

ITEM #: 34
DATE: 06-28-22

COUNCIL ACTION FORM

SUBJECT: APPROVE FIXED BASED OPERATOR CONTRACT FOR AMES MUNICIPAL AIRPORT

BACKGROUND:

On April 1, 2017, The Ames Municipal Airport changed its Fixed Based Operator (FBO) to Central Iowa Air Service (CIAS). Since this was the first time the City had done business with CIAS the contract was limited to five years, expiring on June 30, 2022. **Over the last five years, CIAS has done an exceptional job operating the airport. There have been numerous positive comments from our local airport users, as well as those visiting Ames. CIAS also has hosted several highly attended community events at the Airport. Also, their staff are active members of the Ames Chamber and support other local business owners.**

TERM OF CONTRACT WITH FBO:

For the last several months, City Staff and the CIAS have been negotiating a new long-term FBO contract to begin July 1, 2022. It is structured with an initial 15-year period (July 1, 2022 to June 30, 2037), with the City's option to extend the contract for another 15 years under the same terms (July 1, 2037 to June 30, 2052). This extended lease will allow the FBO to potentially invest in the growth of their business here in Ames. The term of the agreement is listed in Section 2 of the attached contract.

REQUIRED SERVICES (SECTION 1A):

The first important section of the contract to highlight is Section 1 which outlines all the following services that must be provided by the FBO:

- Itinerant aircraft storage services for City owned tie-down areas and hangar facilities.
- Aircraft ramp services (towing, parking guidance, etc.).
- Maintenance, repair, and servicing of aircraft (routine and preventative maintenance, physical and mechanical repair, etc.). The Operator will also operate an FAA Certificated Repair Station at the Airport.
- Management, coordination, or performance of airport maintenance (mowing, snow removal) as specified in Section 1.B of this agreement.

- Maintenance and minor repair (interior and exterior) of Airport buildings owned by the City per standards set out in Section 17 of this Agreement, including, but not limited to, the Terminal, Hangars, and Ramp areas.
- Management of subleasing of space approved by the City within City owned facilities.
- Provide commercial aircraft fueling (100LL & Jet A) and oil/lubricant dispensing; operating the fuel farm for the storage, handling, and delivery of aviation fuel products. Jet A and 100LL must be available via fuel truck provided by FBO.
- Management and minor maintenance of public facilities available for pilots and passengers (i.e. flight planning amenities, pilot lounge, passenger waiting area, courtesy car, etc.) per standards set out in Section 17 of this agreement.
- Emergency service to disabled general aviation aircraft (i.e. towing/transporting disabled aircraft within the Airport grounds as shown in Exhibit A).
- Monitor and respond to all UNICOM radio communications with the Airport, answer phones, respond to all forms of electronic communication, and greet Airport customers during normal or extended hours of operation (see Section 8).
- Provide, maintain, and service a minimum of two crew cars for customer use.
- Monitor the condition of airport facilities, which shall include but not be limited to all runways, taxiways, taxi lanes, tie-downs, ramps, and any associated lighting/navigation aids owned by the City, parking lots, and perimeter roads, and airport stormwater facilities.
- Monitor and report all deficiencies on the Airport and provide feedback regarding the City's annual maintenance activities and capital programs.
- Provide flight training, including the establishment of a Part 141 certified flight school at a date mutually agreed to by the parties of this Agreement.
- Provide a range of aircraft rentals that is market appropriate to promote the growth of General Aviation users.
- Provide a range of Air Taxi/Charter at various price points to meet the full range of customer needs at the Ames Airport, including turbine charter aircraft.
- Provide Aircraft Sale services either self-performed or by contract with a third-party provider.
- Provide on-site Rental car services or make arrangements for vehicle delivery to the Airport.

- Upon request, provide off-hours, on-call flight, and fueling services.
- Snack bar in the Terminal Building (as part of the Owner's vending contract)
- Miscellaneous retail (pilot supplies, promotional clothing, etc.).
- Provide Avionics Repair through a contract or third-party provider.
- Provide Jet (Turbine) Engine maintenance either self-performed or through a third-party provider.
- Specialized maintenance related to aviation services as determined by the Owner.

The FBO is not authorized to provide any other services at the Ames Municipal Airport under the terms of this agreement. Any proposals to perform additional services or activities, or to delete any of the required services specified in this section, must receive written authorization from the City before the commencement of such additional service or activity or deletion of service.

The required services shown above shall be provided during the minimum hours of operation, as follows:

Monday-Friday 6:00 – 19:00
 Saturday, Sunday 7:00 – 19:00

The Operator shall have the right to set special hours of operation based on time of year, or on holidays observed by the Owner.

WINTER AND SUMMER MAINTENANCE (SECTION 1B):

While the City is responsible for providing equipment, parts, and fuel for the pieces of equipment used at the Airport; the FBO will operate and perform minor maintenance on the equipment as well as perform mowing, trimming, and snow & ice removal on the City-owned property at the Airport. This arrangement is beneficial to the City as it keeps costs down, and beneficial to the FBO as it provides them the equipment they need to keep the Airport open year-round and in a safe operating condition. The contract in Section 1B specifies the existing Airport equipment and the anticipated replacement schedule for each.

- Single-Axel Dump Truck (with Plow) = Ten (10) Year Cycle
- Pick-Up Truck (with Plow) = Five (5) Year Cycle
- Tractor (with Bat-Wing Mowing Deck) = 20 to 25 Year Cycle
- Zero-Turn Mower = Five (5) Year Cycle

PAYMENTS TO THE CITY FOR OPERATING THE AIRPORT (SECTION 3):

The FBO is provided several facilities to provide the required services at the Airport, some of which generate revenue to their private business, such as selling fuel, servicing aircraft, or conducting flight training (Terminal Building/Itinerant Hangar/T Hangar Buildings/Maintenance Shop/Ramp Service Building/Old Terminal Building/Fuel Farm). In return for use of these City-owned facilities, the FBO is also required to pay an annual fee. For the first five years of the contract the fee is specified below:

Fiscal Year	Fixed Fee
July 1, 2022 - June 30, 2023:	\$67,300
July 1, 2023 - June 30, 2024:	\$69,200
July 1, 2024 - June 30, 2025:	\$71,100
July 1, 2025 - June 30, 2026:	\$73,000
July 1, 2026 - June 30, 2027:	\$75,000

The contract provides for two five-year lease rate adjustment periods, one on July 1, 2027, and the other on July 1, 2032, which will be adjusted using the Consumer Price Index for All Urban Consumers (CPI-U) from September of each 60-month (5 years) period. The contract shows a detailed example of this calculation beginning at the bottom of page 5 and continues at the top of page 6 of the contract.

FUEL SALES (SECTION 4):

The City owns two 10,000-gallon underground fuel storage tanks. One holds 100LL and one holds Jet A. Fuel must be dispensed to aircraft via fuel truck(s) provided by the FBO. Fuel flowage rates will be paid by the FBO to the City on the 15th day of each month based on the volume dispensed the previous month at the following rates:

- A. Fuel flowage rate for Jet A: \$0.08 per gallon
- B. Fuel flowage rate for 100LL: \$0.08 per gallon

At the time this agreement is extended on or before June 30, 2037, a new fuel flowage rate will be set by the City.

ALTERNATIVES:

1. Approve the FBO Contract with Central Iowa Air Service.
2. Reject the contract and direct staff to modify the agreement per City Council's direction.
3. Reject the proposed contract and direct staff to seek proposals from other companies to serve as the Airport FBO.

MANAGER’S RECOMMENDED ACTION:

By approving the proposed contract, the City and the FBO will be able to extend a mutually beneficial arrangement for operating the Airport. The fees generated from this agreement will serve as a critical revenue source for the Airport moving forward. In addition, it also will guarantee important services that the Airport needs to continue its high level of customer service for all Airport users.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as noted above.

**AMES MUNICIPAL AIRPORT
FIXED BASE OPERATOR CONTRACT**

THIS AGREEMENT, effective the 1st day of July 2022, between the City of Ames, Iowa, owner of the Ames Municipal Airport (“Airport”), hereinafter referred to as the "Owner" or “the City,” and Charles City Aeronautics, Inc., d/b/a Central Iowa Air Service, hereinafter referred to as the "Operator" or the “FBO.” Owner and Operator are “the Parties” to this Agreement.

WITNESSETH:

WHEREAS, the Ames Municipal Airport has been in operation since 1943 with the Ames City Council acting as the governing body that has authority over the Airport; and

WHEREAS, the Owner desires to contract with the Operator for providing Fixed Base Operator (“FBO”) services at the Ames Municipal Airport hereinafter more fully described and located on said Airport upon the terms and conditions stated herein; and

WHEREAS, The Operator will be responsible for complying with all terms and conditions contained within this contract in addition to the Airport Rules and Regulations; Minimum Standards and all other Local, State, and Federal rules which may apply; and all applicable Federal Aviation Regulations (FARs). The Operator must remain an active legal entity, and be licensed to do business in the State of Iowa; and

WHEREAS, the Operator will be expected to create and enhance a positive aviation environment for the airport users and the Ames aviation community; and

WHEREAS, the terms and conditions of this agreement shall state the mandatory activities of the Operator.

NOW, THEREFORE, in consideration of the fees, covenants, and agreements as herein contained, the Owner does hereby provide to the Operator the premises identified in Section 3 and shown in Exhibit A attached hereto and made a part hereof, except that all premises are subject to the special conditions as stipulated in the following paragraphs. The Operator agrees to provide all services and responsibilities detailed herein.

SECTION 1: REQUIRED FIXED BASE OPERATOR SERVICES

A. The Operator shall provide the following required services shown below:

1. Itinerant aircraft storage services for City owned tie-down areas and hangar facilities.
2. Aircraft ramp services (towing, parking guidance, etc.).

3. Maintenance, repair, and servicing of aircraft (routine and preventative maintenance, physical and mechanical repair, etc.). The Operator will also operate an FAA Certificated Repair Station at the Airport.
4. Management, coordination, or performance of airport maintenance (mowing, snow removal) as specified in Section 1.B of this agreement.
5. Maintenance and minor repair (interior and exterior) of Airport buildings owned by the City per standards set out in Section 17 of this Agreement, including, but not limited to, the Terminal, Hangars, and Ramp areas.
6. Management of subleasing of space approved by the City within City owned facilities.
7. Commercial aircraft fueling (100LL & Jet A) and oil/lubricant dispensing; operating the fuel farm for the storage, handling, and delivery of aviation fuel products. Jet A and 100LL must be available via fuel truck provided by FBO.
8. Management and minor maintenance of public facilities available for pilots and passengers (i.e. flight planning amenities, pilot lounge, passenger waiting area, courtesy car, etc.) per standards set out in Section 17 of this agreement.
9. Emergency service to disabled general aviation aircraft (i.e. towing/transporting disabled aircraft within the Airport grounds as shown in Exhibit A).
10. Monitor and respond to all UNICOM radio communications with the Airport, answer phones, respond to all forms of electronic communication, and greet Airport customers during normal or extended hours of operation (see Section 8).
11. Provide, maintain, and service a minimum of two crew cars for customer use.
12. Monitor the condition of airport facilities, which shall include but not be limited to all runways, taxiways, taxi lanes, tie-downs, ramps, and any associated lighting/navigation aids owned by the City, parking lots, and perimeter roads, and airport stormwater facilities.
13. The FBO will diligently monitor and report all deficiencies on the Airport and provide feedback regarding the City's annual maintenance activities and capital programs. It is the intention of the City to maintain the Airport to have facilities that are safe and in a condition that reflects favorably on the City.
14. Provide flight training, including the establishment of a Part 141 certified flight school at a date mutually agreed to by the parties of this Agreement.
15. Provide a range of aircraft rentals that is market appropriate to promote the growth of General Aviation users.

16. Provide a range of Air Taxi/Charter at various price points to meet the full range of customer needs at the Ames Airport, including turbine charter aircraft.
17. Provide Aircraft Sale services either self-performed or by contract with a third-party provider.
18. Provide on-site Rental car services, or make arrangements for vehicle delivery to the Airport.
19. Upon request, provide off-hours, on-call flight, and fueling services.
20. Snack bar in the Terminal Building (as part of the Owner's vending contract)
21. Miscellaneous retail (pilot supplies, promotional clothing, etc.).
22. Provide Avionics Repair through a contract or third-party provider.
23. Provide Jet (Turbine) Engine maintenance either self-performed or through a third-party provider.
24. Specialized maintenance related to aviation services as determined by the Owner. The Operator understands and agrees that no other services are authorized at the Ames Municipal Airport under the terms of this agreement. Any proposals to perform additional services or activities, or to delete any of the required services specified in this section, must receive written authorization from the Owner before the commencement of such additional service or activity or deletion of service.

B. Maintenance of Airport Surfaces and Grounds

1. Mowing and Trimming. The Operator will assume responsibility for providing the mowing of all City-owned property at the Airport to standards agreed to by the Owner. In return, the Owner will provide maintenance equipment as defined in Section 1.B(3).
2. Snow and Ice Removal. The Operator will assume responsibility for providing the removal of snow and ice from, including but not limited to, the airside paved surfaces, drive aisles, sidewalks, and parking areas on the City-owned and shared property at the Airport. In return, the Owner will provide maintenance equipment as defined in Section 1.B(3).
3. Equipment for Airport Maintenance. The Owner will transfer the following equipment to the Airport for use by the Operator for maintenance of the Airport property; one (1) Single-Axel Dump Truck with Plow, one (1) Pick-Up Truck with Plow, one (1) Tractor with Bat-Wing Mowing Deck, one (1) Zero-Turn Mower. The owner will lease one (1) Loader and make it available to the Operator based on availability and priorities set by the Owner. The Owner will also work with the Operator to utilize Federal Aid grants

available to the Airport to purchase additional equipment dedicated to the Airport for snow removal activities when such funding is available and meets the priorities of the Owner. The equipment must be eligible for Federal Funds and have the approval of FAA prior to purchase of any equipment.

4. Upkeep and Replacement of Maintenance Equipment. The Owner agrees, when available, to transfer to the Airport equipment on the following schedule starting July 1, 2022 the existing equipment will be utilized and replaced on the following schedules:

Single-Axel Dump Truck (with Plow) = Ten (10) Year Cycle
Pick-Up Truck (with Plow) = Five (5) Year Cycle
Tractor (with Bat-Wing Mowing Deck) = 20 to 25 Year Cycle
Zero-Turn Mower = Five (5) Year Cycle

The Owner agrees to reimburse the cost of all parts and fuel associated with a current list of Airport owned equipment. The Operator agrees to provide the labor for the maintenance of the equipment or assume the sole cost for any third-party maintenance services. The Operator agrees to use any Airport-owned equipment solely for Airport maintenance activities described within this agreement. In the event Airport equipment is operated off Airport property, the Operator agrees to provide proof of insurance and compliance with all applicable Iowa Laws.

The Operator has the option to retain old equipment being replaced by the Owner. By doing so, the Operator agrees to do so at their sole expense (without reimbursement of parts or other maintenance. Including fuel costs, unless approved by the owner). The retained equipment is still the property of the Owner and can only be used for its original purpose. The Owner reserves the right to sell failed or unneeded equipment at its current market value and the proceeds of that sale will remain with the Airport.

SECTION 2: TERM OF AGREEMENT

The term of this contract shall commence on July 1, 2022, and end on June 30, 2037. Upon successful completion of the Agreement term, the Owner may choose to extend this agreement under the same terms through June 30, 2052, or renegotiate another contract with the Operator, or solicit competitive proposals. Owner shall not be obligated to extend this Agreement. This Agreement shall extend to and be binding upon the parties, their, successors, and assigns.

SECTION 3: PAYMENT TO THE CITY FOR OPERATIONAL PRIVILEGE

The following airport facilities are made available to the Operator (see Exhibit A):

- A. 7,000 sq ft Terminal Building (Building A)
- B. 11,400sq ft Itinerant Hangar (Building B)
- C. 4 T-Hangar Buildings – 52 Bays (Buildings F, G, H, I)
- D. 5,100 sq ft Maintenance Shop (Building E)
- E. 4,500 sq ft Ramp Service Building (Building D)
- F. 4,600 sq ft Office/Misc Space (Building C – Old Terminal)
- G. Fuel Farm – 10,000 gal 100LL, 10,000 gal Jet A (Southeast of Building A)

The Operator shall provide and pay for all utilities used for the premises described above, including, but not limited to gas, water, electricity, sanitary sewer, telephone, and solid waste disposal. It is clearly understood between the parties that the Owner shall provide, at the Owner’s expense, all electrical energy necessary for runway lighting and navigational aids now and in the future.

Subject to written approval by the Owner, the Operator may sublease any of the facilities listed above, excluding Buildings A and B, the Terminal, and the Itinerant hangar. Failure to obtain the written approval of the Owner shall be grounds for termination of this agreement. The Operator will take full responsibility for all costs associated with that third-party lease or assign those costs to the lessee. The Owner will reasonably maintain all facilities used for aircraft storage. The Operator agrees to maintain all sublet facilities at their sole cost in the same or better condition for the duration of this agreement.

It is also understood and agreed to by the parties that Operator shall be responsible for paying any property taxes pertaining to the premises described above. Spaces within the Terminal Building designated for exclusive use by the FBO have been shown in Exhibit B.

The Operator shall pay an annual fee as noted below, paid one-fourth quarterly in advance to the Owner, for the operational privilege and use of the facilities noted above:

The annual fee schedule shall be adjusted every five years based upon a 60-month period of the Consumer Price Index – All Urban Consumers (CPI-U). Each five-year period will be calculated using the amount from the last year of the current period, multiplied by an inflationary factor determined by CPI-U data. The annual inflation factor shall not be less than 1.0. The annual fee for each year will be as rounded down to the nearest 100 dollars.

The following is the annual fee schedule for the first five years of this agreement, and will be used to demonstrate how fees will be adjusted:

Fee from last year of previous agreement (July 1, 2021, to June 30, 2022)	\$65,600
The most recent CPI-U available was published in the month of October (Sep. 2021)	274.310
CPI-U from 60-months prior (Sep. 2016)	241.428
Subtracting the two equals index change	32.882

Divided by the CPI-U 60-months prior (from Sep. 2016)	241.428
Equals the five-year change	0.13620
Divided by the number of years in the fee schedule (5)	0.02724
Add one (1) to get the annual inflationary factor	1.02724

First year fee = \$65,600 x 1.02724 = \$67,386.92
As rounded down to nearest \$100 = \$67,300

Therefore, the fee schedule for the first five years is as follows:	Calculated	As Rounded
July 1, 2022 - June 30, 2023:	\$67,386	\$67,300
July 1, 2023 - June 30, 2024:	\$69,223	\$69,200
July 1, 2024 - June 30, 2025:	\$71,108	\$71,100
July 1, 2025 - June 30, 2026:	\$73,045	\$73,000
July 1, 2026 - June 30, 2027:	\$75,035	\$75,000

SECTION 4: PAYMENTS TO THE CITY FOR FUEL SALES

The City owns two 10,000-gallon underground fuel storage tanks. One holds 100LL and one holds Jet A. Fuel must be dispensed to aircraft via fuel truck(s) provided by the Operator. Fuel flowage rates will be paid by the Operator to the Owner on the 15th day of each month based on the volume dispensed the previous month at the following rates:

- A. Fuel flowage rate for Jet A: \$0.08 per gallon
- B. Fuel flowage rate for 100LL: \$0.08 per gallon

At the time this agreement is extended on or before June 30, 2037, a new fuel flowage rate will be set by the Owner.

SECTION 5: FAILURE TO MAKE PAYMENTS TO THE CITY

In the event the Operator fails to make payments to the Owner in accordance with Sections 3 and 4 above within ten (10) days after the same shall become due, or in the event the Operator shall violate any of the terms or conditions of this agreement, and shall fail after a thirty (30) day notice in writing from the Owner to rectify such violation, Owner may, at its option, declare this agreement canceled and terminated and shall be entitled to immediate possession of the facilities reflected in Section 3.

SECTION 6: INSURANCE

The Operator shall procure and maintain for the entire duration of the agreement at its sole cost and expense all insurance policies described below. All such insurance policies shall show on their face that the Operator is a named insured and that the City is named as an additional insured. Such insurance shall include coverage against liability for death, bodily injury, or property damage arising out of the acts or omissions of or on behalf of the Operator or involving any owned, non-owned, leased or hired vehicle in connection with any of the obligations or activities of the Operator of the equipment, and shall be in the following categories and amounts:

- A. Comprehensive General Liability; \$3,000,000 each occurrence
- B. Completed Operations/Products Liability; \$1,000,000 each occurrence
- C. Hangarkeeper's Liability;
 - 1. \$100,000 each aircraft
 - 2. \$300,000 each loss
- D. Premises Medical Payments;
 - 1. \$1,000 each person
 - 2. \$5,000 each accident

All policies must include the City, its officers, agents, employees and volunteers as "Additional Insured" under its policies and must be endorsed to the applicable policy. The insurance coverage and limits are set at the sole discretion of the City and are subject to change or revision as the need arises. Policies shall not have an annual aggregate maximum or limit to the coverage, other than the limit of liability as shown on the face of the policy.

The Operator shall furnish the Owner with certificates of insurance affecting coverage required by this section. The certification shall provide for 30 days notice of any material change or cancellation of the policies.

When the Owner is added an additional insured, the Operator and the Insurers will include a provision that the additional insured status does not waive any of the defenses of governmental immunity available to the Owner under Iowa Code § 670.4 as it exists and as it may be amended.

To the extent permitted by law, the Operator releases and waives the Owner, its employees, officials, and agents from any liability or responsibility to the Operator or anyone claiming through the Operator by way of subrogation or otherwise for any loss or damage to property or injury to person.

SECTION 7: SERVICE LEVELS

A. Minimum Hours of Operation.

The required services shown in Section 1 shall be provided during the minimum hours of operation shown below, seven days per week:

Monday-Friday	6:00 – 19:00
Saturday, Sunday	7:00 – 19:00

The Operator shall have the right to set special hours of operation based on time of year, or on holidays observed by the Owner.

- B. Minimum staffing. The Operator shall have at a minimum one (1) front line personnel during the minimum hours of operation, and one manager on duty during the hours of 8:00 to 17:00, Monday through Friday. The manager will be available on-call all other hours of the week. The manager shall be able to, and be responsible for all employees, representing the Operator, and have the authority to provide the highest level of customer service. The manager shall be responsible for providing service answering phones and UNICOM radio, greeting visitors, and conducting business activities as outlined in the contract. The Operator shall have qualified maintenance personnel on the airport premises to provide services listed above a minimum of eight hours per day on all days except approved holidays and weekends. Service for flight training and charters shall be available by appointment with 24-hour prior notice to the Operator.
- C. Non-discriminatory Service. The Operator agrees to furnish service on a fair, equal, and nondiscriminatory basis to all users of the Ames Municipal Airport, and to charge fair, reasonable, and nondiscriminatory prices for each unit of service; provided, that Operator may make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers or multiple service users.
- D. Standards. The Operator understands that Owner considers the Airport and its facilities to be a main gateway into the City of Ames. Therefore, the Operator is expected to maintain all areas in a clean, safe, and professional manner. Also, the Operator is to train employees in a manner to enhance the image of the Owner and to routinely monitor their compliance in the areas of customer service and public relations. The Operator shall follow all provisions of the Minimum Operation Standards of the Airport. Failure of the Operator to maintain a professional and customer service-driven environment will be grounds for termination of this Agreement.
- E. Airport Promotions. The Operator shall provide a list of anticipated events to the Owner, which the Operator plans to undertake in the ensuing year to provide a positive aviation environment at the Ames Municipal Airport. The Operator agrees to provide regular updates, in writing, to the Owner for approval regarding any promotional event. The Operator shall be an active member of the Airport Advisory Board and will give reports

on the activity of the company's operations and the status of their promotional activities at each meeting.

- F. Customer Service. In keeping with the City's values, the Operator agrees to provide a positive customer service atmosphere to the users of the Airport.

SECTION 8: FEDERAL AVIATION ACT OF 1958- SECTION 308

It is hereby agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right prohibited by Section 308 of the Federal Aviation Act of 1958 (49 USC § 40103)) as amended, and the Owner reserves the right to grant to others the privilege and right of conducting any one or all of the aeronautical activities listed herein, or any other activity of an aeronautical nature.

SECTION 9: RULES AND REGULATIONS

The Operator agrees that the Owner has the right to adopt and enforce reasonable rules and regulations and that the Operator and all its employees, agents, and servants will faithfully observe and comply with all rules and regulations as may be adopted by the City of Ames, the United States of America, or the State of Iowa.

SECTION 10: ASSIGNMENT OR TRANSFER

The Operator may not assign or transfer this Agreement, or any interest herein, or sublet the premises or any part thereof without the prior written consent of the Owner. Any attempt at assignment, transfer, or subletting without such consent shall be void, and at the option of the Owner, deemed sufficient grounds for the cancellation and termination of this Agreement.

SECTION 11: OWNER CONTROL

The Owner reserves the right, (but shall not be obligated to the Operator), to maintain and keep in repair the landing area of the airport and publicly owned facilities of the airport, together with the right to direct and control all activities of the Operator in this regard.

The Owner reserves the right to take any action it considers necessary to protect the aerial approaches of the Airport against obstruction, together with the right to prevent the Operator from erecting or permitting to be erected, any building or other structure on the Airport, which in the opinion of the Owner, would limit the usefulness of the Airport or constitute a hazard to aircraft.

The Operator shall not act as an agent or represent itself as an agent for the City of Ames in matters between the FAA and the City of Ames except those regulations that apply to the Operator's flight operations activities. The Owner does not have authority to direct the work of the Operator's employees. The Operator is an independent contractor.

SECTION 12: OWNER IMPROVEMENTS

The Owner reserves the right to develop further or improve the landing area and all publicly owned aviation facilities of the Airport as it sees fit, regardless of the desires or views of the Operator and without interference or hindrance. However, if the Ames Airport in its entirety is closed, or all runways at the Airport are closed, for thirty days or more, there shall be no payments due from the Operator, for a period beginning on the said thirtieth day until runways are open again.

SECTION 13: NATIONAL EMERGENCY

During the time of war or national emergency, the Owner shall have the right to enter into an agreement with the United States government for military use of part or all of the landing area, the publicly owned air navigation facilities and other areas or facilities of the airport. If any such agreement is executed, the provisions of this instrument insofar as they are inconsistent with the provisions of the agreement with the government shall be suspended. Any fees associated with such suspension shall also be suspended during the period of the above-described inconsistency.

SECTION 14: RELATIONSHIP TO UNITED STATES GOVERNMENT

This Agreement shall be subordinate to the provisions of any outstanding agreement between the Owner and the United States relative to the maintenance, operation, or development of the Airport.

SECTION 15: NON-DISCRIMINATION

The Operator will not, on the grounds of race, creed, color, sex, national origin, religion, ancestry, disability, sexual orientation or gender identity, or any category or classification protected by Local, State, or federal law discriminate or permit discrimination against any person or group of persons in any manner prohibited by Part 21 of the Regulations of the Office of the Secretary of Transportation. The Owner reserves the right to take such action as the United States government may direct to enforce this covenant.

SECTION 16: ADVERTISING

The Operator agrees that no signs or advertising material shall be placed or erected upon the premises made available to the Operator in Section 3 without the prior consent of the Owner. All signs and advertising material shall be well maintained and in a readable condition. Any such sign or advertising material that is determined by the Owner not to be in conformance with the City of Ames advertising sign requirements shall be removed upon receipt of written notice.

SECTION 17: FACILITY CONDITION AND MAINTENANCE

The Operator accepts the premises and the buildings thereon in their present condition and will maintain the standards of professional aviation facilities. The Operator shall be required to ensure that all areas are maintained to those highest standards daily. The Operator agrees to perform minor daily maintenance and repair at its own expense. Minor daily maintenance and repair shall be defined as any activity necessary to continue the day to day operation such as normal cleaning and sanitizing, trash removal, minor repairs of light and electrical fixtures, plumbing fixtures, replacement of broken or defective parts, and general building cleanliness. The Operator shall furnish and direct all labor necessary to perform the required minor daily maintenance and repair. The Operator shall maintain supplies and cleaning of public restrooms and areas. The Operator shall inspect the Airport property daily, including property not made available under Section 3 of this Agreement, for any safety problems and report such problems to the Owner for repairs. The Operator shall provide temporary help to service any unusual Airport problem or Airport use or user when necessary. The Operator at all times shall take such action, as may be reasonably necessary and proper to safeguard persons and property at the Airport.

The Owner may perform all major maintenance on Owner owned facilities and equipment. Major maintenance shall be defined, as any repair or maintenance required to correct a catastrophic failure or prevent a catastrophic failure from occurring.

The Operator shall keep the premises and buildings in the same condition and repair as at the commencement of this agreement or better, excepting only normal wear and tear. Painting and carpet repair on all the premises will be the responsibility of the Operator. The Operator shall furnish and maintain appropriate fire extinguishers in all buildings, including tee hangars. The Operator shall keep the premises and buildings free of trash and debris, in and around all buildings, meet all ordinances of the City of Ames, which in any way may affect the premises, and keep the sidewalks adjacent to the property free and clear of ice and snow.

Upon termination of this Agreement, the Operator shall yield up the premises and buildings to the Owner in the same condition as at the commencement of this Agreement, except only normal wear and tear and injury due to loss or fire not caused by negligence on the part of the Operator and except as specifically provided herein. The Operator will aid in the coordination of contracted maintenance activities to ensure the safety of air traffic activities and issue appropriate NOTAMS as necessary.

SECTION 18: USE OF ITINERANT HANGAR

The primary purpose of the Itinerant Hangar reflected on Exhibit A is to house non-based aircraft at the Ames Municipal Airport on a temporary basis. In return for the annual fee to the Owner specified in Section 3, the Operator is allowed to establish and retain fees for the use of this facility.

SECTION 19: INSPECTIONS

The Owner reserves the right to enter upon all the premises granted to the Operator under Section 3 at any reasonable time for the purpose of making any inspection it may deem expedient.

SECTION 20: EXPIRATION OR TERMINATION

If the Owner believes that the Operator fails to provide adequate staffing as per this contract, fails to provide and implement an acceptable promotional plan, or fails to develop a fair and positive customer service atmosphere for the Airport users and the community, the Owner agrees to give written notice of such to the Operator. The Operator will then have 30 days to rectify the problem. If after 30 days, the problem has not been rectified to the satisfaction of the Owner, the Owner may terminate this Agreement upon giving the Operator 30 days written notice. At the expiration or termination of this Agreement, the Operator agrees to give peaceful possession of the premises in as good a condition as exists at the commencement of this Agreement, ordinary wear and tear excepted.

SECTION 21: DEFAULT

If there be any default in the payment in accordance with Sections 3 or 4 at the time as above stated, or if Operator shall break any of the covenants and agreements herein contained, or shall willfully or maliciously do injury to the premises or shall file a petition in bankruptcy or have an involuntary petition in bankruptcy filed against it or seek any other relief from creditors through a court of bankruptcy or make an assignment for the benefit of creditors, the Owner or its legal representatives shall have the right at any time thereafter, without notice, to declare this Agreement terminated and may then re-enter the premises and expel the Operator using such force as may be necessary, without prejudice to any remedies which the Owner may have to arrears for payment; and, it is agreed that upon the occurrence of any default by the Operator under this Agreement, the Owner shall have the right to distrain for fees due under Sections 3 and 4 and shall have a valid and first lien upon all shop equipment located upon the premises as security for the payment of such fees and other obligations herein provided for. The Operator agrees that after any default, it will not remove from the premises any of its equipment, books of account, or fixtures until the accounts of the Owner and the Operator under this agreement have been finally and

completely settled, and agrees not to remove any stock after any default by it herein until such accounts have been settled. In addition, the Owner agrees to buy any fuel remaining in the Owner's fuel depot at the actual cost from the Operator; minus any pre-paid hangar rents.

SECTION 22: OPERATOR'S PROPERTY

The Operator shall have the right to remove from the premises all machinery, apparatus, and equipment installed therein whether or not such machinery, apparatus, and equipment be attached to the real estate, excepting that such right of removal shall not apply to any machinery, apparatus, or equipment paid for in whole or in part by the Owner and provided that all such machinery, apparatus, and equipment shall be removed at the date of the termination of this Agreement and provided further that the Operator shall restore and repair any damage to the Premises caused by the removal of such machinery, apparatus, and equipment.

SECTION 23: CASUALTY LOSS

In the event any or all the premises are totally destroyed by fire or other casualties, the Owner may at its option terminate this agreement or it may rebuild the building situated on the premises, and in such case the payment from the Operator shall be abated proportionately between the time of destruction and the repair or rebuilding thereof; provided, that in the events aforesaid, the options allowed to the Owner shall be exercised within thirty (30) days after the event giving rise thereto.

SECTION 24: OFFICIAL NOTICES

Notice to the Owner as herein provided shall be sufficient if sent by certified mail, postage prepaid, to the City Manager of the City of Ames, Iowa, and notice to the Operator, in the same manner, shall likewise be sufficient if addressed to the Operator at Ames, Iowa, or such other address as may be designated by the Operator from time to time. The Operator shall give Owner notice when:

- A. There is any abandonment or expected abandonment on any of the buildings or premises granted in Section 3.
- B. When there is or is expected any breakdown in services or reduction or increase of services.
- C. When there is a change in the use of the premises or a planned or anticipated change in the use of premises.

- D. When any condition exists that may lead to major maintenance and repair of Owner owned facilities and equipment.
- E. Any event in which the Airport may be subjected to a major loss, accident, investigation, or need of representation by an Owner official.

SECTION 25: AFFIRMATIVE ACTION PROGRAM

The Operator assures that it will undertake an affirmative action program as required by 14 CFR§ 152.407 et seq. , to ensure that no persons shall on the grounds of race, creed, color, national origin, sex, or other category protected by State or federal law be excluded from participating in any employment activities covered in the applicable regulations. The Operator assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart. The Operator assures that it will require that its covered sub-organizations provide assurances to the Operator that they similarly will under affirmative action programs and that they will require assurances from their sub-organizations as required by the applicable regulations, to the same effect.

SECTION 26: EQUIPMENT AND APPURTENANCES

The Owner shall own and maintain certain items of equipment necessary for the economic pursuit of maintenance programs and as needed to provide basic aeronautical services to the traveling public. These items of equipment and appurtenances include, but are not limited to, the automatic weather observation station, the UNICOM radio, non-directional beacon, pumps for dispensing aeronautical fuel and associated underground fuel storage tanks, and motorized equipment necessary to implement the maintenance programs at the Owner's discretion. Vehicles or equipment shall not be parked on aircraft apron areas without permission of the Owner.

SECTION 27: EMPLOYEE USES

The Operator shall establish whatever employee lounge or lunchroom it deems necessary at its own expense in a space that is separate and distinct from the public spaces of the Airport terminal building.

SECTION 28: CITY REPRESENTATIVE

Administration of the Ames Municipal Airport, and enforcement of the rules and policies of the City of Ames with respect to the Ames Municipal Airport, shall be the task of a designee of the Ames City Manager, and not the function of the Operator, except as specified by contract or the Council adopted Airport Operation Standards. The Operator hereby

acknowledges and agrees to accept the authority of the City Manager and the City Manager's designees on any and all matters at the Airport.

SECTION 29: INDEMNITY

To the fullest extent permitted by law, Operator shall indemnify and hold harmless the Owner, its elected and appointed officials, employees, and agents from and against all claims, damages, losses, and expenses, including but not limited to, attorney fees whether incurred prior to or during litigation, administrative hearings, arbitration, or bankruptcy, including trial and appellate levels, arising out or resulting from the performance of the services, responsibilities, or duties required by this Agreement, provided that any such claim, damage, loss, or expenses is caused in whole or in part by a negligent act or omission of the Operator, any subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, regardless of whether or not it is caused in part by an Owner.

SECTION 30: FAA GRANT REQUIRED PROVISIONS

Operator agrees as follows:

- A. Furnish services under this Agreement on a reasonable, and not unjustly discriminatory, basis to all users
- B. Charge reasonable, and not unjustly discriminatory, prices for each unit or service, provided that the Operator may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.
 1. Each fixed-based operator at the Airport shall be subject to the same rates, fees, rentals, and other charges as are uniformly applicable to all other fixed-based operators making the same or similar uses of the Airport and utilizing the same or similar facilities.
 2. Each air carrier using the Airport shall have the right to service itself or to use any fixed-based operator that is authorized or permitted by the Airport to serve any air carrier at the Airport.
 3. Each air carrier using the Airport (whether as a tenant, non-tenant, or subtenant or another air carrier tenant) shall be subject to such nondiscriminatory and substantially comparable rules, regulations, conditions, rates fees, rentals, and other charges with respect to facilities directly and substantially related to providing air transportation as are applicable to all such air carriers which make similar use of the Airport and utilize similar facilities, subject to reasonable classifications such as tenants or non-tenants and

signatory carriers and non-signatory carriers. Classification or status as tenant or signatory shall not be unreasonably withheld by the Operator provided an air carrier assumes obligations substantially similar to those already imposed on air carriers in such classification or status.

4. It will not exercise or grant any right or privilege which operates to prevent any person, firm, or corporation operating aircraft on the Airport 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 Owner itself exercises any of the rights and privileges referred to in this Section, the services involved will be provided under the same conditions as would apply to the furnishing of such services by commercial aeronautical service providers authorized by the Owner or Operator under these provisions.
6. The Owner may establish such reasonable and not unjustly discriminatory conditions to be met by all users of the Airport as may be necessary for the safe and efficient operation of the Airport.
7. The Owner may prohibit or limit any given type, kind or class of aeronautical use of the Airport if such action is necessary for the safe operation of the Airport or necessary to serve the civil aviation needs of the public.

SECTION 31: ENVIRONMENTAL MATTERS

The Operator is responsible for not only its activities on Airport property, but also the activities of its employees, contractors, and agents for any activities conducted at the Airport. The Operator will comply with all applicable federal, state, or local environmental laws and regulations as regards the Airport. The Operator will hold the Owner harmless and indemnify the Owner for any violations of environmental rules and regulations by the Operator, its contractors, agents, or employees.

SECTION 32: WAIVER OF VISUAL ARTISTS RIGHTS

The Operator shall not install any object in or on the Airport or commence construction of any improvement that constitutes a work of visual art under the Visual Artists Rights Act of 1990 and any corresponding provisions of State or local law now in effect or hereafter enacted ("VARA"), unless a written waiver is provided from the author of a work of visual art, in form and substance reasonably satisfactory to the Owner that identifies specifically the work of visual art and the uses of that work to which the waiver applies in accordance with 17 U.S.C. § 106A(e)(1) and any similar applicable provision of state and local law.

SECTION 33: CONTRACT INTERPRETATION

- A. This Agreement and all claims or disputes arising out of or relating to it are governed by the laws of the State of Iowa, and any action, claim, or proceeding arising out of or relating to this Agreement must be brought only in Story County, Iowa. Each party hereby waives any objection, including any objection based upon improper venue or forum non conveniens, that it may have, now or in the future, to the bringing of any action, claim, or proceeding in Story County, Iowa.
- B. Owner and Operator hereby irrevocably and unconditionally waive all right to trial by jury in any action, proceeding or counterclaim arising out of or relating to this Agreement.
- C. No failure by either party to insist upon the strict performance of any provision of this Agreement or to exercise any right or remedy consequent upon a breach, and no acceptance of full or partial compensation or other performance by either party during the continuance of any breach, will constitute a waiver of a breach of any provision.
- D. If any provision of this Agreement or its application, is held to be unenforceable, the remainder of this Agreement and the application of its remaining provisions will not be affected, unless this Agreement without the enforceable provisions fails in its essential purpose.
- E. This Agreement, together with all exhibits and attachments, constitutes the entire agreement between the parties, and all prior representations, promises or statements, verbal or written, are merged into this Agreement. This Agreement supersedes and cancels any and all previous agreements and understandings on its subject matter between Operator and Owner.
- F. Nothing in this Agreement is intended to create or establish the relationship of copartners between the Parties or to constitute Operator is an agent or representative of the Owner for any purpose or in any manner whatsoever, other than as provided in Section 12. The Operator is an independent contractor to the Owner.
- G. If any provision of this Agreement conflicts with any grant, bond resolution, or security documents executed in connection with such bond resolution, then the terms of the grant, bond resolution, or security documents govern.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on this _____ day of June 2022.

CHARLES CITY AERONAUTICS, INC.
d/b/a Central Iowa Air Service

By _____

STATE OF IOWA, COUNTY OF STORY, SS.: This instrument was acknowledged before me on June _____, 2022, by _____ (*insert name*), as _____ (*insert title*), of Charles City Aeronautics, Inc.

NOTARY PUBLIC

CITY OF AMES, IOWA

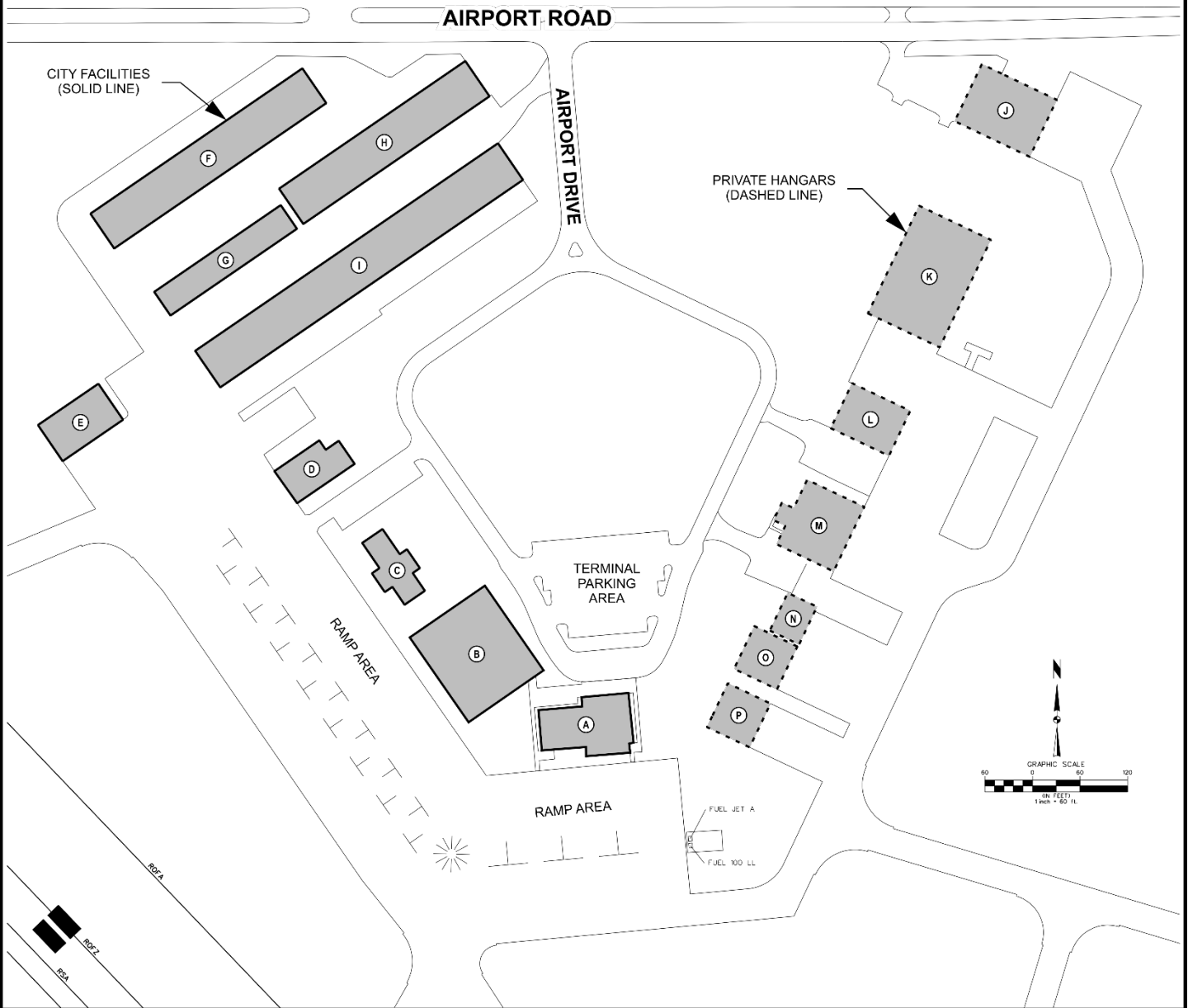
By _____
John A. Haila

Attest _____
Diane R. Voss, City Clerk

STATE OF IOWA, COUNTY OF STORY, SS.: This instrument was acknowledged before me on June _____, 2022, by John A. Haila and Diane R. Voss, as Mayor and City Clerk, respectively of the City of Ames, Iowa.

NOTARY PUBLIC

EXHIBIT A: AMES TERMINAL AREA BUILDING LAYOUT

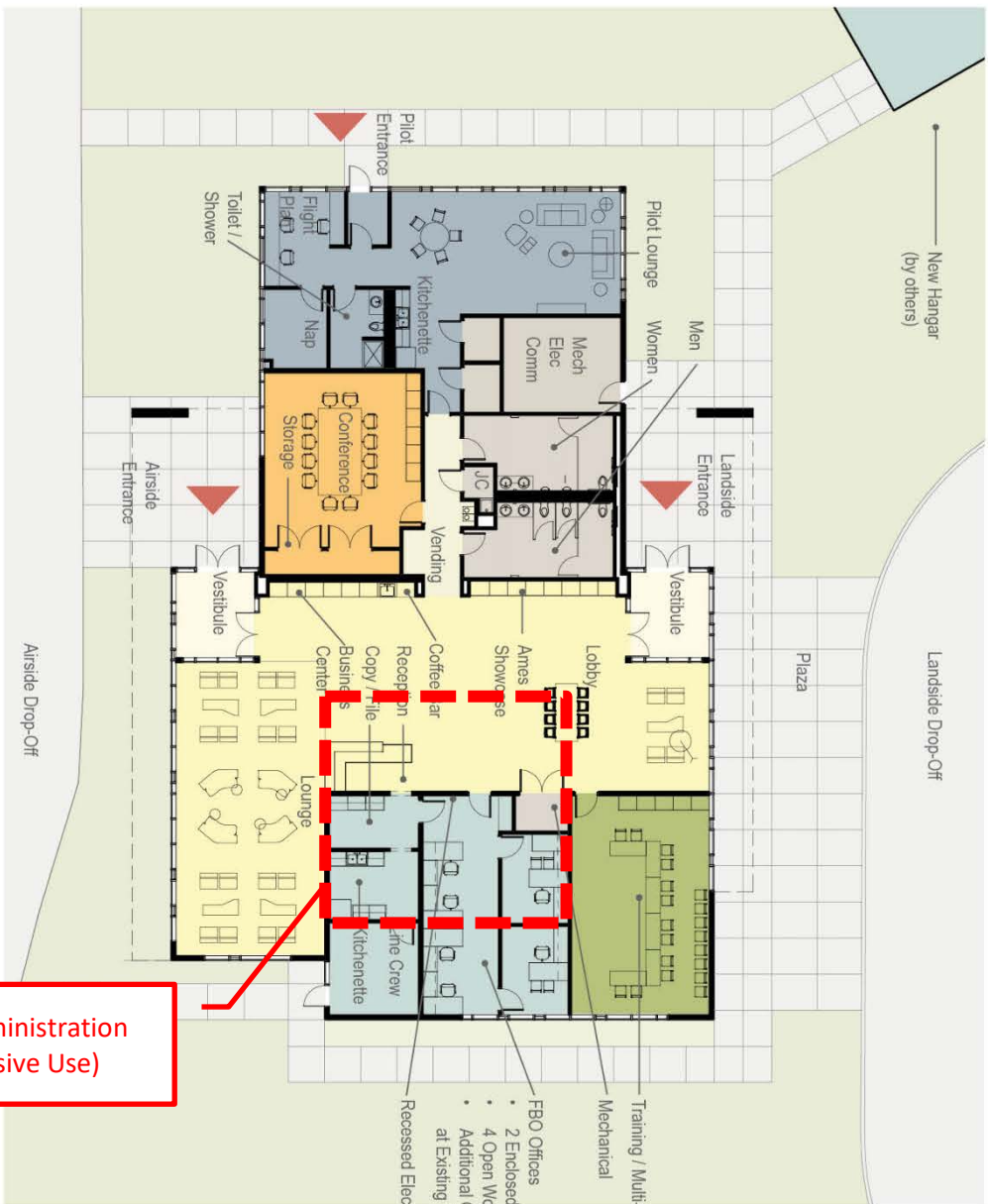


BUILDING IDENTIFICATION

ID	DESCRIPTION	ID	DESCRIPTION
A	TERMINAL BUILDING	J	PRIVATE LAND LEASE HANGAR
B	ITINERANT HANGAR	K	ISU HANGAR #1
C	OFFICE/MISC SPACE (OLD TERMINAL)	L	ISU HANGAR #2
D	RAMP SERVICE BUILDING	M	PRIVATE LAND LEASE HANGAR
E	MAINTENANCE BUILDING	N	PRIVATE LAND LEASE HANGAR
F	14 BAY TEE HANGAR	O	PRIVATE LAND LEASE HANGAR
G	6 BAY TEE HANGAR	P	PRIVATE LAND LEASE HANGAR
H	12 BAY TEE HANGAR		
I	20 BAY TEE HANGAR		

EXHIBIT B: FBO ADMINISTRATION SPACES (EXCLUSIVE USE)

Terminal Building - Plan
 0' 4' 8' 16'
 N



**FBO Administration
(Exclusive Use)**

- 2 Enclosed Offices
- 4 Open Work Desks
- Additional Office Space at Existing Terminal
- Recessed Electrical Panel

Plan Key of Program Categories

Public	Conference / Meeting	Training / Multi-Purpose	Administration / Building Operation	Pilot Area	Leasable Office Space	Mechanical / Restroom / Utility / Storage
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Square Footages

Passenger Lobby / Lounge	2,224 sf
FBO Offices	555 sf
Training / Multi-Purpose	580 sf
Reception / Copy-File / Kitchenette / Line Crew	445 sf
Restrooms / Janitor	423 sf
Storage	63 sf
Vending	18 sf
Cafe	23 sf
Pilot Area	1,034 sf
Conference	517 sf
Business Center	17 sf
Mechanical / Electrical / Communications	315 sf
Circulation / Vestibules	423 sf
Total Building SF	6,601 sf

Design Development
 Ames Municipal Airport New Executive Terminal

Comm. No. 2015090 20 November 2015

BOLTON & MENK, INC. ALLIANCE