

## **EXHIBIT “B”**

### **MINIMUM STANDARDS**

The following minimum standards and requirements for commercial and non-commercial aeronautical activities have been established in the public interest for the safe and efficient operation of the CALDWELL INDUSTRIAL 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 to all lessees the availability of airport property on fair and reasonable terms and without unjust discrimination. All Lessees at the CALDWELL INDUSTRIAL AIRPORT agree to be bound by the following regulations as either a Fixed Base Operator or an Airport Tenant. The owners of the CALDWELL INDUSTRIAL AIRPORT shall hereinafter be referred to as THE CITY.

1. A Fixed Base Operator is defined as any person, firm or corporation performing the functions and services as hereinafter set out for Fixed Base Operators at the CALDWELL INDUSTRIAL AIRPORT. No person, firm, or corporation shall engage in any commercial activity(s) as a Fixed Base Operator(s) herein defined unless the 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 CALDWELL INDUSTRIAL AIRPORT who does not fit the description set forth under any category of Fixed Base Operator other than Category “VIII.” An Airport Tenant may hangar his aircraft on his leased property subject to the provisions of Category “VIII” hereof.
3. All Fixed Base Operators (sometimes referred to hereinafter as “OPERATOR”) and Airport Tenants (sometimes referred to hereinafter as “TENANT”) shall protect the public generally, their customers or clients from damages, claims or injury and shall carry a minimum of \$1,000,000 each accident and \$2,000,000 aggregate for FBO’s and \$500,000/\$1,000,000 for Airport Tenants, per hangar per lease, comprehensive general liability insurance in a company authorized to do business in the State of Idaho. Higher insurance limits apply to certain FBO’s as specified in the category descriptions below.
4. Each OPERATOR shall satisfy THE CITY that it is technically and financially able to perform the services of a Fixed Base Operator. This shall include the responsibility for demonstrating continued financial solvency and business ability. In cases of doubt by THE CITY to such ability of the OPERATOR, THE CITY may conduct a hearing to determine appropriate action. In each instance, THE CITY shall be the final judge as to the qualifications and financial ability of the OPERATOR.
5. Any person, firm or corporation capable of meeting the minimum standards set forth herein for any of the stated Fixed Base Operator categories is eligible to become a Fixed Base Operator at the Airport, subject to the execution of a written lease for not less than

three years containing such terms and conditions as may be determined by THE CITY. The OPERATOR or TENANT shall not engage in any business or activity on the airport grounds other than that authorized under its particular category or categories or under Federal, State or Local laws or regulations. If the OPERATOR or TENANT desires to extend its operation into more than one category or to discontinue operations in any category, it shall first apply in writing to THE CITY for permission to do so, setting forth in detail the reasons and conditions for the request. THE CITY shall then grant or deny the request on such terms and conditions as THE CITY deems to be prudent and proper under the circumstances. The OPERATOR or TENANT shall provide his own buildings, personnel and equipment, and other requirements as herein stated upon land leased from THE CITY.

6. OPERATORS and TENANTS should fly the established traffic patterns as depicted in the airport Rules and Regulations.
7. All construction required of the OPERATOR or TENANT shall be in accordance with design and construction standards required or established by THE CITY for the facility or activity involved. If the OPERATOR or TENANT vacates the leased premises for any reason or defaults on the lease, title to any and all buildings and appurtenances, which may be constructed on THE CITY'S property, will automatically pass to THE CITY unless, prior to the City taking possession, the OPERATOR or TENANT sells the improvements to another party who shall succeed the OPERATOR or TENANT as a tenant of the CITY. The OPERATOR or TENANT may remove said buildings at his expense prior to expiration or abandonment of the lease, provided that any damage to the premises occasioned by such removal is immediately repaired. The provisions of this paragraph shall apply unless otherwise addressed in a Lessee's individual lease agreement.
8. All OPERATORS and TENANTS are responsible for snow removal from their own ramp area and/or the area connecting their hangar to a taxiway.
9. The OPERATOR at the airport shall conduct a full-time, financially sound and progressive business enterprise that meets the requirements of the Caldwell zoning ordinance, with adequately manned and equipped facilities, including ample office facilities, and shall observe reasonable business hours.
10. The OPERATOR or TENANT shall pay all taxes and assessments against any buildings or other structures placed on the premises by it, as well as all taxes and assessments against the personal property used by it in its operations.
11. The OPERATOR or TENANT shall abide by and comply with all State, County and City laws and ordinances, the rules and regulations of all governmental entities, and the rules and regulations of the Idaho Transportation Department, Federal Aviation Administration and Homeland Security Administration.

12. The OPERATOR or TENANT shall provide and pay for all lights, gas, electrical current, water, sewer charges and garbage collection charges used or incurred anywhere in or about the leased premises, except for the costs allocated to THE CITY for providing power for runway lights, beacon and ramp lights, and shall pay the charges made therefore by the suppliers thereof promptly when due.
13. In the event THE CITY constructs the physical facilities (hangars, etc.) for use by any operator under the provisions of any lease or other contract, such lease or contract with such operators shall be on such terms and conditions as to return the full amount of the investment within (15) years, plus interest and reasonable rental for use during such period.
14. All contracts and leases between the OPERATOR or TENANT and THE CITY shall be subordinate to the provisions of any existing or future agreement between THE CITY and the United States, relative to the operation or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the expenditure of Federal funds for the development of the Airport properties.
15. The OPERATOR or TENANT shall not sublease or sublet any premises leased by such operator from THE CITY, or assign any such lease without the prior written approval of THE CITY, and any such subletting or assignment shall be subject to all of the minimum standards herein set forth.
16. In the event the OPERATOR or TENANT sublets any portion of its lease with the approval of THE CITY, the sublessee must agree to assume the full obligations of this agreement as set out herein and must agree to fully cooperate with THE CITY in seeing that the performance of these standards is carried out. The sublessee shall immediately comply with any reasonable request or direction of THE CITY as it relates to the enforcement of these standards.
17. The OPERATOR or TENANT shall have the right to use common areas of the Airport, including runways, taxiways, aprons, roadways, floodlights, landing lights, signals and other conveniences for the takeoff, flying and landing of aircraft of any lessee. The OPERATOR or TENANT agrees not to use the runways, taxiways, aprons, etc. as a means to reach various airport locations with a motorized vehicle manufactured for street use, unless the vehicle is properly marked with orange and white checkered flags or an orange rotating-beacon. The OPERATOR or TENANT operating the properly marked motorized vehicle will give the right of way to aircraft and will not obstruct aircraft traffic.
18. The OPERATOR shall, at all times during the continuance of the term of the lease and any renewal or extension thereof, conduct, operate and maintain for the benefit of the public the Fixed Base Operation provided for and described therein, 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 its best efforts for the accomplishment of such purposes and will at all times make 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 that may be or appear to the contrary, it is expressly understood and agreed that the rights granted thereunder are nonexclusive and THE CITY reserves the right to grant similar privileges to another operator or operators upon formal application by that operator, and upon demonstration of compliance with Paragraphs 4 and 5 herein.

19. THE CITY 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 the OPERATOR or TENANT from erecting, or permitting to be erected, any building, sign, or other structure on the Airport which, in the opinion of THE CITY, would limit the usefulness of the Airport or constitute a hazard to aircraft.
20. All contracts and leases between the OPERATOR or TENANT, any lessee, and THE CITY, shall be subordinate to the right of THE CITY during time of war or national emergency to lease the landing area or any part thereof to the United States Government for military or naval use, and, if any such lease is so made, the provisions of any contracts or leases, insofar as they are inconsistent with the provisions of the lease to the Government, shall be suspended.
21. The provisions of these standards shall in no way negate or cause to be null or void existing leases with existing Fixed Base Operators or existing Airport Tenants at the Caldwell Industrial Airport. Upon the adoption of these standards, any new leases entered into and any amendment to existing leases shall be in accordance with these standards.
22. The OPERATOR or TENANT shall remove from the Airport, or otherwise dispose of in a manner approved by THE CITY, all garbage, debris, and other waste material (whether solid or liquid) arising out of its occupancy of the premises or out of its operations. The OPERATOR or TENANT shall keep and maintain his leased premises in a neat and orderly manner; the OPERATOR or TENANT 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 made of metal and equipped with tight fitting covers and to be of a design safely and properly to contain whatever may be placed therein. The OPERATOR or TENANT shall use extreme care when effecting removal of all such waste. Waste shall be handled and disposed of in a legal and proper manner.
23. THE CITY reserves the right to further develop or improve all areas of the Airport as it sees fit, regardless of the desires or views of the OPERATOR or TENANT, and without interference or hindrance from the OPERATOR or TENANT.
24. THE CITY reserves the right to enter upon any premises leased to any OPERATOR or TENANT at reasonable times for the purpose of making such inspections as it may deem expedient, to the proper enforcement of these minimum standards, for the proper

enforcement of any covenant or condition of the OPERATOR or TENANT'S contract or lease agreement, or to ensure compliance with any local, state or federal law or regulation.

25. THE CITY recognizes the rights of any person, firm or corporation operating aircraft on the Airport to perform services on its own aircraft with its own employees (including, but not limited to, maintenance, repair and modification) that it may choose to perform.

### FIXED BASE OPERATOR CATEGORIES

#### CATEGORY I. FLIGHT INSTRUCTION AND AIRCRAFT RENTAL:

A Fixed Base Operator in this category shall:

- A. Have available on a full-time basis, a minimum of one instructor pilot with appropriate and current Federal Aviation Administration pilot and medical certificates.
- B. Provide and at all times maintain a minimum of one (1) aircraft owned or leased by and under the exclusive control of the Fixed Base Operator which are properly equipped and Federal Aviation Administration certificated for flight instruction and rental.
- C. Lease from THE CITY sufficient land on which to locate all required improvements, and provide classroom and /or office space, to include rest rooms and parking space for customers.
- D. Demonstrate the continuing ability to meet requirements for certification of flight instructor personnel and aircraft by the Federal Aviation Administration.
- E. Assure that personnel operating rental equipment obtained from the subject Fixed Base Operator has appropriate and current Federal Aviation Administration pilot and approved medical certificates.
- F. The OPERATOR agrees not to use the runways, taxiways, aprons, etc. as a means to reach various airport locations with a motorized vehicle manufactured for street use, unless the vehicle is properly marked with orange and white checkered flags or an amber rotating-beacon. The OPERATOR of the properly marked motorized vehicle will give the right of way to aircraft and will not obstruct aircraft traffic.”
- G. Have the following minimum amounts of premises liability insurance in force:

**\$1,000,000 each accident \$2,000,000 aggregate**

CATEGORY II. AIRCRAFT CHARTER AND TAXI:

A Fixed Base Operator in this category shall:

- A. Have available on employment basis, a minimum of one (1) Federal Aviation Administration certified pilot with current commercial and instrument ratings, approved medical certificate, and a current part 135 certificate.
- B. Lease from THE CITY or provide under terms agreeable to THE CITY for his exclusive use a building for passenger shelter, rest rooms, telephone, etc.
- C. RESERVED
- D. Provide and at all times maintain at least one (1) currently certified and continuously airworthy aircraft owned or leased by and under the exclusive control of this Fixed Base Operator, properly certificated for air charter or air taxi service.
- E. Lease from THE CITY sufficient land on which to locate all required improvements.
- F. The OPERATOR agrees not to use the runways, taxiways, aprons, etc. as a means to reach various airport locations with a motorized vehicle manufactured for street use, unless the vehicle is properly marked with orange and white checkered flags or an amber rotating-beacon. The OPERATOR of the properly marked motorized vehicle will give the right of way to aircraft and will not obstruct aircraft traffic.”
- G. Have the following minimum amounts of premises liability insurance in force:

**\$1,000,000 each accident \$2,000,000 aggregate**

CATEGORY III. CROP DUSTING AND SPRAYING:

A Fixed Base Operator in this category shall:

- A. Furnish suitable arrangements for the safe landing, unloading, storage and containment of noxious chemical materials, including a spill containment plan approved by the Airport Commission. Operator shall obtain all required licenses and permits and comply with applicable City requirements under City’s DEQ and EPA permits.
- B. Furnish a minimum of one (1) aircraft with pilot. The aircraft will be suitably equipped for agricultural operations with adequate safeguard against spillage of chemical spray mixtures or materials on runways and taxiways or dispersal by wind force to other

operational areas of the Airport. The pilot will have appropriate and current Federal Aviation Administration pilot and approved medical certificates. This operator shall obtain and maintain the Idaho State Department of Agriculture License.

- C. Lease from THE CITY sufficient land on which to locate all required improvements and lease from THE CITY or provide under terms agreeable to THE CITY for its exclusive use a shop or storage space and vehicle parking.
- D. The OPERATOR agrees not to use the runways, taxiways, aprons, etc. as a means to reach various airport locations with a motorized vehicle manufactured for street use, unless the vehicle is properly marked with orange and white checkered flags or an amber rotating-beacon. The OPERATOR of the properly marked motorized vehicle will give the right of way to aircraft and will not obstruct aircraft traffic.
- E. The OPERATOR agrees not to use the runways or taxiways as staging areas.
- F. Have the following minimum amounts of premises liability insurance in force:

**\$3,000,000 each accident \$5,000,000 aggregate**

CATEGORY IV. AIRCRAFT SALES:

A Fixed Base Operator in this category shall:

- A. Have a minimum of one (1) fully qualified demonstrator pilot employed with current and appropriate Federal Aviation Administration pilot and approved medical certificates.
- B. Lease from THE CITY sufficient land on which to locate all required improvements.
- C. Lease from THE CITY or provide under terms agreeable to THE CITY for his exclusive use office space and vehicle parking.
- D. The OPERATOR agrees not to use the runways, taxiways, aprons, etc. as a means to reach various airport locations with a motorized vehicle manufactured for street use, unless the vehicle is properly marked with orange and white checkered flags or an amber rotating-beacon. The OPERATOR of the properly marked motorized vehicle will give the right of way to aircraft and will not obstruct aircraft traffic.”
- E. Have the following minimum amounts of premises liability insurance in force:

**\$1,000,000 each accident \$2,000,000 aggregate**

CATEGORY V. AIRCRAFT, ENGINE, PROPELLER, AND ACCESSORY MAINTENANCE:

A Fixed Base Operator in this category shall:

- A. Lease from THE CITY or provide under terms agreeable to THE CITY a hangar or hangar space, shop and storage space.
- B. Furnish facilities and equipment for airframe and power plant repairs with at least one (1) duly Federal Aviation Administration certified A & P Mechanic at reasonable hours, during a normal workweek, and such other personnel as may be necessary.
- C. If so specified in the lease, and as THE CITY'S agent, demonstrate the ability to and assume responsibility for promptly removing from the public landing area, as soon as permitted by cognizant Federal Aviation Administration and National Transportation Safety Board (NTSB) authorities, any disabled aircraft.
- D. Lease from THE CITY sufficient land on which to locate all required improvements.
- E. The OPERATOR agrees not to use the runways, taxiways, aprons, etc. as a means to reach various airport locations with a motorized vehicle manufactured for street use, unless the vehicle is properly marked with orange and white checkered flags or an amber rotating-beacon. The OPERATOR of the properly marked motorized vehicle will give the right of way to aircraft and will not obstruct aircraft traffic.”
- F. Have the following minimum amounts of premises liability insurance in force:

**\$1,000,000 each accident \$2,000,000 aggregate**

CATEGORY VI. RADIO AND INSTRUMENT:

A Fixed Base Operator in this category shall:

- A. Lease from THE CITY sufficient land on which to locate all required improvements; lease from THE CITY or provide under terms agreeable to THE CITY for his exclusive use a shop and storage space.
- B. Have available Federal Aviation Administration certificated technicians in the field of aircraft electronics and/or aircraft instruments with proper Federal communications Commission license to conduct complete aircraft transmitter, receiver and antenna repair.
- C. Provide satisfactory arrangements for access to and storage of aircraft being worked on.

- D. The OPERATOR agrees not to use the runways, taxiways, aprons, etc. as a means to reach various airport locations with a motorized vehicle manufactured for street use, unless the vehicle is properly marked with orange and white checkered flags or an amber rotating-beacon. The OPERATOR of the properly marked motorized vehicle will give the right of way to aircraft and will not obstruct aircraft traffic.
- E. Have the following minimum amounts of premises liability insurance in force:

**\$1,000,000 each accident \$2,000,000 aggregate**

**CATEGORY VII. SALE OF AVIATION PETROLEUM PRODUCTS AND RAMP SERVICE:**

A Fixed Base Operator in this category shall:

- A. Lease from THE CITY sufficient land on which to locate intended storage and dispensing equipment, buildings, aircraft parking area, tie-downs, auto parking, taxiways, apron, access ramp or other facilities. Operator shall have on file with the Airport office a spill containment plan approved by the Airport Commission.
- B. Construct, lease or otherwise have available at least (1) building conveniently located, to accommodate anticipated customer use, and incorporating properly lighted and heated/air conditioned floor space for office(s), public lounge, restrooms, and public telephone. Operator shall abide by all State and Federal fuel delivery regulations
- C. RESERVED
- D. RESERVED
- E. Comply with the following criteria regarding fuel storage and dispensing facilities:
  - a. RESERVED.
  - b. Maintain separate pumping equipment for each grade of fuel, meeting all applicable safety requirements with reliable metering devices subject to independent inspection, and with a pumping efficiency capable of servicing all aircraft normally using the Airport.
  - c. Provide and maintain metered filter-equipped dispensers, fixed or mobile, for dispensing each grade of aviation fuel usually required
  - d. RESERVED.
  - e. Provide adequate grounding rods at all fuel dispensing areas and on all mobile dispensing trucks.

F. Have the following minimum amounts of premises liability insurance in force:

**\$1,000,000 each accident \$2,000,000 aggregate**

G. Self service providers of fuel are exempt from paragraphs A, B, C and D of Category VII.

H. The OPERATOR agrees not to use the runways, taxiways, aprons, etc. as a means to reach various airport locations with a motorized vehicle manufactured for street use, unless the vehicle is properly marked with orange and white checkered flags or an amber rotating-beacon. The OPERATOR of the properly marked motorized vehicle will give the right of way to aircraft and will not obstruct aircraft traffic.”

CATEGORY VIII. AIRPORT TENANT:

An Airport Tenant in this category shall:

A. Lease from THE CITY or provide under terms agreeable to THE CITY sufficient land for his exclusive use which shall be improved in accordance with applicable zoning pertaining to the Airport.

B. Be prohibited from operating as a Fixed Base Operator defined by Categories “I” through “VII” from the Tenant’s hangar. Airport Tenant is also prohibited from any and all business, commercial or residential activity in the private hangar area except incidental electronic communications, unless specifically approved by THE CITY in the Lease Agreement between THE CITY and the tenant.

C. The OPERATOR agrees not to use the runways, taxiways, aprons, etc. as a means to reach various airport locations with a motorized vehicle manufactured for street use, unless the vehicle is properly marked with orange and white checkered flags or an amber rotating-beacon. The OPERATOR of the properly marked motorized vehicle will give the right of way to aircraft and will not obstruct aircraft traffic.

D. Have the following minimum amounts of premises liability insurance in force:

**\$500,000 each accident \$1,000,000 aggregate**

CATEGORY IX. FLYING CLUBS:

The following requirements pertain to all flying clubs desiring to base their aircraft on the Airport.

- A. Each aircraft owned by the flying club must have premises and aircraft liability insurance coverage for the minimum following amounts:

**\$1,000,000**

CATEGORY X. PARACHUTE OPERATIONS:

A Fixed Base Operator in this category shall:

- A. Have available on employment basis, a minimum of one (1) Federal Aviation Administration certified pilot with current commercial rating, type endorsement for the jump aircraft and a current class 2 medical certificate.
- B. Lease from THE CITY or provide under terms agreeable to THE CITY for his exclusive use a building for jumper shelter, rest rooms, telephone, etc.
- C. RESERVED
- D. Provide and at all times maintain at least one (1) currently certified and continuously airworthy aircraft owned or leased by and under the exclusive control of this Fixed Base Operator, properly certificated for parachute operations.
- E. Lease from THE CITY sufficient land on which to locate all required improvements.
- F. The OPERATOR agrees not to use the runways, taxiways, aprons, etc. as a means to reach various airport locations with a motorized vehicle manufactured for street use, unless the vehicle is properly marked with orange and white checkered flags or an amber rotating-beacon. The OPERATOR of the properly marked motorized vehicle will give the right of way to aircraft and will not obstruct aircraft traffic.”
- G. Have the following minimum amounts of premises liability insurance in force:

**\$1,000,000 each accident \$2,000,000 aggregate**

CATEGORY XI. MISCELLANEOUS SPECIALTY FIXED BASE OPERATOR:

- A. This category shall include Aerial photographers, Airplane wash businesses, Air Ambulance services, Aircraft Modification Businesses, Car Rental Businesses, or any other service business related to airports or aircraft, which may petition to the City of Caldwell for a lease or license to locate at the Caldwell Industrial Airport.
- B. Lease or license provisions and requirements shall depend on the service sought to be provided. All specialty service providers shall be bound by the minimum standards in this document as well as by all local, state or federal regulations, statutes or ordinances. All provisions and requirements shall be spelled out in detail in a written lease agreement.
- C. The OPERATOR agrees not to use the runways, taxiways, aprons, etc. as a means to reach various airport locations with a motorized vehicle manufactured for street use, unless the vehicle is properly marked with orange and white checkered flags or an amber rotating-beacon. The OPERATOR of the properly marked motorized vehicle will give the right of way to aircraft and will not obstruct aircraft traffic.
- D. Have the following minimum amounts of premises liability insurance in force:

**\$1,000,000 each accident \$2,000,000 aggregate**

\_\_\_\_\_  
Lessee Signature

\_\_\_\_\_  
Date