may hangar its aircraft, or otherwise operate on its own leased property, subject to the provisions of the Lease, the Airport Master Plan, the Airport Layout Plan and these Minimum Standards. An Airport Tenant shall also comply with all applicable Minimum Standards, laws and policies of the Airport, City of Hermiston and the FAA.

3. Any person, firm or corporation not otherwise qualified and authorized as an FBO or Operator, who is engaged in any commercial activity at the Hermiston Airport, or who engages in any of the activities set forth in categories “A” – “G” of these Minimum Standards at Hermiston Airport, must first obtain written authorization from the Airport Authority. Any such Operator shall be known as an Authorized Operator. Such authorization will stipulate the holder’s allowed commercial activities and responsibilities, and this authorization shall be issued by the Authority only upon signing of a Facilities Use Contract providing for fair and reasonable compensation to the Authority for commercial access to, and use of, airport property. The term “contract” as used herein shall include a facilities use contract. Any such authorization issued following the effective date of these Minimum Standards shall be issued only where specific expertise to perform a task set forth within categories A-G is not readily available from or through an FBO or Operator currently doing business at the Hermiston Airport. In the event that a prospective Authorized Operator wishes to access the airport through the fence, said access shall be limited to those places so designated by the Authority, consistent with the Airport Layout Plan. Cancellation of a facilities use contract or any permit may be done immediately, upon a finding that the operation threatens the health, safety, or welfare of people or property, and a facilities use contract may also be canceled upon 72 hours written notice, with or without cause.
4. Hangar lessees are the tenants in City-owned or privately-owned hangars on City Airport property. The lease with the hangar tenant establishes the terms and conditions of the lease, which must in all respects adhere to these Minimum Standards as well as the policies of the Airport. A lease in one of the Authority’s T-hangars does not permit any person and/or entity to operate a commercial activity at the Airport or to be a FBO or Authorized Operator at the Airport.
5. No hangar may be used for non-aeronautical use. All hangars will be leased only for the storage of an aircraft owned by the Tenant. If the hangar is not used for the storage of aircraft owned by the Tenant for more than 50% of the days per month on average, or if it is not actively used for construction or repair of the aircraft owned by Tenant, the lease will terminate with 30 days prior notice to the tenant.
6. Except for when a hangar tenant is using the aircraft or working in the hangar, no vehicles, boats and/or equipment may be parked outside of any storage hangar without the prior written consent of the Authority or its designee.
7. All Operators, which includes for purposes of these Minimum Standards FBOs and Authorized Operators, shall protect the public generally, the customers and clients of such Operators, and the City of Hermiston from any and all lawful damages, claims or liability and shall carry comprehensive general liability insurance from a company authorized to do business in the State of Oregon with limits of not less

than \$1,600,000.00 for general liability insurance, and \$100,000 property damage insurance, with the City of Hermiston named as an additional insured. The City shall be notified a minimum of thirty (30) days prior to cancellation of any policy. Such policies must be approved by the City and a certificate of insurance thereof furnished to the City. It is further understood that as circumstances in the future dictate, the City may require an increase in general liability and property damage insurance, upon 30 days' written notice.

Tenants of all hangars shall carry comprehensive general liability insurance in the amount of not less than \$500,000.00 with the City of Hermiston named as an additional insured.

8. Any person, firm or corporation capable of meeting the Minimum Standards set forth herein for categories "A", "E" and "G" shall be eligible to become an FBO at the airport, subject to paragraph 3 above and subject to the execution of a written lease, containing such terms and conditions as may be determined by the Authority. An FBO, Authorized Operator, commercial operation or tenant shall not engage in any business or activity at the airport other than that authorized in writing by the Authority or its designee. Any FBO or Authorized Operator desiring to extend its operation into any additional category, or any FBO desiring to discontinue operations in a category, shall first apply in writing to the Authority for permission to do so at least 30 days prior to the proposed requested date, setting forth in detail the reasons and conditions for the request. The Authority shall then grant or deny the request on such terms and conditions as the Authority deems to be prudent and proper under the circumstances.
9. All FBOs at the airport shall provide, within a structure permanently affixed to the airport property, in a manner consistent with these minimum standards, lounges and restrooms for their customers, whether in common or separately. The lounge and restroom area must be at least 120 square feet in size, with the premises kept clean and in good working order.
10. All construction at the airport shall be in accordance with design and construction standards required or established by the FAA, the Authority for the facility or activity involved, and in compliance with the approved Airport Layout Plan. All plans for any construction, including installation of tanks, above-ground or underground lines, placement of temporary structures, or placement of permanent structures, must be submitted to the Airport Board and the Authority for written approval thereof. This written submittal must include at least FAA Form 7460-1, Notice of Proposed Construction or Alteration, complete with appropriate location sketches and drawings. The proposed plans may be approved, disapproved, or approved with conditions. Should applicant not comply with the stated construction conditions, the applicant's FBO, facilities use contract, or tenancy may be terminated by the Authority. Title to any and all buildings and appurtenances, which

may be built on Authority property, shall revert to the Authority, unless otherwise provided in the lease, or any written addenda thereto signed by the Authority, when the lease ends or the subject lessee vacates the lease for any reason.

11. The rates or charges for any and all activities and services of such operators shall be determined by the Operators, or in the lease agreement or facilities use contract, subject to the requirement that all such rates or charges shall be reasonable and be fairly applied to all users of the services.
12. All FBOs at the airport shall be financially sound business enterprises, with adequately staffed and equipped facilities, including ample office facilities, and shall operate during business hours as agreed upon with the Authority.
13. All Operators shall, at their own expense, pay all taxes and assessments against any buildings or other structures placed on the premises by them, as well as all taxes and assessments against the personal property used by them in their operations.
14. All Operators shall abide by and comply with all applicable Federal, State, County and City laws, rules and regulations pertaining to the Airport or applicable to any operations or activities occurring on the Airport.
15. All Operators shall provide and pay for all lights, gas, electrical current, water, sewer charges and garbage collection charges used or incurred in or about their respective leased premises, and shall pay the charges, made therefore by the suppliers thereof, promptly when due.
16. All contracts and leases between Operators and the Authority shall be subordinate to the provisions of any existing or future agreement between the City of Hermiston and the United States, relative to the operation or maintenance of the airport, the execution of which has been or may be required for the expenditure of federal funds for the development of the airport facilities.
17. No Operator shall sublease or assign any property, premises, lease, or contract obtained by such Operator from the Authority; neither shall an Operator change its business form or convey any interest in its business, without prior written approval of the Authority. Notwithstanding the foregoing, an assignment or sublease of a land lease may be allowed by the Authority. Any such assignment or sublease must first receive approval in writing from the Authority, and any assignment or sublease allowed by the Authority shall be subject to all of these Minimum Standards as herein set forth or amended, and such consent shall not constitute consent to any further assignment.

18. In the event the lessee assigns or subleases any portions of its land lease with the approval of the Authority, the assignee or sub-lessee must agree to assume the full obligations of the lease and Minimum Standards as set out herein, and must agree to fully cooperate with the Authority in seeing that these Standards are complied with. The assignee or sub-lessee shall immediately comply with any reasonable request or direction from the Authority as it relates to the enforcement of the lease or these Standards.
19. In the event that any lessee, assignee, sub-lessee or Operator fails to comply fully with these Standards or fails to comply with the reasonable request or direction of the Authority as it relates to these Standards, said lessee, assignee, sub-lessee or Operator shall be in default of its lease or contract. The Authority may terminate a lease or contract for any default not cured in accordance with the provisions of the lease or contract, and may use any relief allowed by law to remedy a default or other violation of these Minimum Standards.
20. Operators shall have the right in common with others authorized so to do, to use common areas of the airport, including runways, taxiways, aprons, roadways, floodlights, runway lights, signals and other conveniences for the takeoff, flying and landing an aircraft.
21. Leases to Operators of City-owned buildings shall be limited to a maximum of five (5) years, with option to extend for three five (5) year periods. In the event Operator or prospective Operator wishes to construct its own building, said Operator shall be entitled to an initial lease term not to exceed twenty (20) years. Thereafter, extensions or renewals shall not exceed ten-year increments. In addition, leases shall be subject to review and evaluation at the end of each renewal period thereof, in relation to development costs or any land values. When at the end of each one-year period, the Portland Consumer Price Index has increased, the rental terms of the lease shall also be increased the same amount, rounded to the nearest one dollar. The Authority shall nevertheless retain the authority to review and amend this and other provisions of these Minimum Standards.
22. All leases, renewals of leases, or any acceptance of subleases or assignments, shall be for an amount of money roughly equal to the current market value for such property, said value to be determined by the Authority. Mutually agreed-upon services may be substituted for some, or all, of the lease payments otherwise due.
23. All FBOs and Authorized Operators shall, at all times during the continuance of the term of any lease, or contract, and any renewal or extension thereof, conduct, operate and maintain for the benefit of the public the FBO or authorized operation provided for and described herein, and all aspects and parts and services thereof as defined and set forth, and will make all such services available to the public and

will devote their best efforts for the accomplishment of such purposes and will make appropriate charges to patrons and customers for all merchandise or materials and services furnished or rendered but will refrain from imposing or levying excessive or otherwise unreasonable charges or fees for any facilities or services. Notwithstanding anything contained in a lease or facilities use contract that may be or appear to the contrary, it is expressly understood and agreed that the rights granted hereunder are non-exclusive, and the Authority reserves the right to grant similar privileges to other Operators on other parts of the airport when, in its sole discretion, the Authority deems the same to be non-discriminatory and in the public interest.

24. The Authority reserves the right to take any actions it considers necessary to protect the aerial approaches to the airport against obstructions, together with the right to prevent any Operator, without the prior written permission of the Authority, from erecting or permitting to be erected, any building, sign or other structure on the airport which, in the opinion of the Authority, would limit the usefulness of the airport or constitute a hazard to navigation.
25. All facilities use contracts issued to Authorized Operators, and contracts and leases between FBOs and the Authority and all leases to Tenants shall be subordinate to the right of the Authority during the time of war or national emergency to lease the landing area or any part thereof to the United States Government for military use, and if any such facilities use contract or lease is so made, the provisions of any existing contracts or leases with said FBO, Tenant or Authorized Operator may be suspended by the Authority.
26. Any person, firm or corporation operating aircraft on the Airport may dispense aircraft fuel or oil into aircraft they own, lease for use or manage, subject to the provisions of this section. Self-fueling operations must be conducted in compliance with all applicable Federal, State, local laws, rules and regulations, and may be conducted only by Aircraft Operator or his/her employees. The Authority may require environmental and other insurance from anyone fueling their plane in amounts the Authority deems reasonably appropriate. Self-fueling operations may be conducted only on outdoor premises specifically designated as a fueling area by the Authority. No fuel may be dispensed into any aircraft other than those owned or controlled by the Aircraft Operator. The current applicable fuel flowage fee shall be paid to the Authority on all fuel dispensed under this paragraph, and shall be due and payable upon deposit of fuel into Operator's fuel storage tank. Fuel Purchase invoices shall also be provided to the Authority concurrently with payment, and said payment shall be paid within 15 days of each fuel delivery.
27. All Operators shall remove from the airport or otherwise dispose of in a manner allowed by law and approved by the Authority, all garbage, debris, hazardous

materials and other waste material arising out of their use or occupancy of the premises or out of their operations. Said Operators shall keep and maintain their leased premises in a neat and orderly manner and shall keep the grass cut and the buildings painted. Any garbage, debris or waste which may be temporarily stored in the open shall be kept in suitable garbage or waste receptacles, the same to be equipped with tight-fitting covers and to be of design to safely and properly contain whatever may be placed therein. All Operators shall use extreme care when effecting removal of waste.

28. The Authority reserves the right to enter upon any premises leased to any tenant and/or Operator at reasonable times with notice for the purpose of making such inspections as it may deem necessary for the proper enforcement of any covenant or condition of any contract or lease agreement. Written notice of such intent to enter shall be mailed at least 14 days prior to any entry, unless such notice is impractical under the circumstances, in which case telephone notice should be attempted. In the event of an emergency condition, including but not limited to fire, flood, windstorm or chemical leak, the Authority may enter onto any airport premises without any notice given or attempted.
29. The Authority shall review these Minimum Standards from time to time and shall promulgate revisions or amendments deemed necessary under the circumstances to properly protect the health, safety and interest of the Airport and the public. Upon publication of any such amendments, the operators of aeronautical activities authorized hereunder shall be required to conform to such amended Standards except as herein provided.
30. Any notices necessary to be delivered to the Authority hereunder shall be delivered to:

Hermiston Airport
c/o Airport Manager
1600 Airport Way
Hermiston, OR 97838

Fixed Base Operator and Authorized Operator Categories

Category A: Flight Instruction and Aircraft Rental

An Operator in this category shall:

1. have available on call a minimum of one instructor pilot with appropriate and current Federal Aviation Administration (FAA) pilot and medical certificates.
2. aircraft may be owned or leased by FBO. It is understood that all aircraft, owned or leased, will be used and maintained according to FAA regulations.
3. lease from the Authority an adequate amount of space determined by the Authority in which will be located all required improvements.

Category B: Aircraft Charter and Taxi.

The Operator in this category shall:

1. have available on call on a full-time employment basis a minimum of one Federal Aviation Administration certified pilot with the minimum ratings as required by the FAA for type of operation being carried out by the Operator.
2. lease from Authority an adequate amount of space determined by the Authority in which will be located all required improvements. A suitable contract approved by the Authority, sharing existing facilities is acceptable.
3. maintain all aircraft owned or leased by an Operator will be used and maintained according to FAA Regulations for the operation the aircraft charter or taxi service.

Category C: Crop Dusting and Spraying

The Operator in this category shall:

1. furnish suitable arrangements for the safe loading, unloading, storage and containment of hazardous and/or noxious chemical materials. Further, have available on call full-time an employee in charge of loading chemicals with all permits, licenses and certificates required by all government agencies (Federal, State, County and Municipal) for handling insecticides, pesticides, herbicides and defoliant and all products handled by the FBO.
2. furnish a minimum of one aircraft with pilot. The aircraft shall be suitably equipped and licensed for agricultural operations with adequate safeguards against spillage of chemical spray mixtures or materials on runways and taxiways, or dispersal by wind force to other operational areas of the airport.
3. lease from the Authority an adequate amount of space determined by the Authority in which will be located all required improvements. A suitable contract, approved by the Authority, sharing existing facilities is acceptable.
4. lease from the Authority, or otherwise provide to the satisfaction of the Authority, a specific, designated area for loading and unloading of application chemicals and

for the washing and cleaning of applicable aircraft and/or service storage tanks and vehicles, including an approved method of protecting and excluding the public.

Category D: Aircraft Sales.

The Operator in this category shall:

1. establish to the satisfaction of the Authority that the FBO is a bona fide aircraft dealer.
2. lease from the Authority an adequate amount of space determined by the Authority in which will be located all required improvements. A suitable contract, approved by the Authority, for sharing existing facilities, is acceptable.

Category E: Aircraft, Engine, Propeller and Accessory Maintenance

The Operator in this category shall:

1. lease from the Authority an adequate amount of space determined by the Authority in which will be located all required improvements. A suitable contract, approved by the Authority, for sharing existing facilities, is acceptable.
2. furnish facilities and equipment for airframe and power plant repairs with at least one full-time duly certified Federal Aviation Administration A&P Mechanic and such other personnel as may be necessary. Such airframe and power plant repair will include facilities for repair of aircraft and engines used in private aviation in this area.

Category F: Radio and Electronics Equipment

The Operator in this category shall:

1. lease from the Authority an adequate amount of space determined by the Authority in which will be located all required improvements. A suitable contract, approved by the Authority, for sharing existing facilities, is acceptable.
2. have available on call on a full-time basis an FAA-certified technician in the field of aircraft electronics with proper FCC license to conduct complete aircraft transmitter, receiver and antennae repair.

Category G: Sale of Aviation Petroleum Products and Ramp Service

An FBO in this category shall:

1. operate the Authority owned fuels delivery systems. The Authority shall maintain the fuel delivery systems, tanks, including pumps, hoses, point of sale equipment and software and communication connections, and any other necessary maintenance. Maintenance shall include normal fuel monitoring, including but not limited to any stick dipping of the tank(s) required by Federal, State or local governments.
2. Not fuel aircraft directly from a common carrier transport truck.

3. post an emergency number to be called after hours with the price of such emergency service.
4. demonstrate capability to efficiently and safely conduct or move aircraft to tie-down areas and park them in compliance with all Federal, State and local regulations and policies.

Category H: Flying Clubs

1. A flying club is defined as a non-profit organization, the members of which have an investment interest in the aircraft and other capital equipment owned or controlled by the club. The Civil Air Patrol shall also be considered to be a flying club. In an effort to foster and promote flying for pleasure, develop skills in aeronautics, including pilotage navigation, and an awareness and appreciation of aviation requirements and techniques, flying clubs are authorized to operate at the Airport.
2. The following requirements pertain to all flying clubs desiring to base their aircraft on the airport:
 - a. Each club must be organized and recognized by the Authority as a flying club. Each member must be a bona fide owner of an aircraft or owner of an interest in the organization. The club may not derive greater revenue from the use of its aircraft than the amount necessary for the insurance, actual use of operation, maintenance and replacement of its aircraft. The club shall file and keep current with the Authority a complete list of the club's membership and investment share by each member.
 - b. The club's aircraft shall not be used by other than bona fide members and by no one for commercial operations as defined by Category "A" through "I" herein.
 - c. In the event that the club fails to comply with these conditions, the Authority to terminate the authorization with the club with 30 days prior notice. Said authorization constitutes a contract between the Authority and the Authorized Operator, and may be renewed or canceled at the discretion of the Authority. The club must Lease from the Authority an adequate amount of space determined by the Authority in which will be located all required improvements. A suitable contract, approved by the Authority, sharing existing facilities is acceptable. The club hall be responsible for compliance with all of the requirements of the authorization