

Lake in the Hills Airport

Minimum Standards

VILLAGE OF LAKE IN THE HILLS



October 25, 2007
Revised, December 13, 2007
Revised, December 11, 2008
Revised December 10, 2009

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CHAPTER ONE

INTRODUCTION and DEFINITIONS

The Lake in the Hills Airport is owned by the Village of Lake in the Hills and operated as a public airport for the use and convenience of transient and local tenant Aircraft as well as business and commercial tenants. The Lake in the Hills Airport is operated so as to:

- promote the health, safety and welfare of the users of Lake in the Hills Airport,
- assure that a high level of quality and service is maintained by any Person offering or desiring to offer aeronautical services at the Airport,
- provide a basis for determining that all operators and potential operators are treated in a fair and nondiscriminatory manner, and
- publish and make known the minimum requirements and rules and regulations that must be satisfied by anyone desiring to conduct aeronautical activity at the Airport.

1.1.DEFINITIONS

- A. Aeronautical Activity - Any activity that involves, makes possible or is required for the operation of Aircraft or that contributes to or is required for the safety of such operations.
- B. Aircraft - Any device used or designed to carry humans in flight as specified by the Illinois Department of Transportation (IDOT) rules, including but not limited to, all devices required to be licensed by the Federal Aviation Administration (FAA) on the effective date of the amendatory Act of 1995.
- C. Aircraft Operator - Any Person responsible for or in control of any Aircraft on, or in the vicinity of the Airport for any purpose whatsoever.
- D. Airport - Airport shall mean all land owned by the Village of Lake in the Hills and designated by the Village for use as a navigational facility known as Lake in the Hills Airport, the facilities and boundaries of which may be modified from time to time.
- E. Airport Manager – The Village employee (or the employee’s supervisor) who is responsible for the general management of the Airport.
- F. Airport Owner - The Village of Lake in the Hills.

- G. Applicant - Any Person desiring to render or engage in Aeronautical Activity at the Airport, and who has applied for permission to do so.
- H. Business - All operations of any kind for which a charge is made. Storage of Aircraft by the owners or lessees of such Aircraft shall not be deemed a Business unless the owner or lessee engages in use of the Aircraft which in any way results in payments to the owner or lessee of fees or other charges in connection with the use.
- I. Charter Flights – Flights on an Aircraft, other than regularly scheduled airline service, in which cargo and/or passengers are transported for hire.
- J. Commercial Activity - Any and all activity, including commercial aviation activity, conducted at or from the Airport by any Person in which any product is sold or exchanged or any service is provided for users of the Airport and its facilities for monetary gain or exchange of goods or services.
- K. Commercial Aviation Activity –Any and all activity, including that not engaged in for profit, conducted at or from the Airport by any Person in furtherance of commercial aviation, including, but not limited to, the operation of a Fixed Based Operation, maintenance, repair, or servicing of Aircraft or the component parts of Aircraft, Aircraft sales, Aircraft parts or equipment sales, the provision of scheduled or non-scheduled air carrier passenger, charter flights, freight, express package, courier or mail service, student flight instruction, communications, aerial photography and mapping, or any other commercial flight operation.
- L. Commercial Operator Agreement – A written instrument under which the Village grants to a Person or entity authority to engage in Commercial Activity at the Airport.
- M. Commercial Operator - Any Person engaged in Commercial Activity at the Airport pursuant to a Commercial Operator Agreement.
- N. Flying-Club - A not-for-profit club organized and/or operating for the purposes of providing flight instruction for its members only and/or providing Aircraft for use by its members only.
- O. Lease - A written agreement with the Village (as Landlord) and a Person or entity (as Tenant) for the rental, use or occupancy of space at the Airport or its facilities.
- P. Person - An individual, firm partnership, corporation, association, company or other entity (including any assignee, receiver, trustee or similar representative thereof), or the United States of America or any foreign government or any state or political subdivision thereof.

- Q. Tenant - A person or entity having a written lease, storage agreement, or commercial operating agreement with the Village for the use or occupancy of any portion of the Airport, or their subleases.
- R. Village - The Village of Lake in the Hills, Illinois, a municipal corporation, and persons authorized by the Village to take any actions described in these regulations.

CHAPTER TWO

GENERAL PROVISIONS

2.1.SCOPE

All Persons engaged in a commercial activity shall be governed by these Minimum Standards while on or occupying any area comprising the Airport, and shall comply with the orders and instructions of the Airport Manager, as they are promulgated from time to time, relative to the commercial use and occupancy of the Airport premises and Airport facilities.

2.2.GENERAL AIRPORT OPERATION

The Airport is owned by the Village and operated by the Airport Manager and persons under his/her supervision. The Village sets all general Airport policy; the Airport Manager implements the general Airport policies set by the Village.

2.3.VIOLATIONS OF MINIMUM STANDARDS

The Airport Manager shall investigate all alleged violations of these Minimum Standards or the terms of any Commercial Operator Agreement. The Airport Manager will provide written notice to the violator and will give the violator such time as may be reasonable under the circumstances to cure any violation in accordance with the applicable provisions of these Minimum Standards or any applicable agreement. If the violator fails to comply with the notice of violation, the Village may pursue any penalty or remedy available to the Village at law or in equity.

Any Person who knowingly or willfully violates these Minimum Standards, any rule or regulation then in effect by the Federal Aviation Administration ("FAA") or the Illinois Department of Transportation, Division of Aeronautics, or any orders or instructions of the Airport Manager or Village may be removed, evicted, or denied further use of the Airport.

The Village may waive or modify any provision contained in these Minimum Standards.

Nothing in this section shall operate as a prohibition to the Village acting in an expedient manner to address immediate safety issues involving imminent injury to persons or property.

2.4.PENALTIES FOR VIOLATIONS OF MINIMUM STANDARDS

The violation of, or failure to comply with, any provision of these Minimum Standards, or of any other Village rule or regulation shall constitute an offense against the Village. Any Person who violates, or aids, or abets in a violation of any of these Rules and Regulations or other Village rule or regulation shall, upon conviction, be subject to a fine, of not less than \$75.00 nor more than \$750.00 for each such offense. Each calendar day upon which any such violation occurs or continues shall constitute a separate offense.

The penalties provided in this paragraph shall be deemed to be cumulative and not a substitution of any other specific penalties as may be otherwise provided for herein or in any other ordinance rule or regulation of the Village as now or as may be hereafter enacted or adopted, or amended or modified.

2.5.NO PRIVATE RIGHT OF ACTION

Nothing in these Minimum Standards shall be deemed to have created any private right of action or enforcement obligation.

2.6.STATE AND FEDERAL LAW

State and Federal law prohibits the granting of exclusive rights to conduct Aeronautical Activity at public airports. All Aeronautical Activities at the Airport shall be conducted in a fair and equitable manner. Fair competition at the Airport shall be promoted while safeguarding the public interest. These Minimum Standards shall be applied objectively and uniformly. The Village may, however, limit Commercial Activity if there are compelling reasons to do so, as defined in the FAA Compliance Handbook, Order 5100.6A and its successors, even if an applicant has complied with these Minimum Standards. Any legal action brought in regards to these Minimum Standards shall be brought in accordance with Illinois law.

2.7.ALLOCATION OF AIRPORT SPACE

The Airport Manager shall have the authority to identify and control which areas of the Airport will be used for Aeronautical Activity available to the public generally and Aeronautical Activity available only to specific Person(s).

2.8.OTHER LAWS

If any provision herein conflicts with any other Federal or State law, statute, rule or regulation, the more restrictive provision shall control, unless State or Federal law provides otherwise.

2.9 AIRPORT MANAGER-CONFLICT OF INTEREST

The Airport Manager, and members of his/her immediate family, are specifically prohibited from being employed by or engaging, directly or indirectly, in whole or in part, in any Commercial Aviation Activity at the Airport.

CHAPTER THREE
COMMERCIAL ACTIVITY

3.1 COMMERCIAL ACTIVITY APPLICATION SUBMISSION REQUIREMENTS

- A. In order to become a Commercial Operator, a Person must submit to the Airport Manager a written Commercial Operator Agreement, payment of the first month's Commercial Activity Fees, and all other specified documentation reasonably requested.
- B. All requests by the Person for waivers of any of the requirements contained in these Rules and Regulations shall be in writing.
- C. The Village and the Airport Manager may request additional information or submissions.

3.2.PROCESS

- A. The Airport Manager shall review the Commercial Operator Agreement. The Airport Manager shall forward the agreement and any written comments to the Village Board for approval.
- B. The Village Board may approve, modify or reject the Commercial Operator Agreement. The Village Board may also impose additional conditions on applicant.
- C. The Airport Manager will notify the Applicant of the Village Board's decision on the Commercial Operator Agreement within 30 days of the decision. The Village Board's decision is final. The applicant shall not operate on the Airport prior to receiving the approval from the Village Board.

3.3.NON-WAIVER OF FAA RATINGS AND CERTIFICATES REQUIREMENT

A Person shall have all necessary FAA certificates and ratings and any other required authorizations, and, at all times shall maintain such certificates, ratings and authorizations while operating at the Airport. This provision shall not be waived or otherwise modified.

3.4.AUTHORIZED ACTIVITIES

A Commercial Operator may engage only in the Commercial Activity(ies) authorized by its Commercial Operator Agreement. In the event that a Commercial Operator ceases to engage actively in one or more of its authorized activities for more than a 90 day period, its authority shall cease and it must re-apply before operating again.

3.5.ENVIRONMENTAL REQUIREMENTS

A Person engaging in Commercial Activity at the Airport shall fully comply with all local, state and federal regulations for storm water management, the storage and disposal of contaminants and other toxic materials, and shall submit to the Airport Manager and maintain a best management plan for all Commercial Activity to be conducted. A Person engaging in Commercial Activity at the Airport shall demonstrate such compliance (or exemption there from) to the satisfaction of the Village, and shall indemnify the Village for any fees and expenses which it incurs as a result of the Person's demonstration of compliance or exemption with, or failure to comply with, all such local, state and federal regulations.

3.6.COMMERCIAL OPERATOR AGREEMEENT REQUIRED

No Person may engage in Commercial Activity without a written Commercial Operator Agreement with the Village. All Commercial Operator Agreements shall be in the form contained in Appendix B hereto, unless otherwise approved by the Village.

3.7.FEES

Fees may be imposed by the Village on all Airport Activities. All Commercial Operator fees shall be paid in accordance with Appendix A.

3.8.TIME LIMITATIONS UPON AGREEMENTS

A Commercial Operator Agreement shall be for an initial term of three (3) years, unless otherwise approved by the Village.

3.9.OCCUPANCY AND USE OF AIRPORT PROPERTY

A Commercial Operator's occupancy or use of any Airport property, including building, tie down or hangar space shall conform to all applicable Airport, local, state, federal rules and regulations including, but not limited to, building and fire codes, EPA regulations and storm water discharge permit restrictions.

3.10. INSURANCE

Commercial Operators shall obtain and maintain continuously in effect at all times, and at the Operator's sole expense, insurance issued by an insurance company licensed to do business in the State of Illinois for the following types and limits:

A. Aircraft Liability (including passengers)

1. Piston: \$1,000,000 Combined Single Limit, \$100,000 Passenger Bodily Injury, Per Occurrence

2. Turboprop: \$3,000,000 Combined Single Limit, Per Occurrence

3. Turbojet: \$5,000,000 Combined Single Limit, Per Occurrence

B. General Liability

1. Premises: \$1,000,000 Combined Single Limit Per Occurrence

2. Products/Completed Operations: \$1,000,000 Combined Single Limit Per Occurrence

C. Hangar Keepers Liability:

1. Required when Hangar Owner/Lessee has in their care, custody, and control, aircraft belonging to another individual or entity.

2. Piston: \$500,000 Per Aircraft, \$1,000,000 Per Occurrence

3. Turboprop: \$1,000,000 Per Aircraft, \$2,000,000 Per Occurrence

4. Turbojet \$3,000,000 Per Aircraft, \$5,000,000 Per Occurrence

D. Workers Compensation:

1. Part 1: As required by State Statute

2. Part 2, Employers Liability:

- i. \$500,000 Per Accident
- ii. \$500,000 Per Employee
- iii. \$500,000 Policy Limit

E. Commercial Operators Operating an Aircraft Fuel Dispensing Service:

A Commercial Operator operating an Aircraft fuel dispensing service is required to carry the following types of insurance in the limits specified, in addition to the Minimum Insurance Requirements:

- 1. Pollution Liability coverage to the extent reasonably available with a minimum limit of One Million Dollars (\$1,000,000) per occurrence and in the aggregate;
- 2. General Commercial liability and products liability with minimum limits of Five Million Dollars (\$5,000,000) per occurrence and in the aggregate.

F. Additional Insured.

All policies of insurance required herein, except for workers' compensation and employer's liability coverage, shall contain a cross liability endorsement and a severability of interest provision, and shall be expressly endorsed to name each of the following as a Co-Insured for any liability arising out of the Commercial Operator's or any of its subcontractor's operations at the Airport: the Village of Lake in the Hills and its Board of Trustees, officers, appointees, employees, servants, agents, and/or representatives.

Each endorsement and subrogation waiver shall be evidenced by a Certificate of Insurance. No deductible amount in excess of five thousand dollars (\$5,000.00) or self-insurance shall be used to satisfy the Commercial Operator's minimum insurance requirements hereunder without the prior written approval of the Village.

G. Cancellation and Form

Each policy of insurance required herein shall contain a provision that it may not be canceled before expiration of its term except upon sixty (60) days written notice to the Village and shall be issued by an insurance company licensed to do business in the State of Illinois. The Commercial Operator shall provide a copy of all policies of insurance the Commercial Operator is required to procure and maintain under the requirements herein to the Airport Manager.

H. Changes and Additional Rights.

- i. The limits set forth herein shall be increased at the Commercial Operator's expense, if additional amounts are required by any federal or state regulations or by the Village. If a Commercial Operator shall at any time fail to furnish, maintain or renew any of the insurance required herein, or shall fail to furnish certificate(s) of insurance and Additional Insured Endorsement(s) evidencing the insurance coverage required herein, the Village shall have the right, but not the obligation, to obtain such insurance coverage, and all amounts so paid by the Village shall constitute an obligation on the part of the Commercial Operator becoming immediately due and payable. The Village's rights in this paragraph are in addition to any other remedies it may have.

All certificates of coverage displaying requirements (ie. additional insured's, waiver of subrogation, notice of cancellation) shall be issued directly from the insurance carrier.

CHAPTER FOUR

MINIMUM STANDARDS FOR SPECIFIC AERONAUTICAL ACTIVITIES

INDIVIDUAL COMMERCIAL OPERATIONS

- A. **Airframe and Power Plant Repair** A Commercial Operator desiring to engage in the repair and maintenance of Aircraft engines and accessories, including the sale of parts necessary therefore, shall meet the following minimum requirements:
- 1). Provide a minimum of one FAA certified airframe and power plant mechanic as required by the FAA, with ratings appropriate for the work to be performed.
 - 2). Provide adequate hangar space consisting of space for airframe and power plant repair, Aircraft, equipment and parts storage.
 - 3). Maintain Reasonable Hours of Operation.
 - 4). Comply with all applicable provisions in these Minimum Standards.
- B. **Avionics and Instrument Repair** A Commercial Operator desiring to engage in the repair and maintenance of Aircraft radios or instruments, including the sale of parts necessary therefore, shall meet the following minimum requirements:
- 1). Maintain all necessary FAA repair station certificates issued by the FAA for the type of equipment serviced.
 - 2). Provide at least one FAA certified repairman qualified in accordance with the terms of the repair station certificate.
 - 3). Provide adequate hangar space for repair and shop activities, Aircraft, equipment and parts storage.
 - 4). Maintain Reasonable Hours of Operation.
 - 5). Comply with all applicable provisions in these Minimum Standards.
- C. **Part 119/135 Air Taxi** A Commercial Operator desiring to engage in taxi service an FAA Air Taxi Commercial Operator Certificate, Part 119/135, with appropriate ratings shall meet the following minimum requirements:
- 1). Provide pilots as required by the FAA who are appropriately rated to conduct all air taxi services offered by the Commercial Operator.
 - 2). Provide all necessary Aircraft, meeting all the requirements of the Air Taxi Commercial certificate, including instrument operations capability under FAA Part 119/135. Commercial Operator shall own or have a written lease on all such Aircraft, and shall meet all the requirements of the Federal Air Regulations, including FAA Parts 119/135.
 - 3). Maintain Reasonable Hours of Operation and on call service after normal operating hours.
 - 4). Comply with all applicable provisions in these Minimum Standards.

- D. **Flight School or Other Flight Training** A Commercial Operator desiring to conduct flight school or flight training in accordance with FAA Part 61 or FAA Part 141 shall meet the following minimum requirements:
- 1). Provide necessary pilot with current certified flight instructor certificates with appropriate ratings.
 - 2). Provide proof of minimum office space to conduct ground school and training (Part 141 only).
 - 3). Provide necessary Aircraft, properly certificated and equipped for flight instruction. All such Aircraft shall be owned or leased (under a written lease) by the Commercial Operator.
 - 4). Maintain Reasonable Hours of Operation.
 - 5). Comply with all applicable provisions in these Minimum Standards.
- E. **Aircraft Rental/Aircraft Charter** A Commercial Operator desiring to engage in the rental of Aircraft to the public shall meet the following minimum requirements:
- 1). Provide Aircraft properly certificated and equipped for aircraft rental. All such Aircraft shall be owned or leased (under a written lease) by the Commercial Operator.
 - 2). Maintain Reasonable Hours of Operation.
 - 3). The Operator shall have in his employ and on duty during the appropriate business hours, a minimum of one person having a current FAA commercial pilot certificate with appropriate ratings.
 - 4). Comply with all applicable provisions in these Minimum Standards.
 - 5). Recommend to all student and renter pilots that they maintain student and renters' liability insurance of a minimum limit of One Million Dollars (\$1,000,000) for each accident. Each student/renter shall sign a rental agreement conspicuously stating that the flight training Operator has informed the student/renter of this recommended level of insurance.
- F. **Aircraft Sales and Leasing** A Commercial Operator desiring to engage in Aircraft sales and leasing shall meet the following minimum requirements:
- 1). Maintain, if Commercial Operator deals in new Aircraft, all factory or dealership licenses or permits required by the State of Illinois, and shall provide for high quality repair and servicing of Aircraft during warranty periods, in its facilities, or through written agreement with a repair shop specializing in the make or model of the Aircraft sold.
 - 2). Commercial Operator shall maintain sales office space on or near the airport with access to public restrooms.
 - 3). Maintain Reasonable Hours of Operation.
 - 4). Comply with all applicable provisions in these Minimum Standards.

- G. **Air Ambulance** A Commercial Operator desiring to conduct an air ambulance service only, excluding other FAA Part 135 services, shall meet the following minimum requirements:
- 1). Provide office personnel on duty full time during standard business hours and “On-Call” during other hours. Provide a physician, registered nurse or emergency medical technician on an “on call” basis, as may be required for individual cases.
 - 2). Maintain current licenses and permits required by federal, state or local governments for the provision of the proposed medical services. Copies of all required certificates, permits or licenses shall be submitted to the Airport Manager.
 - 3). Provide at least one Aircraft, specifically designed and equipped to transport medical patients for emergency flights, as well as normal treatment transportation. Such Aircraft shall be owned by or available pursuant to a written agreement, to the Commercial Operator. Provide for, by ownership or written agreement, backup Aircraft for use when Commercial Operator's Aircraft is not in use or out of service for any reason.
 - 4). Comply with all applicable provisions in these Minimum Standards.
- H. **Specialized Charter or Commercial Service Operations** A Commercial Operator desiring to engage in the Business of providing Aircraft and/or services for specialized aeronautical uses (such as fire fighting or patrol, banner towing, aerial advertising, aerial photography or surveying, power line or pipe line patrol or any other operations specifically excluded from part 135 of the FAA Regulations), but excluding scheduled service, shall meet the following minimum requirements:
- 1). Provide Aircraft suitably adapted and certificated for the specific use.
 - 2). Provide sufficient number of pilot(s) properly certificated and trained to perform the specific aeronautical service(s) offered.
 - 3). Maintain current all licenses, permits or certificates that are required in connection with the service offered and copies to provide the Airport Manager.
 - 4). Comply with all applicable provisions in these Minimum Standards.
- I. **Aerial Application** A Commercial Operator desiring to engage in aerial application operations shall meet the following minimum requirements:
- 1). Maintain a current Agricultural Aircraft Operator Certificate issued by the FAA under Part 137.
 - 2). Comply with the requirements of the federal, state and political subdivisions thereof.
 - 3). Provide sufficient pilot(s) holding current FAA Commercial Certificates, properly rated for the Aircraft to be used and meeting all the requirements of FAA Part 137 and applicable regulations. Provide additional personnel as necessary to assist in the loading and servicing of Aircraft.

- 4). Provide adequate hangar space for Aircraft used in aerial application operations and which is to be stored at the Airport;
- 5). Provide Aircraft specifically designed and equipped for aerial application and acceptable to FAA for operation under Part 137 Certificate and the applicable regulations of the state. Such Aircraft shall be owned or leased (under a written agreement) by the Commercial Operator, and shall be based on the Commercial Operator's leased property.
- 6). Subject to Airport Manager approval, construct a segregated chemical storage area, protected from public access, with a drainage system, paved area for Aircraft loading, washing, servicing and dumping facility, comprising 3,600 square feet for handling of liquid spray and mixing liquids, and adequate ground equipment for handling and loading of dusting materials. All facilities shall comply with all local, state and federal government controls and requirements.
- 7). Subject to Airport Manager approval, locate all facilities associated with the aerial application operation in a location which will provide the greatest protection to the public.
- 8). Comply with applicable provisions of these Minimum Standards.

J. **Sale of Fuel** A Commercial Operator desiring to engage in the sale of aviation fuel shall meet the following minimum requirements:

- 1). Provide storage facilities for aviation fuel which are approved by the Office of the State Fire Marshal ("OSFM") and any other applicable authorities;
- 2). Comply with any federal, state or local requirements applicable to the sale of fuel;
- 3). Provide for the dispensing of aviation fuel by methods accepted by the FAA, OSFM, and Illinois Department of Transportation;
- 4). During the hours of operation, provide at least one full-time employee (two employees during peak hours of operation) who has received proper training with regard to the operation of the fuel storage and dispensing facilities;
- 5). Maintain hours of operation, 7 days per week, excluding New Years Day, Easter Sunday, Memorial Day, July 4th, Labor Day, Thanksgiving Day, and Christmas Day;
- 6). Comply with all applicable provisions in these Regulations.

K. **Parachute Services** Due to safety considerations concerning the large amount of fixed wing and rotary wing operations, student training operations, lack of adequate landing zones on or adjacent to the Airport, and the proximity of Pyott Road to the Airport, parachute jumping and loading on Airport property is prohibited without the written permission of the Airport Manager.

L. **Aircraft Storage** Storage of more than one aircraft, not owned by the commercial operator, in exchange for monetary compensation, is a commercial activity and subject to monthly fees as stated in Appendix A.

CHAPTER FIVE

COMMERCIAL ACTIVITY FEES

5.1.FEE POLICY

- A. The Village shall set a schedule of fees for Commercial Activities at the Airport. The fee to be charged is set forth in Appendix A. The Village may, from time to time, charge and adjust fees for various Airport related activities conducted on the Airport on a nondiscriminatory basis.
- B. No Person shall engage in Commercial Activities of any type at the Airport unless the required fees have been paid to the Village.
- C. The fees required under this Chapter shall be made payable to the Village and shall be paid in person or by mail at the Village's office.

**APPENDIX A
COMMERCIAL ACTIVITY FEE SCHEDULE**

Persons desiring to conduct one or more of the Activities set forth below shall pay the listed fees for each activity category to be engaged in:

Category	Monthly Fee (unless noted)
Aircraft Charter / Air Taxi Service	\$93 per aircraft per month
Flight Instruction / Aircraft Rental / Flying Clubs	\$48 per aircraft per month
Flight Instructors	\$88 per year
Aircraft Maintenance	\$115 per Airframe, Power Plant, or Avionics and Instrument Repair Mechanic (first two) PLUS \$29 for each additional mechanic per month
Aircraft Sales	\$287 per month
Aircraft Storage	\$17 per aircraft per month

APPENDIX B

Model Commercial Operator Agreement

VILLAGE OF LAKE IN THE HILLS

LAKE IN THE HILLS AIRPORT
AGREEMENT AUTHORIZING SERVICES

THIS AGREEMENT is entered into as of the ____ day of _____ 20____, by and between the Village of Lake in the Hills, an Illinois municipal corporation (the “Village”) and _____ (the “Operator”);

Section 1. Term of Agreement. This Agreement shall be effective as of _____, 20____ and shall automatically terminate on _____, 20____, unless this agreement is terminated prior to that time under the provisions contained herein.

Section 2. Location of Operations. During the term of this Agreement, and by separate Lease, the Operator shall maintain the necessary office and operations space at the Lake in the Hills Airport (the “Airport”) in the location and facilities depicted on Exhibit A attached to and by this reference incorporated into this Agreement for the purpose of conducting the operations authorized herein, provided that during the term of this Agreement the Operator adheres to these Minimum Standards and the Village’s rules and regulations relating to Airport operations, as adopted by Village ordinance, and as may be amended from time to time with regard to its authorized activities.

Section 3. Permitted Activities.

(a) While this Agreement is in effect and the Operator is not in default, the Operator shall have the permission of the Village to engage in the following, but only the following, business activities at the Airport, as defined in the Minimum Standards.

(b) It is hereby specifically understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right to provide any aeronautical related services to the public as prohibited by Section 308(a) of the Federal Aviation Act of 1958, as amended, and the Village reserves the right to grant to others the privilege and right of conducting any one or all activities of an aeronautical or related nature.

Section 4. Village Services. The Village reserves the right, but shall not be obligated to the Operator, to maintain and keep in repair the landing area of the Airport and all publicly owned facilities of the Airport, or to provide for the same to be performed by third parties, together with the right to direct and control all activities of the Operator with regard to the public landing areas and ramp areas of the Airport and the maintenance thereof.

Section 5. Public Portions of Airport. The Operator shall have use and have access to all public portions of the Airport for taxi, landing, and takeoff of aircraft and shall have use of roads and public automobile parking lots in the same manner and to the same extent as any member of the public. In addition to the Operator's hangar space, the Operator shall have priority use of the ramp area adjacent to and in front of its hangar for staging and conducting its commercial activity. The priority use area shall be of a size reasonably agreed upon by the Operator and the Village's representative. The Operator shall have use of this priority area for the purposes of parking aircraft, loading aircraft, and preparing aircraft prior to takeoff, but not for overnight parking of aircraft. The Operator shall not conduct any operations on public portions of the Airport unless written authorization is granted for such use by the Village. The Village reserves the right to further develop or improve the landing area of the Airport as it deems necessary, regardless of the desires or view of the Operator and without interference or hindrance there from. The Village 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, other structure, or device on or adjacent to the Airport which, in the opinion of the Village, would limit the usefulness of the Airport or constitute a hazard to aircraft. In enforcing the foregoing rights, the Village further reserves the right to relocate the Operator's operations and facilities, at the sole cost of the Village.

Section 6. Payments to Village. On or before the tenth day of each month, the Operator shall pay to the Village fees for the right to conduct the permitted activities in accordance with the Commercial Activity Fees Schedule attached hereto as Exhibit B and by this reference incorporated into this Agreement. It is expressly understood and agreed to by the Operator that the above charges are not a tax separately payable by any customer of the Operator, and that the Operator is prohibited from designating or itemizing said charges, or any portion thereof, on any invoice or receipt for any customer.

Section 7. Delinquent Payments. Any payments required by this Agreement shall be considered delinquent 30 days after the date they are due and payable. A service charge of 5 percent per month from the date due and payable until paid shall be charged the Operator for such delinquencies. Any payments which are delinquent for more than 30 days shall constitute a default.

Section 8. Indemnity. The Operator shall keep and hold harmless the Village and its trustees, officers, employees, agents, and representatives from and against any and all claims, demands, suits, judgments, costs, and expenses asserted or claimed by any person or persons by reason of death or bodily injury to any person or persons, or loss or damage to any property, resulting in whole or in part from the business, activities or any operations of the Operator.

Section 9. Insurance. The Operator shall obtain and maintain continuously in effect at all times during this agreement, at the Operator's sole expense, insurance issued by an insurance company licensed to do business in the State of Illinois for the following types and limits:

Aircraft Liability (including passengers)

3. Piston: \$1,000,000 Combined Single Limit, \$100,000 Passenger Bodily Injury, Per Occurrence
4. Turboprop: \$3,000,000 Combined Single Limit, Per Occurrence
5. Turbojet: \$5,000,000 Combined Single Limit, Per Occurrence

General Liability

- Premises: \$1,000,000 Combined Single Limit Per Occurrence
- Products/Completed Operations: \$1,000,000 Combined Single Limit Per Occurrence

Hangar Keepers Liability:

- Required when Hangar Owner/Lessee has in their care, custody, and control, aircraft belonging to another individual or entity.
- Piston: \$500,000 Per Aircraft, \$1,000,000 Per Occurrence
- Turboprop: \$1,000,000 Per Aircraft, \$2,000,000 Per Occurrence
- Turbojet \$3,000,000 Per Aircraft, \$5,000,000 Per Occurrence

Workers Compensation:

- As required by State Statute
- Employers Liability:
 - \$500,000 Per Accident
 - \$500,000 Per Employee
 - \$500,000 Policy Limit

Commercial Operators Operating an Aircraft Fuel Dispensing Service:

A Commercial Operator operating an Aircraft fuel dispensing service is required to carry the following types of insurance in the limits specified, in addition to the Minimum Insurance Requirements:

- pollution liability coverage to the extent reasonably available with a minimum limit of One Million Dollars (\$1,000,000) per occurrence and in the aggregate;
- general commercial liability and products liability with minimum limits of Five Million Dollars (\$5,000,000) per occurrence and in the aggregate.

Additional Insured:

All policies of insurance required herein, except for workers' compensation and employer's liability coverage, shall contain a cross liability endorsement and a severability of interest provision, and shall be expressly endorsed to name each of the following as a Co-Insured for any liability arising out of the Commercial Operator's or any of its subcontractor's operations at the Airport: the Village of Lake in the Hills and its Board of Trustees, officers, appointees, employees, servants, agents, and/or representatives. Each endorsement and subrogation waiver shall be evidenced by a Certificate of Insurance. No deductible amount in excess of five thousand dollars (\$5,000.00) or self-insurance shall be used to satisfy the Commercial Operator's minimum insurance requirements hereunder without the prior written approval of the Village.

Cancellation and Form.

Each policy of insurance required herein shall contain a provision that it may not be canceled before expiration of its term except upon sixty (60) days written notice to the Village and shall be issued by an insurance company licensed to do business in the State of Illinois. The Commercial Operator shall provide a copy of all policies of insurance the Commercial Operator is required to procure and maintain under the requirements herein to the Airport Manager.

Changes and Additional Rights. The limits set forth herein shall be increased at the Commercial Operator's expense, if additional amounts are required by any federal or state regulations or by the Village. If a Commercial Operator shall at any time fail to furnish, maintain or renew any of the insurance required herein, or shall fail to furnish certificate(s) of insurance and Additional Insured Endorsement(s) evidencing the insurance coverage required herein, the Village shall have the right, but not the obligation, to obtain such insurance coverage, and

all amounts so paid by the Village shall constitute an obligation on the part of the Commercial Operator becoming immediately due and payable. The Village's rights in this paragraph are in addition to any other remedies it may have.

The failure of the Operator to comply with the insurance provisions of this section shall be considered default by the Operator and sufficient grounds to terminate this Agreement.

Section 10. Fees, Licenses, and Taxes. The Operator shall pay all fees, licenses, and taxes on personal property use in the operation of its business.

Section 11. Service Standards. The Operator agrees:

- (a) To furnish good, prompt, and efficient services adequate to meet all reasonable demands for goods and services of the kinds it renders at the Airport; and
- (b) To furnish goods and services on a fair, equal, and non-discriminatory basis to all users thereof; and
- (c) To charge fair, reasonable, and non-discriminatory prices for all goods and services provided by the Operator hereunder, provided that the Operator shall be allowed to give reasonable and non-discriminatory discounts, rebates, or similar types of price reductions; and
- (d) That the facilities of the Operator for the purpose of providing goods and services at the Airport shall remain open for such periods during each day and such days during each week as may be necessary to meet reasonable demands for such goods and services.

Section 12. Non-Exclusive Use. This Agreement shall in no way convey the exclusive use of any part of the Airport, except those portions exclusively leased to, or provided to, the Operator and as specifically allowed herein, and shall not be construed as providing any special privilege for any public portion of the Airport, with the exception of priority use of the adjacent ramp area as provided above. The Village reserves the right to lease to other parties any other portion of the Airport for any purpose deemed suitable for the Airport by the Village.

Section 13. Assignment. The Operator shall not assign any rights provided in this Agreement without the specific prior written consent of the Village. Any such unauthorized assignment shall be void and shall be cause for immediate termination of this Agreement.

Section 14. Transfer of Stock or Ownership of Operator. The Operator understands and agrees that this Agreement is non-transferable and, during the term of this Agreement, any transfer of a controlling ownership interest in the Operator shall be cause for immediate termination of this Agreement.

Section 15. Agreements of Village with United States, State of Illinois, or Agencies. The terms and conditions of this Agreement shall not be construed to prevent the Village from making any commitments it desires to the United States Government, or to the State of Illinois, or to any agency thereof, so as to qualify for the expenditure of federal or State funds at the

Airport. This Agreement shall be subordinate to the provisions of any existing or future agreement between the Village, or its predecessors or successors, and the United States or the State of Illinois, relative to the operation or maintenance of the Airport, the execution of which has been made or may be required as a condition precedent to the expenditure of federal or State funds for the development of the Airport.

Section 16. Rules, Regulations, Minimum Standards, and Codes. The Operator agrees to comply with, and be subject to, all of the following:

- (a) The Airport Rules and Regulations and the Airport Minimum Standards adopted by the Village, as amended from time to time, regarding the management, use, and operation of the Airport; and
- (b) All applicable Federal, State, and Village building, zoning, and hazard codes; and
- (c) All applicable governmental rules, regulations, standards, and requirements relating to the storage and disposal of aviation fuel or any other toxic materials and contaminants. The Operator shall be solely responsible for obtaining and maintaining all necessary permits for storage and disposal and shall provide the Village with copies of such permits and evidence of compliance with the terms and conditions thereof. Improper storage or disposal of toxic materials or contaminants shall be grounds for termination of this Agreement. The Operator shall be responsible for the costs of correcting any contamination or damage to the leased premises and facilities and/or adjacent areas caused by it or its agents' improper storage, disposal, or use of any such materials, and such responsibility by the Operator shall survive the termination of this Agreement

Section 17. Notices. Whenever any notice or payment is required by this Agreement to be made, given, or transmitted to the parties hereto, such notice or payment shall be deemed delivered if given in person or by registered or certified mail as follows:

If to the Village:

Village Administrator
Village of Lake in the Hills
600 Harvest Gate
Lake in the Hills, Illinois 60156

If to the Operator:

Section 18. Waiver of Terms. The waiver by the Village to the Operator of any breach of any term, covenant, or condition herein contained shall not be deemed waiver of a subsequent breach.

Section 19. Construction. This Agreement shall be construed in accordance with the laws of, but not the conflict of laws rules of, the State of Illinois. This Agreement constitutes the entire Agreement between the parties, and it may not be altered, amended, or modified except by written agreement of all parties hereto. The Operator and the Village expressly consent to jurisdiction in the Circuit Court of the Nineteenth Judicial Circuit, McHenry County, Illinois.

Section 20. Termination.

- (a) The Village may terminate this agreement with respect to the Operator at any time if the Operator fails to comply with any other provisions of this Agreement. The Village shall first notify the Operator in writing of the failure to comply. If the Operator does not correct the failure and fully comply within 30 days after delivery of said notice, then the Village may terminate this Agreement immediately by written notice of termination. Upon delivery of said termination notice, all rights of the Operator shall be canceled.
- (b) The Operator may terminate this Agreement at any time upon 90 days written notice to the Village. In the event of such termination, the Operator shall pay all charges due as of said termination date within 30 days thereafter.

Section 21. Additional Remedies of the Village. In addition to the provisions of Section 20 above, in the event of any failure of the Operator to comply with any term, condition, or covenant of this Agreement, the Village may seek further relief and additional remedies to the fullest extent permitted by law, including but not limited to monetary damages and injunctive relief.

VILLAGE OF LAKE IN THE HILLS

By: _____
Village President

Attest:

By: _____
Village Clerk

[OPERATOR] _____

By: _____
Name: _____
Title: _____

Attest:

By: _____
Name: _____
Title: _____

