

CITY OF SAN DIEGO AIRPORTS DIVISION

MINIMUM OPERATING STANDARDS

FOR COMMERCIAL AERONAUTICAL
SERVICES AND NON-COMMERCIAL FLYING CLUB ACTIVITIES
AT

BROWN FIELD AIRPORT and
MONTGOMERY-GIBBS EXECUTIVE AIRPORT

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Article 1. General Provisions

Section 1-1. Introduction, Purpose and Scope

- a. The Minimum Operating Standards for Commercial Aeronautical Services and Non-Commercial Flying Club Activities at Brown Field Airport and Montgomery-Gibbs Executive Airport (hereinafter the airports are referred to individually as “Airport”, or cumulatively as “Airports” or “Airport Property”) are set forth in this document and will hereinafter be referred to as the “Minimum Operating Standards”. The purpose of these Minimum Operating Standards is to provide the threshold entry requirements (qualifications, levels of service, facilities, insurance) for those desiring to provide Commercial Aeronautical Services to the public and to insure that those who have undertaken to provide commodities and services as approved are not exposed to unfair or irresponsible competition. These Minimum Operating Standards contain the minimum levels of service, facilities, staffing, insurance and environmental compliance that must be met by the prospective service provider. The uniform application of these standards relates primarily to the public interest by discouraging substandard entrepreneurs and mandating insurance coverage levels, thereby protecting the Airport, airport patrons and established aeronautical activities. Accordingly, it is intended that the terms and conditions of existing and future written agreements (leases, licenses, permits, etc. – all hereinafter referred to as “Airport Agreements”) between the City of San Diego (City) and any tenant, user, or occupant of Airport Property will be consistent with the Minimum Operating Standards set forth herein. Any direct conflicts between said existing and future Airport Agreements and these Minimum Operating Standards will be resolved in favor of an individual Airport Agreement’s written terms and conditions. Deviations from these Minimum Operating Standards are permissible at the City’s discretion. Notwithstanding the foregoing, these Minimum Operating Standards are subordinate to any rules or orders promulgated by any agency or subdivision of the United States government, including but not limited to the Federal Aviation Administration (FAA) and are subordinate to any and all federal, state or municipal laws or regulations pertaining to the development, operation and/or maintenance of airports.

Commercial services, as that term is used in these Minimum Operating Standards, normally includes both aeronautical (such as FBOs) and non-aeronautical providers (such as restaurants). These Minimum Operating Standards are specifically meant to apply only to Commercial Aeronautical Service providers/activities.

- b. City shall optimize the lease rent from Airport Property based on relevant factors, which may include: 1) an appraisal (or if allowed, a determination of the appraised value of the subject interest by qualified City Staff) reflecting current market value when a transaction or authorization lease is presented to the City Council; 2) prevailing economic conditions and market trends; and/or 3) any special benefits to accrue from the lease. The City shall seek market value for its properties. Discounts will not be negotiated for long-term leases

unless an extraordinary need or circumstance is recognized by Council Resolution setting forth the amount of the discount and the justification for the discount.

- c. All entities desiring to engage in Commercial Aeronautical Services at the Airports shall be accorded reasonable opportunities, without unjust discrimination, to engage in such Activities, subject to meeting (complying with) these Minimum Operating Standards. Notwithstanding the forgoing, aeronautical activities may be proposed that do not fall within the categories designated within these Minimum Operating Standards; in such cases, appropriate minimum standards shall be established by the Airports Deputy Director on a case-by-case basis for the new categories/activities and said standards shall be incorporated into the appropriate Airport Agreement.
- d. While these Minimum Operating Standards are meant to govern the basic requirements to provide a Commercial Aeronautical Service on an Airport, they are not meant to govern all aspects of the operation of the Airports. The Airports Division Operations Policies and Procedures, and any and all other rules and regulations developed to govern the ongoing activities of service providers, shall govern said service providers and others using the Airports.

Section 1-2. – Grant Assurances

a. Exclusive Rights – Grant Assurance 23

In accordance with the Assurances given to the federal and/or state government by the City as a condition to receiving federal and/or state funds, the City will permit no exclusive right for the use of the Airports by any person providing, or intending to provide, aeronautical services to the public (subject to exceptions authorized in the Assurance) and will terminate any unauthorized exclusive right which exists.

The presence on the Airport of only one entity engaged in a particular Commercial Aeronautical Service does not, in and of itself, indicate that an Exclusive Right has been granted. It is the policy of the City not to enter into or promote an understanding, commitment, or express agreement to exclude other reasonably qualified entities. Accordingly, those who desire to enter into an Airport Agreement with the City should neither expect nor request that the City exclude others who also desire to engage in the same or similar Activities. The opportunity to engage in a Commercial Aeronautical Service shall be made available to those entities meeting (complying with) the qualifications and the requirements set forth in these Minimum Operating Standards and as space may be available at the Airport to support such Activity provided such use is consistent with the current and planned uses of Airport land and Improvements and is in the best interest of the City.

If the FAA determines that any provision of these Minimum Operating Standards or any practice constitutes a grant of a prohibited Exclusive Right, such provision shall be deemed null and void and such practice shall be discontinued immediately.

b. Economic Non-Discrimination – Grant Assurance 22

(1) In accordance with the Assurances given to the federal and/or state government by the City as a condition to receiving federal and/or state funds, the City will make the Airports available as an airport for the public use on reasonable terms and without unjust discrimination to all types, kinds and classes of aeronautical activities, including Commercial Aeronautical Services offering services to the public at the Airport.

(2) In all Airport Agreements which grant the right to conduct or to engage in any aeronautical activity for furnishing services to the public at the Airports, the City will insert and enforce provisions requiring the contractor to:

(i) furnish said services on a reasonable, and not unjustly discriminatory, basis to all users thereof; and

(ii) charge reasonable, and not unjustly discriminatory, prices for each unit or service, provided that the contractor may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.

(3) Each fixed base operator at the Airport shall be subject to the same rates, fees, rentals, and other charges as are uniformly applicable to all other fixed base operators making the same or similar uses of such Airport and utilizing the same or similar facilities. The foregoing shall not be interpreted to mean that every fixed base operator shall be given the exact same terms and conditions as every other fixed base operator on the Airports.

(4) City will not exercise or grant any right or privilege which operates to prevent any person, firm, or corporation operating aircraft on the Airports from performing any services on its own aircraft with its own employees (including, but not limited to maintenance, repair and fueling) that it may choose to perform.

(5) In the event the City itself exercises any of the rights and privileges referred to in this Assurance, the services involved will be provided on the same conditions as would apply to the furnishing of such services by Commercial Aeronautical Service providers authorized by the City under these provisions.

(6) The City may establish such reasonable, and not unjustly discriminatory, conditions to be met by all users of the Airports as may be necessary for the safe and efficient operation of the Airports.

(7) The City may prohibit or limit any given type, kind or class of aeronautical use of the Airports if such action is necessary for the safe operation of the Airports or necessary to serve the civil aviation needs of the public.

Section 1-3. Definitions

- a. "Aircraft" means any piloted contrivance, now known or hereafter invented, used or designed for the navigation of or flight in the air.
- b. "Airport Operating Area" (AOA) is any area, of either Brown Field Airport or Montgomery-Gibbs Executive Airport, used or intended to be used for landing, takeoff, or surface maneuvering of aircraft by either the aircraft's own power source, or an external one.
- c. "Aviator" means an individual who engages, as the person in command or as pilot, mechanic, or member of the crew, in the navigation of aircraft, or an individual who is directly in charge of the inspection, maintenance, overhauling, or repair of aircraft, aircraft powerplants, propellers, or associated accessories.
- d. "Airport or Airports" refers to either Brown Field Airport or Montgomery-Gibbs Executive Airport.
- e. "Based Aircraft" means any aircraft assigned a parking space, tiedown, or hangar space at either Brown Field Airport or Montgomery-Gibbs Executive Airport, for more than thirty (30) consecutive calendar days or more than 210 non-consecutive calendar days in any calendar year.

- f. "Car Rental Concession Operator" means a person/entity providing rental car services at the Airport(s).
- g. "City" means the City of San Diego.
- h. Commercial Aeronautical Service(s)" means a Fixed Base Operator (FBO) or Specialized Aviation Service Operator (SASO).
- i. "Commercial Aircraft" means any aircraft used for the transportation for hire of passengers, cargo or mail where a City Airport is the destination or point of origin of its flight, and any aircraft engaged in commercial utility work including photo, patrol, forestry, advertising, agricultural and flight training where a City Airport is used for takeoff or landing.
- j. "Deputy Director for Airports" is the person (and his authorized assistants, deputies, employees and representatives) responsible for the safe and efficient operation of the City of San Diego's two general aviation Airports in compliance with all applicable federal, State, and local regulations, especially the FAA Grant Assurances.
- k. "FAA" means the Federal Aviation Administration of the United States of America, as defined in the Federal Aviation Act of 1958, or any subsequent and successor to that agency created for the control and operation of aviation and its related functions in the United States of America.
- l. "Fixed Base Operator (FBO)" means an entity who has obtained a lease or permit to provide fueling services and engage in a minimum of one of the following four primary service areas: 1) Location Based Services – line services/ground handling, crew and passenger services, facilities (Tiedown, hangar and office); 2) Technical Services – aircraft maintenance and parts, paint and interiors, avionics; 3) Flight Services – charter and aircraft management, flight training and aircraft rental; 4) Aircraft Sales . The City of San Diego may also operate as an FBO.
- m. "Hangar" means any structure used to protect aircraft stored in the structure for security and protection against wind and other adverse weather conditions and is classified as to occupancy use per the appropriate Building Code.
- n. "Normal Business Hours" will be the hours set by the operator and approved by the Deputy Director of Airports. The operator will set the hours as appropriate for the business and will post the hours at the business.
- o. "Owner" means the registered owner, long term lessee or legal owner of an aircraft according to the records of the FAA and the law under the state of California.
- p. "Person" means individuals, firms, companies, corporations, public agencies, and any other person.
- q. "Restricted Area" means any portion of either Airport not intended for use by the general public and so posted.
- r. "Specialized Aviation Service Operator (SASO)" means a Commercial Aeronautical Service provider that is authorized to provide any one or a combination of the following activities: flight training, airframe and powerplant maintenance, avionics sales and maintenance, aircraft rental, aircraft charter or taxi, aircraft management, aircraft storage hangars, aircraft sales, aircraft restoration and refurbishing, and specialized aircraft services.

- s. "Vehicle" means a device in, upon, or by which any person or property is or may be propelled on the ground and includes, but is not limited to, automobiles, motorcycles, trucks, off-road vehicles, tractors, bicycles, buses, trailers, fuel trucks, golf carts, tugs or any vehicle or other motorized conveyance apparatus used as part of a commercial aeronautical venture.

Section 1-4. Application of Minimum Operating Standards

- a. All persons conducting Commercial Aeronautical Services at either Airport shall, as a condition of conducting such activities, comply with all applicable requirements concerning such activities as are set forth in these Minimum Operating Standards. The requirements set forth herein are the Minimum Operating Standards which are applicable to persons conducting Commercial Aeronautical Services at the Airports, and all persons are encouraged to exceed such Minimum Operating Standards in conducting their activities.
- b. These Minimum Operating Standards shall be deemed to be a part of each Airport Agreement with or from the City unless any such provisions are waived or modified by the City pursuant to Section 1-5, or as otherwise stated in a particular Airport Agreement.

Section 1-5. Multiple Activities by One Commercial Aeronautical Service provider

Whenever a Commercial Aeronautical Service provider conducts multiple activities at either Airport pursuant to one Airport Agreement with the City, such Commercial Aeronautical Service provider must comply with the minimum standards set forth herein for each separate activity being conducted. If the minimum standards for one of the Commercial Aeronautical Service provider's activities are inconsistent with the minimum standards for another of the Commercial Aeronautical Service provider's activities, then the minimum standards which are most beneficial to the City, as determined by the Airports Deputy Director, shall apply.

Section 1-6. Activities Not Covered by Minimum Operating Standards

Any activities for which there are no specific minimum standards set forth herein shall be subject to such standards and provisions as are developed by the City on a case-by-case basis and are set forth in such tenant's written Airport Agreement with or from the City.

Section 1-7. Waiver or Modification of Standards

The Airports Deputy Director may, in his or her discretion, waive or modify any portion of these Minimum Operating Standards for the benefit of any governmental agency performing non-profit public services, performing emergency medical services to the public by means of aircraft, or performing fire prevention or fire-fighting operations. The City Council may waive or modify any portion of these Minimum Operating Standards for non-governmental entities when it determines, in its discretion, that such waiver or modification is in the best interests of the City and will not result in any competitive inequities among tenants at the Airports.

Section 1-8. Non-Discrimination

Tenants, operators or users of Airport Property shall not discriminate against any person or class of persons in any manner prohibited by federal or state law in making any products, services or facilities available to the public, or in the use of any of any facilities under the care, custody and control of the tenant, operator or user, and shall comply with all terms or provisions pertaining to non-discrimination that are set forth in any Airport Agreement entered into with City.

Section 1-9. Compliance with Americans with Disabilities Act (ADA)

All facilities and parking areas shall comply with all applicable Americans with Disabilities Act (ADA) standards.

Section 1-10. Water and Energy Conservation, Emissions Reduction

Tenants, operators and users of Airport Property are encouraged to employ measures to reduce water and energy consumption, as well as emissions, to the maximum extent practical.

Article 2. Application Process

Section 2-1. Applications

Any person who desires to conduct a Commercial Aeronautical Service on the Airport covered by these Minimum Operating Standards shall submit a written application to the Airports Deputy Director seeking the right to conduct such activities (a “form of” application is located below within Article 8; said application form is subject to amendment/revision at the sole discretion of the Airport Deputy Director). Prior to submitting a written application, it is advised to discuss all aspects of the application and proposed operation with the Airports Deputy Director and/or a Supervising Property Agent assigned to Airports. In addition to the application, the applicant shall submit the following required information or documentation:

- a. a detailed description of the scope of the intended operations, including all services to be offered;
- b. the amount of land, office space, and/or aircraft storage areas required for the operation;
- c. a detailed description of any improvements or modifications to be constructed or made to Airport Property, including cost estimates and a construction timetable;
- d. the proposed hours of operation;
- e. documentation of the applicant's financial capabilities to construct any improvements and to conduct any proposed activities;
- f. a detailed description and/or evidence of the applicant's technical abilities and experience in conducting the proposed activities, including personal references and FAA certificates, if applicable;
- g. the requested commencement date for the applicant's activities, and the requested term of the Airport Agreement sought, including all proposed option periods;
- h. if the applicant is a corporation, a copy of the Articles of Incorporation, as filed with the California Secretary of State or other applicable Secretary of State;
- i. if the applicant is a limited liability company, a copy of the Articles of Organization, as filed with the California Secretary of State or other applicable Secretary of State;
- j. if the applicant is a limited partnership, a copy of the certificate of limited partnership, as filed with the California Secretary of State or other applicable Secretary of State; and

- k. if the applicant is a general partnership, a copy of the written partnership agreement and Statement of Partnership Authority, if any.

The Airports Deputy Director may require the applicant to provide additional information which is necessary to ensure compliance with the City's City Charter, Municipal Code, Council Policies, the Airports Division Operations Policies and Procedures, these Minimum Operating Standards, and all other applicable laws and rules and regulations.

Section 2-2. Short-Term Commercial Operating Permit

Any commercial operator not holding a lease or commercial operating permit wishing to perform a commercial service on a temporary basis is required to obtain a Short-Term Commercial Operating Permit (a "form of" permit is located below within Article 9; said permit is subject to amendment/revision at the sole discretion of the Airport Deputy Director). An applicant for a Short-Term Commercial Operating Permit must comply with the following requirements:

- a. provide copies of applicable FAA licenses and/or ratings to the Airports Deputy Director;
- b. provide an original copy of a certificate of insurance for the insurance specified in Article 4 only, for the coverage/limit amount(s) determined by Airports staff, along with all required endorsement(s) for the City as an additional insureds;
- c. provide a current business license certificate from the City of San Diego; and
- d. comply with all applicable provisions of the City's Charter, Municipal Code, Council Policies, the Airports Division Operations Policies and Procedures, these Minimum Operating Standards, and all other applicable laws and rules and regulations.

Section 2-3. Processing; Denial

The Airports Deputy Director shall be responsible for processing all applications for Airport Agreements to conduct activities at the Airports, subject to the approval of the City Council, if so required. Approval or denial of the application will be sent to the applicant within ten (10) working days of receipt of the application by the Airport staff. If the City cannot respond within ten (10) working days, the Airport staff will notify the applicant when the approval or denial can be provided. The Airports Deputy Director may deny any application if it is determined that:

- a. the applicant does not meet the qualifications and standards set forth in the City of San Diego Airports Operating Policies and/or these Minimum Operating Standards;
- b. the proposed activities are reasonably likely to create a safety hazard at the Airport;
- c. the activities will require the City to spend funds, or to supply labor or materials as a result of the applicant's activities, or will result in a net financial loss to the City;
- d. no appropriate space or land is available to accommodate the proposed activities;
- e. as applicable, the proposed activities are not consistent with the Airport's master plan and/or Airport layout plan;

- f. the proposed activities are likely to result in a congestion of aircraft or buildings, a reduction in Airport capacity, or an undue interference with Airport operations or the operations of existing Airport users on the Airports;
- g. the applicant or any of its principals has made any false or misleading statement(s) at any time during the application process for an Airport Agreement;
- h. the applicant, or any of its principals, has any history of violating the City's City Charter, Municipal Code, Council Policies, the Airports Division Operations Policies and Procedures, these Minimum Operating Standards, Federal Aviation Regulations (FAR's), or any other applicable laws, rules or regulations; and
- i. the applicant does not have the technical or financial capabilities to properly conduct the proposed activities, as determined by the Airports Deputy Director, in his or her sole discretion.

Section 2-4. Appeal Process

The decision of the Airports Deputy Director shall be final unless the applicant files an appeal to the City Real Estate Assets Department Director within ten (10) working days of receiving the Airports Deputy Director's written notice of denial. The decision reached by the Real Estate Assets Department Director on any appealed issue shall be the final binding decision therefor. Notwithstanding the foregoing, decisions left to the sole discretion of the Airports Deputy Director herein shall not be appealable.

Article 3. General Contractual Provisions

All Airport Agreements authorizing individuals to use or have a property interest in any portion of the Airports shall provide for, at a minimum, the following (which will be more fully set forth in each individual Airport Agreement):

- a. that the Commercial Aeronautical Service provider's rights to engage in specific activities at the Airports are non-exclusive, as set forth in the Assurances;
- b. that the Commercial Aeronautical Service provider shall defend and indemnify the City, its elected officials, officers, employees, representatives and agents from all loss, damages or claims for personal injury or death or for property damage or loss arising out the tenant's, licensee's, permittee's, or its contractor's, invitees', etc. (hereinafter referred to cumulatively as "tenant") use of the Airport;
- c. a termination clause allowing the City to terminate the Commercial Aeronautical Service provider's Airport Agreement no later than three (3) days for a default caused by any non-payment, and thirty (30) days for any other default, after notice of default is given to the Commercial Aeronautical Service provider, if the Commercial Aeronautical Service provider fails to cure its default within the stated time period. Notwithstanding the foregoing, the City will be allowed to terminate the applicable Airport Agreement immediately or upon other such stated time period as may be specifically set forth in the Commercial Aeronautical Service provider's Airport Agreement (e.g., see Section 5-15 below). However, in the event that any default described is not curable within thirty (30) days after notice to LESSEE, CITY will not terminate this lease pursuant to the default if LESSEE immediately commences to cure the default and diligently pursues the cure to completion.;

- d. that the Commercial Aeronautical Service provider shall make no improvements or modifications to Airport Property without the prior written consent of the City and, when appropriate, without posting appropriate payment and performance bonds. Before commencing any improvements or modifications, the Commercial Aeronautical Service provider shall submit detailed construction plans and specifications to the City, and upon completion of the construction, the tenant shall provide the City with two complete sets of detailed plans and specifications of the work as completed. All improvements and modifications shall be constructed in a good workmanlike manner. Unless specifically stated otherwise in the applicable Airport Agreement, all improvements or modifications made to Airport Property shall become the property of the City, at no cost to the City, upon the expiration or earlier termination of the Commercial Aeronautical Service provider's Airport Agreement;
- e. that the Commercial Aeronautical Service provider shall not assign any of its rights under its Airport Agreement without the prior written consent of the City. Among other information that may be sought in the case of a requested assignment, the Airports Deputy Director shall require that any potential assignor tenant submit full and complete disclosure of the name and identity of any and all persons directly or indirectly involved in the proposed assignment and the precise nature of all interest of all persons therein, at least ninety (90) days prior to approval of any proposed assignment; and
- f. all FAA required terms and conditions.

Article 4. Insurance

Section 4-1. General/Insurance Requirements

As will be more fully set forth in each individual Airport Agreement, each Commercial Aeronautical Service provider shall at all times maintain in effect the Minimum Insurance Requirements applicable to the individual use to be conducted (which shall also be subject to Articles 6-8 below). A generic schedule of Minimum Insurance Requirements is kept on file at the Airports Administration Office; said schedule shall be subject to amendment, or adjustment for proposed individual uses, by the Airports Deputy Director at his reasonable discretion. These insurance requirements must be commensurate with the size of the Aeronautical Service, the type of work performed, the exposed risk and the value of the aircraft being worked on or operated. The Minimum Insurance Requirements may include but shall not be limited to the following as appropriate for the type and size of business:

- a. Aviation general commercial liability insurance;
- b. Automobile liability insurance for all owned, non-owned or hired Vehicles;
- c. Fire and extended casualty coverage for the facilities owned or utilized appropriate for those facilities;
- d. Worker's compensation insurance as required by California Law ;
- e. Aircraft liability insurance on all owned, leased, hired and non-owned aircraft which are used to perform services as applicable;
- f. Hangar keeper's liability insurance as applicable;

- g. Products liability (Completed Operations) insurance as applicable; and/or
- h. Chemical and environmental damage liability insurance as appropriate for the type and size of the business.

The provision for legal defense as it pertains to the City shall not be included in the above requirements, but shall be in addition to the above.

Section 4-2. Additional Insurance Required by Risk Management

In addition to the types and amounts of insurance set forth in Section 4-1, each Commercial Aeronautical Service provider shall at all times maintain such other insurance as the City's Risk Management Department may reasonably determine to be necessary for each Commercial Aeronautical Service provider's activities.

Section 4-3. Form; Acceptance by City

All insurance shall be in a form and from a company acceptable to the City's Risk Management Department; shall name the City, its elected officials, officers, employees, representatives and agents, as additional insureds, and shall provide the City with appropriate endorsements therefore. The Aeronautical Service Provider will not allow a lapse in coverage and will notify the City as soon as possible of any modification or termination of any required policy.

Section 4-4. Indemnification

All Commercial Aeronautical Service providers shall indemnify, defend and hold harmless the City, its elected officials, officers, employees, representatives, and agents from and against all damages, claims, suits, actions, losses and expenses (including court costs and reasonable attorney's fees) for personal injury, death, and property damage or loss, arising out of the commercial operator/tenant's, or its officers, directors, employees, representatives, and agents use of, activities at, the Airports.

Article 5. General Operational Requirements

All Airport Agreements authorizing individuals/tenants to use the Airports shall provide for, at a minimum, contract provisions which will speak to the following topics (which provisions shall be subject to amendment, revision, and/or deletion by the Airports Deputy Director at his or her reasonable discretion), and which will be more fully set forth in each individual Airport Agreement:

Section 5-1. Taxiway Access

If not already provided, each Commercial Aeronautical Service provider shall provide, pursuant to a City-approved development plan, paved access from its leasehold premises to the Airport's taxiway system. Such taxiway access shall meet all applicable Airport and FAA standards for the largest aircraft type anticipated to use the leased premises and/or access way.

Section 5-2. Right of Entry Reserved

The City reserves the right at all reasonable times to enter upon each Commercial Aeronautical Service provider's premises for any lawful purpose, provided that such entry does not unreasonably interfere with the Commercial Aeronautical Service provider's use of the premises. This right of entry will normally be

performed with the Aeronautical Service Provider's authorization and presence, but the CITY also reserves and shall have the right without notice to enter in an emergency at all times.

Section 5-3. Rates and Charges

Each Commercial Aeronautical Service provider may determine the rates and charges for all of its activities and services, provided that such rates and charges shall be reasonable and not unjustly discriminatory, in compliance with Grant Assurance 22.

Section 5-4. Personnel and Invitees; Control and Demeanor

Each Commercial Aeronautical Service provider shall have at all times a designated Manager to supervise its operations at the Airport(s) and designated personnel who are available outside of normal business hours to respond to emergency situations. Each Commercial Aeronautical Service provider shall employ a sufficient number of trained, on-duty personnel to provide for the efficient and proper compliance with its obligations under its Airport Agreement. Each Commercial Aeronautical Service provider shall control the conduct and demeanor of its employees and invitees and, upon objection by the City concerning the conduct or demeanor of any such person, the Commercial Aeronautical Service provider shall immediately take all lawful steps necessary to remove the cause of the objection. Each Commercial Aeronautical Service provider shall conduct its operations in an orderly and proper manner so as not to unreasonably disturb, endanger or be offensive to others.

Section 5-5. Sound Level; Vibrations

Each Commercial Aeronautical Service provider shall take all reasonable measures available within the aviation industry to keep the sound level of its operations as low as reasonably possible and to reduce to a minimum vibrations tending to damage any equipment, structure or building.

Section 5-6. Nuisance; Waste

No Commercial Aeronautical Service provider shall conduct or permit any activities, which may result in the commission of a nuisance, waste or damage to the Airport.

Section 5-7. Hazardous Conditions

No Commercial Aeronautical Service provider shall do or permit to be done on its premises any act which:

- a. may constitute a hazardous condition so as to increase the risks attendant upon the operations permitted by the tenant's Airport Agreement; or
- b. will invalidate or conflict with any fire or casualty insurance policies or regulations, the Uniform Fire Code, NFPA Standard 407 - Standard for Aircraft Fuel Servicing, or NFPA Standard 409 - Standard on Aircraft Hangars (or any amendments to, or any successor standards to/for, either of the foregoing), for the operation of aircraft.

Section 5-8. Overloading Floors or Structures

No Commercial Aeronautical Service provider shall overload any floor, structure, structural member or paved areas on the Airport, and the Commercial Aeronautical Service provider shall promptly repair any areas damaged by such overloading.

Section 5-9. Maintenance and Repairs

Each Commercial Aeronautical Service provider shall keep its leasehold premises in a neat and orderly condition and in good repair, condition and appearance; shall maintain its leasehold premises in a condition as to repair, cleanliness and appearance that is acceptable to the City; and shall keep the floor of its leasehold premises and, if applicable, the apron and ramp areas used in its operations clean, in good condition and clear of oil, grease and other materials or stains.

Section 5-10. Trash

Each Commercial Aeronautical Service provider shall comply with all instructions of the Airports Deputy Director, and other Airports representatives, in disposing of its trash and refuse, and shall use a system of refuse disposal approved by the City.

Section 5-11. Security

Each Commercial Aeronautical Service provider shall take necessary measures to ensure security for its leasehold, and the Airports in general, in accordance with industry protocols from federal, state and local law enforcement, and other industry-recognized organizations, and the Airports Division Operations Policies and Procedures, when applicable. Each Commercial Aeronautical Service provider shall be responsible for any and all individuals it grants access to the Airport Operating Area (AOA), and all damages and injuries resulting therefrom.

Section 5-12. Interference with Utilities and Systems

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

Section 5-13. Fire Equipment

Each Commercial Aeronautical Service provider shall supply and maintain such adequate and readily accessible fire extinguishers and equipment as may be required by the City's Fire-Rescue Department, Airports personnel, or by the City's Development Services Department.

Section 5-14. Vehicle Identification

Any commercial aeronautical use Vehicle used in the movement area must bear identification designating the Commercial Aeronautical Service provider to whom the Vehicle is assigned. Letters shall be a minimum of three (3) inches in height on a contrasting background and displayed in a manner that is acceptable to the Airports Deputy Director. Each Commercial Aeronautical use Vehicle shall comply with all FAA directives and/or Advisory Circulars pertaining to Vehicle operation, painting, marking, or lighting.

Section 5-15. Storm Water Pollution Prevention Plan

All Commercial Aeronautical Service provider's shall comply with and participate with the City in conformance with the City and state Storm Water Pollution Prevention Plan (SWPPP) and best management practices (BMPs). Any activity, including, but not limited to, maintenance, aircraft or Vehicle washing, storage of chemicals and fueling that may result in chemical release into the storm water system must be

reviewed by the Airports Deputy Director and have received prior written approval therefor prior to the implementation of any such activity. The foregoing types of activities will be subject to inspection at any time, and all findings of non-compliance will result in orders for the immediate ceasing of such activity and a ten (10) day notice to bring said activity into compliance with all required standards therefor. If the Commercial Aeronautical Service provider is unable to meet the required standards within the stated time frame, the Commercial Aeronautical Service provider will be subject to fines and/or having their Airport Agreement terminated.

Section 5-16. Taxes

Each tenant, operator or user of Airport Property agrees to pay, before delinquency, all taxes, assessments, and fees assessed or levied upon such tenant, operator or user, as an occupant or user of Airport Property, including the land, any buildings, structures, machines, equipment, appliances or other improvements or property of any nature whatsoever erected, installed or maintained by tenant, operator or user or levied by reason of the business or other activities of the tenant, operator or user related to their Airport Agreement. Every Airport Agreement for occupancy or use of Airport Property shall require that any tenant, operator or user recognize and agree that said Airport Agreement may create a possessory interest subject to property taxation, and that the tenant, operator or user of Airport Property may be subject to the payment of taxes levied on such interest, and that the tenant, operator or user shall pay all such possessory interest taxes. Every Airport Agreement for occupancy or use of Airport Property shall further require that any tenant, operator or user of Airport Property further agrees that payment for such taxes, fees and assessments will not reduce any rent due to the City.

Article 6. Fixed Base Operators (FBO)

Section 6-1. FBO Activities

A Fixed Base Operator (FBO) must provide fueling services and engage in a minimum of one of the commercial aeronautical/aviation activities described in Article 7, Sections 7-3 through 7-16. All FBO operators shall comply with all of the standards contained in this Article 6 and the following Article 7, Sections 7-3 through 7-16 (as well as all other applicable [non-specific to another specialized activity] provisions of these Minimum Operating Standards).

Section 6-2. Land and Facility Requirements

Each FBO operator shall lease at least 348,480 square feet (8.0 acres) of contiguous Airport Property for its aircraft operating area (including building area, automobile parking area, and fuel storage area) in order to accommodate the following:

- a. Airplane Design Group B2 aircraft (wingspan up to 79 feet);
- b. Adequate transient aircraft parking;
- c. circulation taxi-lanes around aircraft operating areas;
- d. adequate area to simultaneously accommodate transient activities while emptying aircraft from storage hangars and staging based aircraft;
- e. a terminal building with enough space to accommodate the appropriate customer service and support facilities; and
- f. hangar space comprised of at least 20,000 square.

Section 6-3. Subcontracting Services; Restrictions

Each FBO operator may subcontract in order to provide the major aircraft power plant and accessory repair services required of it, provided that such subcontractors operate from the FBO operator's leasehold premises, are insured in accordance with Article 4 of these Minimum Operating Standards, and are pre-approved by the City. A FBO operator shall not subcontract out any of the other required services listed in Section 6-1.

Section 6-4. Aircraft Service Equipment

Each FBO operator shall maintain tools, jacks, tugs, towing equipment, tire-repair equipment, ground power units, emergency starting equipment, portable compressed air tanks, oxygen cart and supplies, fire extinguishers, lavatory cart (s), spill kits, chocks, ropes and tie-down supplies as appropriate for the type of aircraft at the FBO. One FBO will be designated to provide recovery services and equipment to remove disabled aircraft from the airfield.

Section 6-5. Aviation Fueling Requirements

- a. Each FBO operator shall comply with the San Diego Fire Department's requirements, all the National Fire Protection Association's (NFPA) codes, particularly NFPA 407 - The Standard for Aircraft Fuel Servicing, and all amendments thereto, FAA Advisory Circular 150/5230-4, as amended, all requirements of the City of San Diego Airports Operation Policies and Procedures, and all other applicable laws and rules and regulations related to aircraft fuel handling, dispensing and storage.
- b. Each FBO operator shall maintain tank farm storage facilities for aviation fuels in minimum capacities of at least 10,000 gallons of aviation gasoline (100LL) and / or 10,000 gallons of turbine fuel (Jet-A), in an area pre-approved, in writing, by the Airports Deputy Director. All new storage tank construction shall be above-ground – no exceptions per applicable codes and regulations. A FBO operator shall not construct or modify any fuel storage or distribution facilities without the prior written consent of the City and without complying with all applicable safety standards. The operator will ensure that all the facilities are inspected on a regular schedule to assure compliance with all standards, and shall provide City with evidence of compliance at a minimum on an annual basis. An FBO may contract with another FBO to provide fuel storage services.
- c. Each FBO operator shall provide mobile dispensing equipment and trucks sufficient to serve the needs of the Airport(s). All equipment must be pre-approved, in writing, by the Airports Deputy Director and shall meet all applicable safety standards. All equipment shall be metered and the metering devices shall be inspected, checked and certified by appropriate state and local agencies. The operator will ensure that all such equipment, trucks and metering devices are inspected on a regular schedule to assure compliance with all standards, and shall provide City with evidence of compliance at a minimum on an annual basis. All fuel trucks when not occupied by the driver/operator shall be parked in as per applicable laws and regulations.
- d. Each FBO operator shall require all of its fuel-handling personnel to attend training courses and to receive periodic refresher training as required by applicable law and rules and regulations, the Airports Deputy Director, and the Fire Department. Each operator shall develop a standard operating procedure for aviation fueling activities and provide a current copy of the same to the Airports Deputy Director.

- e. The City shall have the right to, and the FAA may, periodically conduct inspections and surveillance of the FBO operator's activities and personnel to ensure adherence with industry safety standards/practices.
- f. All aircraft refueling vehicles used by/on behalf of FBO operators shall be equipped with metering devices that meet all applicable regulatory measures. Each refueling vehicle shall be equipped and maintained to comply with all applicable safety and fire prevention requirements, standards, and regulatory measures, including, without limitation, those prescribed by:
 - i. State of California Fire Code and local Fire District;
 - ii. National Fire Protection Association (NFPA) Codes;
 - iii. California Department of Health; and
 - iv. Applicable FAA Advisory Circulars (AC) including AC0034 "Aircraft Ground Handling and Servicing" and AC 150/52105 "Painting, Marking and Lighting of Vehicles Used on an Airport".
- g. Each FBO operator shall maintain current records, on site, of quality control checks and inspections of fuel storage facilities, fixed self service fueling systems, and refueling vehicles, and shall make such records available to the Airports Deputy Director for review/audit at any time.

Section 6-6. Insurance

Each FBO operator shall maintain the types and amounts of insurance required by Section 4-1, except that FBO operators shall at all times maintain comprehensive general public liability and property damage insurance per the Airports Division Schedule of Insurance Requirements (said insurance amount may, at the discretion of the City, be increased dependent upon the individual circumstances of the FBO's operations).

Section 6-7. Personnel Qualification Requirements

Each FBO operator shall have a qualified professional on-staff, and on-site, a manager assigned solely to the subject FBO.

Article 7. Specialized Aviation Service Operators (SASO)

Section 7-1. SASO Activities

A Specialized Aviation Service Operator (SASO) is not allowed to provide fueling services but may engage in one or more of the commercial aeronautical/aviation activities described in this Article 7 (see Sections 7-3 through 7-16), and as stated in the SASO's individual Short-Term Commercial Operating Permit. A SASO's permitted activities cannot be subcontracted.

Section 7-2. General Requirements

In addition to all other applicable [non-specific to another specialized activity] provisions of these Minimum Operating Standards and the Airports Division Operations Policies and Procedures, a SASO must comply with the special requirements related to the specific activities described in the below Sections 7-3 through 7-16, and with the general requirements set forth immediately below in this Section 7-2:

- a. SASO shall have a qualified professional on-staff, and on-site, a Manager.

- b. SASO shall have a facility appropriate for the business as approved by the Deputy Director of Airports.
- c. SASO shall at all times maintain the applicable types and amounts of insurance required by Article 4 for all of its activities which can be covered by insurance.

Section 7-3. Commercial Hangars

A commercial hangar operator (Hangar Operator) engages in the business of leasing and/or selling hangars to aircraft owners or operators solely for aircraft storage purposes. A Hangar Operator may engage in the business of constructing the hangars to be leased. A Hangar Operator shall comply with the following minimum standards:

- a. a Hangar Operator shall lease at least 87,120 square feet of land (2 acres) for each of its commercial hangar operations or as specified in the Airport Master Plan;
- b. the construction plans and specifications for any hangars to be constructed, including minimum hangar sizes and architectural design plans are subject to the prior written approval of the City;
- c. if a Hangar Operator seeks to lease less than 54,450 square feet (1.25 acres) from the City (or master lessees on the Airports), and will be offering to lease or sell less than thirty (30) hangars in its operations, then such Hangar Operator shall maintain the types and amounts of insurance required by Section 4-1, except that such Hangar Operator shall at all times maintain comprehensive general public liability and property damage insurance (said additional insurances shall also be subject to the Airports' Minimum Insurance Requirements schedule). Notwithstanding the foregoing, hangar keepers liability insurance will be required if, at any time, the Hangar Operator is given any care and custody of aircraft in the leased or sold hangars.;
- d. if a Hangar Operator seeks to lease more than 54,450 square feet (1.25 acres) from the City (or master lessees on the Airports), and/or will be offering to lease or leasing more than thirty (30) hangars in its operations, then such Hangar Operator shall maintain the types and amounts of insurance required by Section 4-1, except that such Hangar Operator shall at all times maintain comprehensive general public liability and property damage insurance, and hangar keeper's liability insurance (said additional insurances shall also be subject to the Airports' Minimum Insurance Requirements schedule);
- e. a Hangar Operator's facility shall include indoor restroom facilities and common areas for the Hangar Operator's tenants, and appropriate office areas for the Hangar Operator's employees; and
- f. a Hangar Operator shall provide to the Airports Deputy Director, by January 1st of each calendar year, a tenant list that includes each of the Hangar Operator's tenant's names, addresses, phone numbers. and aircraft type, model and N-number.

Section 7-4. Aircraft Sales

An aircraft sales operator (Aircraft Sales Operator) engages in the sale or brokerage of new and/or used aircraft (either on a retail or wholesale basis) but does not apply to an airport tenant that engages in occasional sale of an aircraft and does not possess and aircraft broker's license and does not hold aircraft for resale. An Aircraft Sales Operator shall comply with the following standards:

- a. all Aircraft Sales Operators engaged in the sale of aircraft shall comply with the provisions of FAR, Part 47, Subpart C, and shall possess a valid *Dealer's Aircraft Registration Certificate*, FAA form 8050;
- b. all Aircraft Sales Operators shall maintain an approved Aircraft Dealers Certificate from the State of California.

Section 7-5. Aircraft Airframe, Engine and Accessory Maintenance and Repair Service

An aircraft airframe, engine and accessory maintenance, repair and overhaul service operator (MRO Service Operator) provides one or more of the following services: airframe, engine or accessory overhaul; repair services on aircraft including jet aircraft and helicopters; and sales of aircraft parts and accessories. All MRO Service Operators shall comply with the following standards:

- a. all MRO Service Operators shall lease a space commensurate with the size of the business and the amount of work to be performed. Leased hangar(s) must be large enough for the largest aircraft being worked on to be located fully inside the hangar(s) without blocking adjacent taxiways.;
- b. all MRO Service Operators shall provide hangar facilities, a paved aircraft parking apron and an adequate number of paved automobile parking spaces for its customers on its Airport leasehold premises. If the MRO Service Operator is leasing from a Master Lessee, the aircraft and automobile parking can be provided on the Master Lessee's premises per an agreement between parties;
- c. all MRO Service Operators shall provide sufficient shop space, equipment, supplies and availability to parts equivalent to that required for certification by the FAA as an approved repair station;
- d. all MRO Service Operators shall employ and have available, during normal business hours at least one person who is currently certified by the FAA with ratings appropriate to the work being performed and who holds an airframe, power plant or aircraft inspector rating, or maintains a current FAR Part 145 Certificate;
- e. Hazardous maintenance or repair operations as defined by City/ National Fire Code shall not be conducted inside hangar except a hangar designed in accordance with the applicable fire and/ or building code.
- f. all MRO Service Operators shall comply with all city, state, and federal environmental laws, including but not limited to SWPPP and City Hazardous Material permits.

Section 7-6. Aircraft Leasing or Rental Services

An aircraft lease or rental operator (Aircraft Lease/Rental Operator) engages in the leasing or rental of aircraft to the public. All Aircraft Lease/Rental Operator shall comply with the following standard:

- a. all Aircraft Lease/Rental Operators shall have available, during normal business hours at least one person holding a current FAA commercial pilot's certificate with appropriate ratings, including instructor rating.

Section 7-7. Flight Training

A flight training operator (Flight Training Operator) engages in instructing pilots in dual and solo flight training, in fixed-wing or rotary-wing aircraft, and provides such related ground school instruction as is necessary to take a written examination and flight check ride for the categories of pilot's licenses and ratings involved. All Flight Training Operators shall comply with the following standards:

- a. all Flight Training Operators shall provide adequate materials, supplies and training methods that must meet FAA requirements for the type of training involved. All Flight Training Operators shall maintain a current FAA permit for any flight training that requires one;
- b. all Flight Training Operators shall employ and have available, during normal business hours at least one instructor who is currently certified by the FAA to provide the type of training offered; and
- c. all Flight Training Operators shall comply with Department of Homeland Security (DHS), Transportation Security Administration (TSA), and, as appropriate, local flight school security and pilot background check requirements.

Section 7-8. Specialized Aircraft Repair Services and Sales

A specialized aircraft repair service operator (Specialized Repair Operator) engages in the business of repairing aircraft radios, avionics, instruments, propellers, and similar aircraft components, as well as accessories, upholstery, and painting. A Specialized Repair Operator sells new and/or used parts and components necessary for such repairs. All Specialized Repair Operators shall comply with the following standards:

- a. all Specialized Repair Operators shall lease a space commensurate with the size of the business and amount of work to be performed. Leased hangar(s) must be large enough for the largest aircraft being worked on to be located fully inside the hangar(s) without blocking adjacent taxiways;
- b. all Specialized Repair Operators shall provide hangar facilities, a paved aircraft parking apron, an adequate number of paved automobile parking spaces for its customers, and appropriate facilities for customers on its leasehold premises.; ~~a public lounge and waiting room and public restrooms on its premises;~~ If the MRO Service Operator is leasing from a Master Lessee, the aircraft and automobile parking can be provided on the Master Lessee's premises per an agreement between parties;
- c. all Specialized Repair Operators shall employ and have available, during normal business hours at least one person who is currently certified by the FAA with ratings appropriate to the services offered; and
- d. Specialized Repair Operators shall not conduct any major maintenance or repair operations or business activities inside hangars/shades or other structures not designed for such functions (in general, the foregoing is based on the premise that "repair hangars" are different in design and/scope from "storage hangars").

Section 7-9. Aircraft Charter or Taxi Service

An aircraft charter or taxi service operator (Charter/Taxi Operator) engages in the business of providing "on-demand" air transportation of persons or property to the general public for hire, either on a charter basis or as an Air Taxi Commercial Operator (ATCO) as defined by the FAA. All Charter/Taxi Operators shall meet the following standards:

- a. all Charter/Taxi Operators shall employ and have available, during normal business hours at least one person who holds current FAA commercial pilot and medical certificates and ratings appropriate for the Charter/Taxi Operator's flight activities. All flight crews shall be properly rated for the aircraft operated, and the Charter/Taxi Operator shall provide reasonable assurance of the continued availability of qualified operating crews after a reasonable notice period;
- b. all Charter/Taxi Operators shall own, or lease exclusively by written agreement, aircraft equipped as specified in their operation certificate;
- c. all Charter/Taxi Operators shall have a current Part 135 Certificate or provisional Part 135 Certificate; and
- d. all Charter/Taxi Operators shall be subject to commercial landing fees pursuant to the City of San Diego - Real Estate Assets Department - Airports' Division – Schedule of Fees and Charges.

Section 7-10. Air Cargo Services

An air cargo operator (Air Cargo Operator) engages in business of providing transportation of express, mail or freight to the general public for hire. All Air Cargo Operators shall meet the following standards:

- a. all Air Cargo Operators shall employ and have available, during normal business hours at least one person who holds a current commercial pilot certificate with appropriate ratings for the aircraft to be flown;
- b. all Air Cargo Operators shall own, or lease exclusively by written agreement, at least one properly certificated aircraft suitably equipped as specified in their operation certificate. Such aircraft shall be based upon the Air Cargo Operator's leasehold, or other City-approved location;
- c. all Air Cargo Operators shall have a current Part 135 Certificate or provisional Part 135 Certificate; and
- d. all/ Air Cargo Operators shall be subject to commercial landing fees pursuant to the City of San Diego - Real Estate Assets Department - Airports' Division – Schedule of Fees and Charges.

Section 7-11. Specialized Commercial Flying Services

A specialized commercial flying services operator (Specialized Com. Flying Services Operator) engages in air transportation for hire for any of the following purposes: nonstop sightseeing flights that begin and end at the Airport(s), aerial photography or survey, power line or pipeline patrol, fire-fighting or fire patrol, air ambulance service, airborne mineral exploration, or any other operations specifically excluded from Part 135. A Specialized Com. Flying Services Operator shall meet the following standards:

- a. all Specialized Com. Flying Services Operators shall employ and have available, during normal business hours at least one person who holds a current commercial pilot certificate with appropriate ratings for the aircraft to be flown; and

- b. all Specialized Com. Flying Services Operators shall own, or lease exclusively by written agreement, at least one properly certificated aircraft suitably equipped for the type of operation involved.

Section 7-12. Aircraft Management Services

An aircraft management services operator (Aircraft Management Services Operator) means a person/entity performing one or more of the following services in the management of another person's aircraft: pilot staffing, records management, and other aircraft-related services not including services detailed in any other sections contained herein. An Aircraft Management Services Operator's services also encompass the exercise of the privilege of Part 91.501 on behalf of the owner and the brokerage of a qualified aircraft through a Part 135 operator to the general public; however, said services do not include the control of, or operation of, aircraft under Part 135.

Section 7-13. On-Airport Rental Car Concession Services

All Car Rental Concession Operators shall:

- a. employ and have available at the Airport(s), at least one person during normal business hours;
- b. at all times, maintain in effect the types and minimum amounts of insurance specified in Article 4, for all of its activities at the Airports that may be covered by such insurance; and
- c. ensure that adequate Vehicles are available for rent and that all of said Vehicles are mechanically sound and serviced.

Section 7-14. Aircraft/Vehicle Washing

All aircraft and commercial Vehicle washing will comply with the following requirements:

- a. all washing activities shall not be allowed to enter into the storm water conveyance system;
- b. all heavy grease and oils shall be wiped off Aircraft before washing and rinsing;
- c. all soaps used shall be bio-degradable and environmentally safe;
- d. all water shall be for rinsing only and to the minimal extent possible;
- e. all persons involved in washing activities shall have a secondary non-permeable catch basin, and all water used in the washing/cleaning process shall be captured and removed using a wet-dry vacuum or other similar equipment. **All water and soap used in the washing process must be completely contained and be properly disposed of in accordance with current laws and regulations;**
- f. on-airport washing of personal and privately-owned Vehicles is prohibited; and

Section 7-15. Unauthorized Services

The following activities are prohibited at/from all locations (except as noted in "(c)" below) on the Airports:

- a. crop dusting operations or aircraft used in such activities;
- b. remote controlled aircraft operations to include, model airplanes, drones, and; and
- c. all “banner pickup and drop operations” and “parachute operations” are prohibited at Montgomery-Gibbs Executive Airport (not at Brown Field Airport).

Section 7-16. Mobile Mechanics

A Mobile Mechanic is an MRO Service Operator or Specialized Repair Operator that operates on the City’s airports on a one-time or infrequent basis. They are typically based at another facility and conducts services for aircraft located at the City’s airports either in a maintenance facility, aircraft owner’s hangar or tiedown. This can include (but is not limited to) minor airframe and powerplant maintenance or repair, inspections, avionics repair, upholstery removal and replacement, aircraft washing and pitot/ static system tests. Mobile Mechanics shall comply with the following:

- a. Mobile Mechanics are required to obtain an Aeronautical Services Permit or a Short-Term Operating Permit and must have permission from Master Lessee. Mobile Mechanics that have a valid business license in another city within California maybe required to have a City of San Diego business license. Additional permits are not required of lessees and sub-lessees at one of the City’s airports when operating as a mobile mechanic at the other City airport;
- b. Mobile Mechanics are subject to all applicable requirements (including insurance) identified in these Minimum Operating Standards;
- c. Mobile Mechanics must meet all applicable FAA requirements.

Article 8. Non-Commercial Activities

Section 8-1 Non-Commercial Flying Clubs

A non-commercial flying club is a non-profit entity, established for the purpose of providing its members with one or more aircraft for their personal use and enjoyment only. The minimum standards set forth herein apply only to non-commercial flying clubs. A non-commercial flying club shall meet the following standards:

- a. The club shall furnish the Airports Deputy Director with a copy of its articles of incorporation if the club is a corporation, a copy of its articles of organization if the club is a limited liability company, a copy of its certificate of limited partnership if the club is a limited partnership, or a copy of its partnership agreement if the club is a general partnership. Additionally, upon request, the club shall furnish the Airports Deputy Director with a list of names of officers and directors; evidence of required insurance; a description of all aircraft used, including registration; listing of ownership of such aircraft; and all operating rules of the club.
- b. The club shall keep its member roster up-to-date at all times, and shall upon request, provide the Airports Deputy Director with name and contact information for specific club members.
- c. the club's books and records shall be made available for inspection by the Airports Deputy Director, upon request therefor, at any reasonable time.
- d. All aircraft used by the club shall be owned by the club or leased exclusively by written agreement to the club. The rights of club members to utilize aircraft shall be equal to all members subject to members meeting qualification requirements.

- e. The club's aircraft shall not be used by anyone other than club members and shall not be used by anyone for hire, charter or air taxi. Flight instruction may be given in club aircraft but only if both the instructor and pilot/ student pilot are club members.
- f. The club and its members are prohibited from leasing, selling, trading or bartering any goods or services to or with any non-members of the club, except that a club may sell or exchange its aircraft and equipment for liquidation purposes. This section does not preclude the club from leasing aircraft from aircraft owners for exclusive use of said aircraft by the club. This provision does not preclude club members from utilizing a club aircraft in flights involving shared or reimbursed expenses within the requirements of the Federal Aviation Regulations.
- g. The club shall maintain aircraft liability insurance coverage on all club aircraft per the Airports Division Schedule of Insurance requirements and shall indemnify, defend and hold harmless, the City, its elected officials, officers, employees, representatives and agents.
- h. Maintenance performed on club aircraft may be conducted by an authorized FBO, MRO Service Operator or by a mechanic employed by the club. If the club utilizes a mechanic employed by the club, the mechanic must meet all applicable FAA certification requirements, the club's insurance must include coverage for the maintenance work performed by the employee mechanic and all work must be performed in compliance with the Airports Divisions Operations Policies and Procedures.

Article 9. "FORM OF" Application for Commercial Aeronautical Services

Applications to perform any commercial aeronautical activities on the Airports shall be submitted in legible writing on a City-approved form similar to the below "Application for Commercial Aeronautical Services" form, and must be filed with the Airports Deputy Director. The application must demonstrate compliance with Articles 4 and 5, and, as applicable, the specific requirements under Article 6 or 7.

["Form of"]

APPLICATION FOR COMMERCIAL AERONAUTICAL SERVICES

FORM DIRECTIONS: A small amount of space has been provided for a response to each question/request for information in this Application. In many cases, it may be necessary to attach additional pages with your continued responses thereon and/or to attach other requested information. If so, please indicate the continuation of a response and/or the attachment of additional information by each question/request for information for which such a continuation/attachment is relevant by noting the same with "See attached – Exhibit ____." Care should be taken in preparing this application as any incomplete or incorrect information may delay the processing of the application and/or cause the rejection thereof. Each applicant is responsible for submitting all information needed to evidence your proposed activity, regardless of whether the information is specifically called out/requested in this Application.

PLEASE NOTE RE FUEL DISPENSING: All prospective FBO Operators who seek to dispense fuel pursuant to the Minimum Operating Standards must submit, in addition to this application, a detailed Business Plan that clearly demonstrates the economic viability of the proposed activity, including all information necessary to demonstrate that fuel sales projections will be incremental new business to the Airports.

PLEASE ALSO NOTE RE FINANCIAL INFORMATION: Consistent with applicable law, financial information you submit most likely will **not** be considered confidential. If you wish to request that the financial information you submit be kept confidential, you must submit legal justification sufficient to warrant the legal application of confidentiality for each separate type of information submitted as a separate attached exhibit.. ***** consider including the signoff sheet used with RFPs, etc. instead of/in addition to this paragraph******] The mere submission of proposed legal justification therefor will not ensure that the subject financial information will be kept confidential. Unless legally excepted from disclosure, information submitted as part of this Application will be made available to the public upon request.

1. Basic Business Information

Name of Business: _____
Airport Location: _____

(Provide copy of sublease & drawings describing facilities and auto parking areas.)

Mailing Address: _____
Telephone: _____

Type of Business _____
Services offered: _____
Commencement Date: _____
Days per Week and Hours of Operation: _____
Principal Owners: _____

Key Personnel and Titles: _____

2. Certifications and Experience

Describe past experience in the specified aviation services for which application is made:

Describe experience data on key personnel, or submit resumes as separate attachments:

List all applicable local, state, and/or federal certifications and licenses currently held or to be obtained; include copies:

If applicable, describe the number of aircraft to be utilized including makes, models, seating capacity and N-numbers and copies of any applicable FAA operating certificates:

3. Market and Financial Information

Provide a full description of the nature of the proposed operation. Include all services to be provided, number of persons to be employed, any expansion plans, etc.:

Provide a statement of need for your proposed operation at the Airport:

Provide a five (5) year Pro-Forma Business Plan articulating the growth of the proposed business:

Provide a written confirmation of account status and history from your bank, and include a phone number of a bank representative so that the information can be verified:

PLEASE NOTE: The City reserves the right to ask for additional financial and market information in order to determine whether the Operator is reasonably fit, willing and able to discharge its economic obligations to the Airport community. Examples of additional information include, but are not limited to market analysis, cash flow statement, profit and loss projections, balance sheet and financial statements prepared by a Certified Public Accountant, credit reports on the business or each party owning or having a financial interest in the business.

4. Insurance and Other Information

List all types and amounts of insurance coverage to be maintained for the proposed operation. Include a copy of your certificate of insurance listing the City of San Diego as additional insured and reflecting at least the minimum liability coverage for your proposed operation as required in accordance with Part 4A or B:

If the proposed operation includes rental, sales or flight training, provide a copy of your student/renter insurance disclosure notice as well as evidence that the same notice has been incorporated in any rental agreements:

The applicants hereby respectfully request that the City of San Diego consider the foregoing application for permission to perform the specified aeronautical activities at Montgomery-Gibbs Executive Airport or Brown Field Airport by the following date: _____

To be acknowledged and signed by each principal owner. (I.e., President, General Partner, CEO, CFO, Chairman, Secretary, Treasures, etc.)

Completed by _____	Title _____	Date _____
Signed by _____	Title _____	Date _____
Signed by _____	Title _____	Date _____
Signed by _____	Title _____	Date _____

For City Use Only Approvals

Initials / Date Initials / Date

Risk Management _____ / _____ Deputy Director _____ / _____

Supervising Property Agent _____ / _____ Airport Manager _____ / _____
(if applicable)

Reviewed by Airport Advisory Committee: (if applicable) _____ Fee paid on: _____ (if applicable)

[End of Application Form]

Article 10. "FORM OF" Short-Term Commercial Operating Permit

Following an approval by City of a prospective Commercial Operator's Application for Commercial Activities and, if applicable, its Business Plan, the Commercial Operator and City will negotiate an applicable Airport Agreement. If an Airport Agreement is reached, a Short-Term Commercial Operating Permit will be issued by Deputy Director, or designee. A current and valid Short-Term Commercial Operating Permit is required of all Commercial Operators, irrespective of any other Airport Agreement with the City, in order to conduct business or to continue conducting business on the Airports. Should the City revoke, suspend or terminate an Operator's Short-Term Commercial Operating Permit, then said Commercial Operator shall cease and desist all form(s) and type(s) of operations at the Airports until the Short-Term Commercial Operating Permit is reissued. The Short-Term Commercial Operating Permit shall

be appended to any Airport Agreement entered into by the Commercial Operator and the City, and it will become a material part thereof. The breach of any portion of the Short-Term Commercial Operating Permit by the Commercial Operator, including the application incorporated by reference thereto shall be deemed a material breach of any associated Airport Agreement allowing the City the option to terminate the Airport Agreement. The Short-Term Commercial Operating Permit shall function as a method of requiring any Commercial Operator on the Airports to comply with the City's Rules and Regulations, and these Minimum Operating Standards.

City of San Diego, Airports Division

Short-Term Commercial Operating Permit

Date of Application:

Date(s) of Event:

Type of Operation:

☐ Flight Test

☐ Blimp Operations

☐ Commercial Operations

☐ Sky Diving

☐ Banner Tows

☐ Movie/Film Productions

☐ Other

☐ Mobile Mechanic

Describe type of operation and desired use of airport:

Name of Business:

Phone Number:

Business Address:

Billing Address:

Person to Contact:

Email:

For operations involving aircraft, complete the following information:

Aircraft N #:

Aircraft Owner:

For Test Flights, provide a copy of:

☐ Pilot Certificate

☐ Medical Certificate

☐ Final Inspection Release

☐ Certificate of Insurance

This agreement is subject to the following conditions:

1. Permittee must provide a Certificate of Insurance reflecting the types and amounts of insurance coverage to be maintained for the proposed operation. This policy of insurance must name the City of San Diego, its Officers, Employees, and Agents as Additional Insured. This insurance shall reflect at least the minimum liability

coverage for the proposed operation and in accordance with Article 4 of the City of San Diego Airports Division Minimum Operating Standards and the Schedule of Minimum Insurance Requirements on file with the Airports Division. Insurance coverage must be maintained for the duration of the permit, including any set up and dismantle dates.

2. All operations must be coordinated with the Control Tower and Airport Operations.
3. Permittee shall take all necessary steps to conduct the activities authorized by this permit in a safe and prudent manner and shall abide by all Federal, State, and Local rules and regulations.
4. A copy of all pertinent licenses, permits, waivers, and insurance shall be submitted to the Airport Manager prior to the first operation.
5. Permittee agrees to defend, indemnify, protect, and hold the City of San Diego, its agents, officers, and employees (hereinafter the City) harmless from and against any and all claims of liability, asserted or established, for damages or injury to any person or property, including, but not limited to, injury to permittees employees, agents or officers, or to any participants in, spectators to, or any other individuals, arising out of, or in any manner directly or indirectly connected with, permittee in San Diego. Said defense, indemnification, protection, and agreement to hold harmless shall encompass any and all costs, attorney's fees, and expenses of investigation or defense to which the City may be put or is exposed. Said agreement to defend, indemnify, protect, and hold harmless shall include claims or liabilities arising out of the City's active or passive negligence which, in combination with the negligence of permittee, its employees, agents or officers, or any third party, causes injury or damage to any person or property; provided, however, that permittees duty to indemnify and hold the City harmless shall not include any claims or liability which are established to have arisen due to the sole negligence or willful misconduct of the City, its agents, officers, or employees.
6. Other considerations: _____
7. Permission is hereby granted to: _____
to use Brown Field/Montgomery-Gibbs Executive Airport for:
operations from the period of _____ to _____ for the consideration of
\$_____ per year, for all operations during the permitted period.
8. **TERMINATION** If permittee shall fail or refuse to perform any term, covenant, or condition of this agreement and shall fail to cure such default within 10 business days

after written notice from the City, then the City may terminate this agreement by giving permittee written notice of its election to terminate this application.

The above is acknowledged and agreed to:

Permittee _____ Date _____

Airport Manager _____ Date _____

Article 11. Fees

Only Commercial Operators are subject to landing fees. The foregoing fees only apply to non-based commercial activities. Further exempt from landing fees are landings conducted by military and other government aircraft, public safety aircraft, as well as landings performed due to in-flight emergencies or maintenance issues.