ATTACHMENT K

CITY OF AUSTIN DEPARTMENT OF AVIATION MINIMUM STANDARDS AND REQUIREMENTS FOR COMMERCIAL AERONAUTICAL SERVICE PROVIDERS AT AUSTIN-BERGSTROM INTERNATIONAL AIRPORT

I. DEFINITIONS

A. **Airport** means Austin-Bergstrom International Airport.

B. **City** means the City of Austin, a Texas home-rule municipal corporation.

C. **Commercial Aeronautical Service** means a service which involves, makes possible, or is required for the operation of aircraft, or which contributes to, or is required for the safe conduct and utility of such aircraft operations, and includes those services provided by either a Fixed Base Operator or a Specialized Aviation Service Operator.

D. **Director** means the Executive Director of the City of Austin Department of Aviation, or authorized designee.

E. **FAA** means the Federal Aviation Administration of the United States Department of Transportation (USDOT).

F. **Fixed Base Operator or FBO** means a Person maintaining facilities at the Airport for the purpose of: (1) engaging in the retail sale of aviation fuels; (2) performing other aircraft line services; and (3) providing aircraft airframe and engine repair and maintenance services. Section VI of these Minimum Standards specifies the minimum services which FBOs must provide. In addition to those required services, an FBO may provide any of the services of an SASO.

G. **Improvements** includes, without limitation, means any buildings, hangars, paved areas such as parking lots, ramp, or apron, or other improvements constructed or installed by an Operator on its Premises.

H. **Operator** means either a Fixed Base Operator, or a Specialized Aviation Service Operator, or both, as the context indicates.

I. **Person** means a natural person, corporation, partnership, trust, association, political subdivision, agency of the State, or other legal entity, but does not include the City.

J. **Premises** means a defined area on the Airport which the City has either leased to an Operator, or has granted an Operator the preferential right to use, by lease or other written agreement to provide its Commercial Aeronautical Services.

K. **Specialized Aviation Service Operator or SASO** is a Person maintaining facilities at the Airport for the purpose of providing one or more of the following services: (1) specialized aircraft repair services (radios, painting, upholstery, propellers, instruments, accessories, etc.); (2) aircraft airframe and powerplant maintenance and repair; (3) flight training; (4) aircraft sales; (5) aircraft rental; and/or (6) aircraft charter and air taxi service. Aircraft fueling may not be performed as a Specialized Aviation Service; only those Operators that provide each of the Minimum Services required in Section VI will be authorized to perform aircraft fueling. Section VII of these Minimum Standards sets out additional specific standards for SASOs.

II. APPLICABILITY

The City, acting by and through its Department of Aviation, owns and operates the Airport. To encourage growth and development of the Airport and to facilitate the development of adequate aeronautical services and facilities for Airport users, the City has established these standards and requirements (the "Minimum Standards") for provision of certain commercial aeronautical services at the Airport. These Minimum Standards may be amended by the City as conditions require, or to establish Minimum Standards for additional aeronautical services, in accordance with City Code Chapter 1-2.

Pursuant to Section 17-2-21 of the Austin City Code, no Person may conduct or operate a business at the Airport except as authorized by the Director. These Minimum Standards establish the criteria by which the Director shall consider requests from prospective Commercial Aeronautical Service providers to do business at the Airport. These Minimum Standards shall apply to all Fixed Base Operators Lease and Operating Agreements ("Lease") and Commercial Operating Permits ("Permit") granted or renewed after the effective date of these rules. The provisions of the Lease or Permit will be compatible with the Minimum Standards herein contained and will not change or modify the Minimum Standards themselves. To the extent consistent with the terms of the Lease or Permit, these rules shall apply to all currently existing Leases and Permits.

The Minimum Standards do not apply to the City itself, to certified air carriers operating from the Airport, or to persons operating aircraft on the Airport who perform services on their own aircraft with their own regular employees and equipment in accordance with applicable Airport rules and regulations and applicable contract, permit, or lease provisions. These Minimum Standards are not intended to be all-inclusive; the Operator will be subject additionally to applicable federal, state and local laws, codes, ordinances and other similar laws or regulations including Airport Rules and Regulations pertaining to all such services.

III. STATEMENT OF POLICY

In establishing these Minimum Standards, the City's goal is to assure an adequate minimum level of quality of service to General Aviation users, to foster competition at the Airport, and to avoid unfair or

prohibited discrimination among similar Commercial Aeronautical Service providers. The minimum standards shall be applied objectively and uniformly.

The standards and requirements in this policy are minimums. All Operators will be encouraged to exceed the minimum.

Contingent upon its qualifications, its meeting the Minimum Standards, the approval of the prospective Operator's application by the Director, the execution of a Lease or Permit, and the payment of the applicable rentals, fees and charges, the Operator shall have the right and privilege of providing the Commercial Aeronautical Service(s) for which it made application on the Airport, as specified in its Lease or Permit. The Operator may not provide any Commercial Aeronautical Service other than that authorized in its Lease or Permit.

The granting of such right and privilege, however, shall not be construed in any manner as affording the Operator any exclusive right of use of the premises and facilities and the Airport, other than those premises which may be leased exclusively to it, and then only to the extent provided in a written agreement. The City reserves and retains the right for use of the Airport by others who may desire to use the same, pursuant to applicable federal, state and local laws, ordinances, codes, minimum standards and other regulatory measures pertaining to such use. The City further reserves the right to designate the specific Airport areas in which the specific aeronautical services may be conducted, and to relocate existing Operators to another location on the Airport. Such designation shall give consideration to the nature and extent of the operation and the land and improvements available for such purpose, consistent with the orderly and safe operation of the Airport.

If the City determines there are more qualified applicants seeking to provide a particular Commercial Aeronautical Service than there is space or demand at the airport for such service, the City may select the Commercial Aeronautical Service provider through a competitive solicitation or request for proposals.

These Minimum Standards are subordinate and subject to the provisions of any agreement between the City and the United States Government relative to the operation or maintenance of the Airport, the execution of which has been, or may in the future be, required as a condition precedent to the transfer of federal rights or property to the City for Airport purposes, or the expenditure of federal funds for the development of the Airport, including the expenditure of federal funds for the development of the Airport in accordance with the provisions of the Federal Aviation Act of 1958, as amended. The issuance of a Final Agency Order finding a provision of these Minimum Standards inconsistent with such agreement shall operate to invalidate such provision. The invalidity or unenforceability of any provision of these Minimum Standards shall not affect validity or enforceability of any other provision of these Minimum Standards, and the remainder shall be construed and enforced as if the invalid or unenforceable provision were never included in the Minimum Standards.

IV. APPLICATION REQUIREMENTS

A. **Application**. To operate a Commercial Aeronautical Service at the Airport, a Person shall submit a written application to the Director, which shall include the following information and, thereafter, shall provide such additional information as may be requested by the Director.

1) Intended Scope of Services. The prospective Operator must submit a detailed description of the scope of the proposed operation, and the means and methods to be employed to accomplish the contemplated operation, including, at a minimum, the following:

a) The name, address and telephone number of the applicant. If the applicant is a corporation, include the name, address, and telephone number of the corporation's officers and directors. If the applicant is a partnership, provide the name, address, and telephone number of all general partners. Also provide the name, address, and telephone number of any Person that holds a controlling interest, directly or indirectly, in the applicant. Applicant must disclose if any officer, director, partner, or Person having a controlling interest in applicant is also an officer, director, partner, or a Person holding a controlling interest in another Commercial Aeronautical Service provider at the Airport.

b) The requested or proposed date for commencement of the service and the term of conducting the same.

c) The services to be offered.

d) The amount, size and location of land required.

e) The size, type, and location of the building(s) to be constructed or leased.

f) The number and type of aircraft to be parked, serviced, or provided (as applicable).

g) The number of persons to be employed (including the names, titles and qualifications of key employees).

h) The hours of proposed operation.

i) A list of material assets, goods and equipment necessary or required to perform the proposed services that owned, leased, or under purchase contract by the applicant. Copies of such leases and contracts shall be provided to the Director upon request.

j) Copies of all licenses, certifications and permits possessed by the applicant, or its key employees to be based at the Airport, that are necessary or required to perform the proposed services.

k) Such other or additional information as may be required under Sections VI and VII of these Minimum Standards, or that the Director may reasonably require to evaluate the application.

2) Financial and Managerial Responsibility and Capability. The prospective Operator must provide a statement, satisfactory to the City, in evidence of its financial responsibility, from a recognized financial institution or from such other source that may be acceptable to the City and readily verified through normal banking channels, together with copies of audited

financial statements, SEC Form 10-K's, and annual reports for the prospective Operator for the previous three years. The prospective Operator must also demonstrate financial capability to initiate operations, to construct proposed improvements, and to provide working capital to carry on the contemplated operations. The demonstration of financial and managerial capability shall include a cash flow and a profit and loss projection for the first five years of the proposed operation.

3) Experience. The prospective Operator shall furnish the City with a statement of its qualifications and past experience in providing the proposed aviation services, together with a statement that it or its principals have the managerial ability to perform the selected services. The prospective Operator shall meet the applicable minimum experience qualification requirements under Sections VI or VII. The prospective Operator shall include resumes of its key employees engaged in the management and operation of the proposed aeronautical services at the Airport.

B. **Annual Reporting Requirement and Notification of Changes**. Operators shall report annually, by the anniversary date of the Effective Date of their Lease or Permit, that information listed above, and shall provide the Director with three weeks advance notice of its intention to start up or discontinue an authorized commercial aeronautical service. In addition, all Operators must file updated FAA certificates and ratings (their own and their employees') annually when received, and must file within two weeks of receipt any changes in their own and their employees' FAA certificates or ratings.

C. **Grounds for Denial of an Application**. The Director shall consider the application once the prospective Operator has submitted a complete application. The Director shall not unreasonably deny or delay consideration of an application. A delay to implement a competitive process to select an Operator is not unreasonable. Grounds for denial of an application include the following:

1) The applicant does not, for any reason, fully meet the qualifications, standards and requirements established in these Minimum Standards.

2) The applicant's proposed operation or construction would create a safety hazard on the Airport.

3) The granting of the application will require the Airport to expend funds, or supply labor or materials, in connection with the proposed activity or operation that the Airport is unwilling to spend or supply, or the proposed activity or operation will result in a financial loss to the Airport.

4) No appropriate, adequate, or available land, space, or building exists at the Airport to accommodate the entire operation of the applicant at the time of application, and none is contemplated to be available within a reasonable time thereafter.

5) The proposed operation, development, or construction does not comply with the FAA approved Airport Master Plan or Airport Layout Plan.

6) The proposed operation, development or construction will result in congestion of aircraft or buildings, or will result in undue interference with the operations of any present Operator at the Airport, or with adequate access to a present Operator's leased premises.

7) The applicant has intentionally or unintentionally misrepresented or omitted any material fact in the application or supporting documents, or has failed to make full disclosure in the application or supporting documents.

8) The applicant, or any officer, director, key employee, or Person having a controlling interest in the applicant, has a record of (a) violating the laws, rules and regulations applicable to the Airport or any other airport, including but not limited, to civil air regulations and FAA regulations, (b) having defaulted in the performance of a lease, license, permit, or similar agreement at the Airport or any other airport, or (c) having been convicted of any felony or misdemeanor involving moral turpitude.

9) The applicant, in the opinion of the Director, has not provided verified evidence of adequate financial responsibility or does not exhibit the experience to undertake the proposed operation or activity based on the information provided with the application.

10) The applicant cannot provide the required performance and other bonds, security deposits, or other acceptable surety in the amount required by the Airport for the proposed operation, activity or construction.

V. REQUIREMENTS APPLICABLE TO ALL OPERATORS

The following standards apply to all FBOs and SASOs, unless otherwise explicitly provided. Additional standards specific to each type of operation can be found in Sections VI and VII of these Minimum Standards.

A. Requirement of a Written Agreement

1) Before beginning operations, the prospective Operator must enter into a written Lease or Permit with the City reciting the terms and conditions under which it will do business on the Airport, including but not limited to, the term of agreement, the rentals, fees, and charges, the rights, privileges and obligations of the respective parties, and other relevant provisions. Such agreement shall be consistent with these Minimum Standards.

2) Such Lease or Permit shall contain, or adopt by reference, all provisions required by the applicable law, including, without limitation, regulations promulgated by the FAA, and assurances or agreements entered into by the City as a condition of any Federal Grant to the City for the Airport. The Lease or Permit shall be subordinate to any existing or future Federal grant assurances.

3) If an Operator desires to sublease space to another Operator, the Operator must obtain the written approval from the Director to sublease the space, and if applicable, subcontract the function. The sublessee must apply for and obtain a Permit to operate at the Airport, and must satisfy the applicable Minimum Standards to provide sublessee's proposed Commercial Aeronautical Service.

4) The Lease or Permit shall provide that, at or before execution, the Operator shall deliver to the Director a security deposit in an amount not less than three months' fees and charges owed to the City under such agreement. The security deposit shall be in the form of cash or an irrevocable letter of credit drawn on a City-approved bank, and shall be held by City as security for the Operator's performance of its obligations under the Lease or Permit, including, but not limited to, payment of fees and charges or other amounts due the City under the Lease or Permit. The security deposit shall not be considered an advance payment of such fees and charges, or a measure of damages in the event of default by the Operator. If the City uses the security deposit, in whole or in part, the Operator shall promptly restore the security deposit to its original amount upon request of City. Provided that the Operator is not in default, the security deposit, or any unused balance thereof, shall be returned to Operator within thirty (30) days following termination of the Lease or Permit.

B. **Site Development Standards**

1) Location. FBOs and SASOs may be situated only in those areas of the Airport specified for such use in the Airport Layout Plan (ALP) and the Airport Master Plan.

2) Space Requirements. The minimum space requirements as provided in Sections VI and VII of these Minimum Standards shall be satisfied. The City will consider reduction in minimum space requirements for combined operations in a common location (e.g., an SASO that wishes to operate a flight training school and aircraft rental facility need have only one office, one set of restrooms, one customer lounge, etc.). An applicant who proposes combined operations in a common location shall provide a building layout or similar plan that demonstrates functional compliance with the applicable Minimum Standards.

3) Airport Design Criteria. All construction of Improvements and infrastructure must conform to the ABIA Design and Development Guide and conform to and comply with the approved plans and specifications submitted by Operator and approved by the City and the Director, the applicable statutes, ordinances, building codes, rules and regulations of City and the FAA and such other authorities as may have jurisdiction over the Airport, the Premises or Operator's operations herein. The height of any structure on the Premises must be within the limits of the FAA regulations governing objects affecting airspace, as set forth in 14 C.F.R., Part 77 and the City's Airport Height Hazard and Compatible Use Zoning Ordinances. Any structure that violates these requirements shall be subject to removal or remediation at the Operator's expense. The Director will have the right to review all plans and specifications for any Improvements to be constructed on the Premises to determine compliance with such regulations. The approval by the Director shall not constitute a representation or warranty as to such conformity or compliance, but responsibility therefor shall at all times remain with the Operator.

4) Design/Construction Review. Operator shall not construct, install, remove, or modify any Improvements on the Premises without the prior written approval of the Director, or his designated representative, of Operator's plans and specifications for the proposed project. All plans shall be complete and submitted in accordance with the ABIA Design and Development Guide, and the applicable provisions of the Lease or Permit.

5) Bonds and Insurance. Operator shall provide or cause to be provided to the City prior to the commencement of any construction of any Improvements, a valid performance bond and payment bond, each in the amount of the maximum estimated hard construction costs, for the successful construction of its Improvements. Said bonds shall be maintained and kept in full force and effect until work items called for in the Operator's agreement with the City are complete. The bonds shall be conditioned to ensure performance and payment by the Operator and its construction contractor of all Improvements required and proposed by the Operator, and to stand as security for the successful completion of the built Improvements on the Premises and for payment of any valid claim by the City against the Operator or its Contractor associated with the construction of the improvements. The bonds shall be in a form acceptable to the City and shall be issued by a surety that complies with the requirements of the Texas Insurance Code, as amended. If Operator engages any contractors and/or subcontractors to construct Improvements on the Premises, the contractors and subcontractors must carry appropriate builders risk and commercial general liability policies as is required at that time by the City Risk Manager for construction projects on City property.

6) Other Facilities. The Operator shall provide a paved walkway within the leased area to accommodate pedestrian access to the Operator's office; a paved aircraft apron with tie-down facilities within the leased area sufficient to accommodate its services and operations, and telephone facilities.

6) Landscaping. Landscaping of facilities is required. Each FBO or SASO will be required to provide a plan for landscaping its area to be approved by the City and maintained by the FBO or SASO in a neat, clean and aesthetically pleasing manner, all in accordance with the ABIA Design and Development Guide.

7) Right of Relocation. The City shall have the right to relocate Operator's Premises when necessary to accommodate the Airport development. The need for such relocation shall be solely determined by the Director. If relocation becomes necessary, the City shall provide the Operator with a replacement area substantially equivalent in size and amenities. Should Operator disagree with the replacement location, Operator shall have the right, within ten (10) calendar days of receipt of the Director's written notice of impending relocation, to provide written notice to the Director that Operator disagrees with the replacement location. Upon such notice by Operator, the parties shall, for a period not to exceed thirty (30) days from the date of such notice, negotiate in good faith in an attempt to resolve the matter to the satisfaction of both parties; however if for any reason the disagreement is not resolved with thirty (30) days, the Director shall have the right to unilaterally decide the matter, and Operator agrees to and shall abide by the Director's decision, subject to such rights of termination as Operator may have under its Lease or Permit. If the City requires the Operator to relocate its facilities during the term of this Agreement, the City shall will reimburse the Operator for its documented actual and reasonable out-of-pocket relocation expenses, if any, but the City shall have no liability for increased overhead or operating costs, or lost profits or revenue of Operator, if any, arising out such relocation.

8) Ownership of Improvements. All right, title, and interest in any Improvements constructed by or for an Operator on the Airport shall fully vest in the City upon the end of the

term of the Operator's Permit or Lease. The Operator shall execute and deliver to the City such documents as may be required to evidence the City's ownership of such Improvements.

C. **Maintenance Responsibilities**. Operator shall, at its sole cost and expense, maintain, repair and keep in good condition all of its Improvements on the Premises, as hereinafter described:

1) Operator shall maintain pavement, landscaping, greenbelts, lighting and all equipment on the Premises.

2) Operator shall maintain the interior and exterior of all Improvements, to include electrical, mechanical, plumbing, fire protection system(s), roof, floors, load-bearing and exterior walls, utilities, and HVAC system(s).

3) Operator shall clean debris and trash from driveway, taxiways, aprons, greenbelts and sidewalks to maintain safe, clear, unobstructed access to the Improvements at all times for authorized users and emergency vehicles.

4) Operator shall maintain all hangar and overhead doors and door operating systems, including weather stripping and glass replacement.

5) Operator shall maintain electric loads within the designed capacity of the system. Any change to such designed capacity will require the prior written consent of the Director.

6) Operator shall install and maintain hand-held fire extinguishers in the interior of all buildings, aircraft shops, aircraft parking and tie-down areas, and fuel storage areas, pursuant to fire and safety codes.

7) Operator shall have the necessary utility meters installed, as required by the utility company(s), at Operator's expense. Operator shall pay all utility charges, including, but not limited to, electricity, water, wastewater, natural gas, and telephone. Operator shall maintain and repair all utility service lines and fixtures, including lighting fixtures, within the Premises to the extent utility company providing such utility service does not perform such maintenance or repair.

9) Operator shall provide, at its sole cost and expense, necessary arrangements for adequate sanitation, handling and disposal from the Airport of all trash, garbage and other refuse which results from Operator's business operations, including receptacles for the deposit of such trash, garbage and other refuse.

10) Operator will not permit any action on the Premises that has an adverse effect, or interferes with the proper function of any drainage system, sanitary sewer system, or any facility provided for the operation or protection of Airport.

12) The Operator shall install fire alarm devices within the Premises and such devices shall be connected to the Airport Police and/or Fire Operation Center.

D. **Personnel**. The Operator shall employ a fully qualified, competent, experienced full-time on-site manager who shall supervise and direct the performance of all Commercial Aeronautical

Services provided by the Operator, and one or more qualified assistant managers to act for the manager in his or her absence. During all operating hours, the Operator shall employ and have on duty trained personnel in such numbers and with such certificates and ratings as are required to meet the Minimum Standards, in an efficient manner, for all Commercial Aeronautical Services being provided by the Operator. Operator's employees shall, at all times, be neat and courteous, and shall wear an identification badge that displays the employee's name and the name of the Operator. Operator's employees may not use or possess alcohol, illegal drugs, controlled substances, or firearms at the Airport. Operator shall closely monitor its employees to insure consistent, high quality service. If permitted by law, the Director may direct Operator to remove from employment at the Airport any employee who violates Airport rules and regulations, or the terms of Operator's Lease or Permit.

E. **Security**.

1) Operator, its employees, agents, customers, and contractors, shall comply fully with the Airport Security Plan.

2) If the Premises are located in a restricted area accessible only to those persons displaying a security badge issued by Airport Police, each person working on the Premises must wear the badge at all times while at the Airport. The cost of each badge will be paid for by Operator.

3) To control access to the air operations area ("AOA"), Operator will provide written notice to the Director of the names, addresses, telephone number(s), and contact persons for each contractor employed by Operator that will require access to the AOA for the benefit of Operator within five (5) days after the execution of the contract with such person.

4) Operator shall control the Premises so as to prevent unauthorized access to the AOA. Operator shall strictly comply with FAR Part 107 (Aviation Security), and Operator's security system must comply with the Airport's security consultant's specifications. The City reserves the right to install security devices in or on the Premises as it deems necessary at City's cost. The City will maintain security equipment located on the Operator's premises which is associated with FAR 107 or which the City may elect to install at some future date.

5) The Operator shall provide power wiring and security data conduits as specified by the Director to operate security devices (gates, access controls & cameras) which are a part of the AOA. A total of three (3) two-inch conduits are required; one for power, one for data and one spare. The Operator shall supply 120/208 three phase power from an electrical panel, with circuit breaker protection. The Operator shall allow the City to connect AOA security data cables to the Airport cable system (PDS) within the building's telecommunications closet. Energy to operate AOA security equipment on the Operator's premises shall be furnished by the Operator without cost to the City.

F. **Indemnification**. Operator shall defend, indemnify and hold harmless the City and its employees, agents, representatives, successors and assigns (collectively, the "Indemnified Parties"), from and against all costs, expenses (including reasonable attorneys' fees, expenses of investigation and litigation, and court costs), liabilities, damages, claims, suits, judgments, actions, and causes of actions whatsoever (collectively, "Claims") resulting from or concerning the conduct of Operator's

Commercial Aeronautical Service at the airport, to the extent arising directly or indirectly out of (a) any failure of the Operator to comply with these Minimum Standards, (b) any breach of the Lease or Permit by Operator, its agents, employees or contractors, (c) any false representation or warranty made by Operator in making application to conduct business on the Airport or in the Lease or Permit, (d) any negligent act or omission or willful misconduct of Operator, or its their agents, employees or contractors, and (e) the negligent acts and omissions of the Indemnified Parties. Operator shall assume on behalf of the Indemnified Parties and conduct with due diligence and in good faith the defense of all claims against any of the Indemnified Parties. Operator may contest the validity of any claims, in the name of Operator or the Indemnified Parties, as Operator may in good faith deem appropriate, provided that the expenses thereof shall be paid by Operator.

G. **Insurance**. The following requirements pertain to all Operators. See Sections Two or Three for specific insurance requirements applicable to the specific FBOs and SASOs on the Airport.

1) General Requirements. Operator shall not commence operations or construction until Operator has obtained the types and amounts of required insurance indicated below and until such insurance has been reviewed by the City or a Certificate of Insurance is received indicating required coverage. If the coverage period ends during the Term of Operator's Lease or Permit, Operator must, prior to the end of the coverage period, forward a new Certificate of Insurance to City as verification of continuing coverage for the duration of the Term of the Lease or Permit. Operator must submit certificates of insurance for all subcontractors to the City prior to them commencing work on the project.

a) Approval of insurance by the City and the required minimums shall not relieve or decrease the liability or responsibility of the Operator hereunder and shall not be construed to be a limitation of liability on the part of the Operator.

b) Operator's and all subcontractors' insurance coverage shall be written by companies licensed to do business in the State of Texas at the time the policy is issued and shall be written by companies with an A.M. Best rating of B+VII or better. Hazardous materials insurance, if required, shall be written by companies with A.M. Best ratings of A- or better. The City shall accept workers' compensation coverage written by the Texas Workers' Compensation Insurance Fund.

c) All endorsements naming the CITY as additional insureds, waivers of subrogation, and notices of cancellation endorsements as well as Certificates of Insurance shall indicate:

City of Austin
Department of Aviation
3600 Presidential Blvd., Suite 411
Austin, Texas 78719
Attn.: Director of Finance and Administration

d) The "other" insurance clause shall not apply to the City where the City of Austin is an additional insured shown on any policy. It is intended that policies

required in this Agreement covering the City and the Operator, shall be considered primary coverage as applicable.

e) If insurance policies are not written for amounts specified above, the Operator shall carry Umbrella or Excess Liability Insurance for any differences in amounts specified. If Excess Liability Insurance is provided, it shall follow the form of the primary coverage.

f) The City shall be entitled, upon request and without expense, to receive certified copies of policies and endorsements thereto and may make any reasonable requests for deletion or revision or modification of particular policy terms, conditions, limitations, or exclusions except where policy provisions are established by law or regulations binding upon either of the parties hereto or the underwriter on any such policies.

g) The City reserves the right to review insurance requirements set forth during the Term of this Agreement and to make reasonable adjustments to insurance coverage, limits, and exclusions when deemed necessary and prudent by the City based upon changes in statutory law, court decisions, the claims history of the industry or financial condition of the insurance company as well as the Operator.

h) The Operator shall not cause any insurance to be canceled nor permit any insurance to lapse during the Term of this Agreement or as required in the Agreement.

i) Operator shall provide all deductibles and self-insured retentions, if any, stated in policies. All deductibles or self-insured retentions shall be disclosed on the Certificates of Insurance.

j) If City property is being transported or stored off-site by Operator, then the appropriate property policy will be endorsed for transit and storage in an amount sufficient to protect City property.

k) Insurance provided by an Operator pursuant to this Minimum Standards shall cover and protect the City, and its elected and non-elected officials, officers, agents, employees, contractors, successors, and assigns, as their interests may appear.

2) Specific Insurance Requirements. The Operator shall obtain, and maintain throughout the term of its Lease or Permit, the following insurance coverages, and furnish certificates of insurance and policy endorsements as evidence thereof:

a) Workers' Compensation and Employers Liability coverage with limits consistent with statutory benefits outlined in the Texas Workers' Compensation Act (Section 401.) and minimum policy limits for employers liability of $1,000,000 bodily injury each accident, $1,000,000 bodily injury by disease policy limit and $1,000,000 bodily injury by disease each employee. The following endorsements shall be added to the policy:

i) A Waiver of Subrogation in favor of the City of Austin;

ii) A thirty (30) day Notice of Cancellation/Material Change in favor of the City;

b) Property insurance coverage on an "All Risk of Physical Loss" form for 100% of the value of all improvements leased from the City, or constructed by or for Operator on the Airport. Coverage shall include but not be limited to fire, wind, hail, theft, vandalism and malicious mischief. The coverage shall be written on a replacement cost basis. The proceeds from such insurance shall be used to restore the improvements to their original condition in the event of a covered loss.

c) Liability insurance in the specific types and amounts specified in Sections VI or VII, as applicable for the proposed Commercial Aeronautical Service.. Where more than one Commercial Aeronautical Service is proposed, the minimum limits will vary (depending upon the nature of individual services in such combination) but will not necessarily be cumulative in all instances. Because of these variables, the applicable minimum insurance coverage on combinations of services will be finalized with the prospective Operator at the time of its application or otherwise during lease negotiations.

G. **Environmental Compliance.**

1) Definitions. In this Section:

a) "Environmental Laws" - shall refer to and include, without limitation, all Federal, State, City, and local statutes, laws, ordinances, rules and regulations, now or hereafter in effect, and as amended from time to time, that are intended for the protection of the environment, or that govern, control, restrict, or regulate the use, handling, treatment, storage, discharge, disposal, or transportation of Hazardous Materials. Environmental Laws, specifically include but are not limited to, the National Environmental Policy Act, the Comprehensive Environmental Response, Compensation and Liability Act, the Resource Conservation and Recovery Act, the Hazardous Substances Act, the Toxic Substances Control Act, the Clean Water Act, the Superfund Authorization and Recovery Act, the Occupational Safety and Health Administration Hazard Communication Standards, the Texas Hazardous Substances Act, and the Texas Water Quality Control Act.

b) "Hazardous Materials" - shall refer to, and include, without limitation, all substances whose use, handling, treatment, storage, disposal, discharge, or transportation is governed, controlled, restricted, or regulated by Environmental Laws, that have been defined, designated or listed by any responsible regulatory agency as being hazardous, toxic, radioactive, or that may present an actual or potential hazard to human health or the environment if improperly used, handled, treated, stored, disposed, discharged, generated or released. Hazardous Materials specifically include, without limitation, asbestos and asbestos-containing-materials, petroleum products, solvents, and pesticides.

c) "Environmental Claims" – shall refer to, and include, without limitation, all claims, demands, suits, actions, judgments, and liability for: (i) removal, remediation, assessment, transportation, testing and disposal of Hazardous Materials as directed by any government agency, court order, or Environmental Law; (ii) bodily injury, or death; (iii) damage to or loss of use of property of any person; (iv) injury to natural resources; (v) fines, costs, fees, assessments, taxes, demands orders, directives or any other requirements imposed in any manner by any governmental agency under Environmental Laws; and (vi) costs and expenses of cleanup, remediation, assessment testing, investigation, transportation and disposal of a Hazardous Material spill, release, or discharge.

d) "City" – shall include the City's elected and non-elected officials, officers, agents, employees, contractors, successors, and assigns.

e) "Operator" - shall include the Operator's directors, officers, agents, employees, contractors, customers, invitees, successors, and assigns.

2) Compliance. In its operations at the Airport, Operator shall strictly comply with all applicable Environmental Laws, the Airport Environmental Polices and Procedures (including without limitation, the Storm Water Pollution Prevention Plan ("SWPPP") and Spill Response Plan), and generally accepted industry environmental practices and standards. Without limiting the generality of the foregoing provision, Operator shall not use or store Hazardous Materials on or at the Airport except as reasonably necessary in the ordinary course of Operator's permitted activities at the Airport, and then only if such Hazardous Materials are properly labeled and contained, and notice of and a copy of the current material safety data sheet is provided to the Director for each such Hazardous Material. Prior to commencing operations at the Airport, Operator will complete an Airport baseline environmental questionnaire. Operator shall not discharge, release, or dispose of any Hazardous Materials on the Airport or surrounding air, lands or waters. Operator shall promptly notify the City of any Hazardous Material spills, releases, or other discharges by Operator at the Airport and promptly abate, remediate, and remove any the same. Operator shall provide the City with copies of all reports, complaints, claims, citations, demands, inquiries, or notices relating to the environmental condition of the Airport, or any alleged material noncompliance with Environmental laws by Operator at the Airport within ten (10) days after such documents are generated by or received by Operator. If Operator uses, handles, treats or stores Hazardous Materials at the Airport, Operator shall have a contract in place with an EPA or TNRCC approved waste transport or disposal company, and shall identify and retain spill response contractors to assist with spill response and facilitate waste characterization, transport and disposal. Complete records of all disposal manifests, receipts and other documentation shall be retained by the Operator and made available to City for review upon request. Landlord shall have the right at any time to enter the Premises to inspect, take samples for testing, and otherwise investigate the Premises for the presence of Hazardous Materials.

3) Responsibility. Operator's Hazardous Materials shall be the responsibility of Operator. Operator shall be liable for and responsible to pay all Environmental Claims that arise out of or are caused in whole or in part from Operator's use, handling, treatment, storage, disposal, discharge, or transportation of Hazardous Materials on or at the Airport,

the violation of any Environmental Law by Operator, or the failure of Operator to comply with the terms, conditions and covenants of this article. If the City incurs any costs or expenses (including attorney, consultant and expert witness fees) arising from Operator's use, handling, treatment, storage, discharge, disposal, or transportation of Hazardous Materials on the Airport, Operator shall promptly reimburse the City for such costs upon demand. All reporting requirements under Environmental Laws with respect to spills, releases, or discharges of Hazardous Materials by Operator at the Airport under any law are the responsibility of Operator.

H. **Certifications**. The Operator shall obtain and maintain in full force and effect all FAA and other certificates and licenses necessary for the work being performed at the Airport, and shall provide a copy of such certificates to the Director upon request.

I. **Motor Vehicles on Airport**. The Operator shall control the on-Airport transportation of pilots and passengers of transient general aviation aircraft using the Operator's facilities and services. Customer motor vehicles are not permitted on the Air Operations Area (AOA). The Operator-owned or operated motor vehicles driven on the AOA shall do so only in strict accordance with Airport Rules and Regulations, applicable federal, state and municipal laws, ordinances, codes or other similar regulatory measures now in existence or as may be hereafter modified or amended. The Operator shall be required to equip each of these motor vehicles with a functioning aeronautical utility mobile station two-way radio (operating at 118.2 MHZ and 121.8 MHZ or as designated by the Director) and with an operating rotating beacon or FAA approved flag, or such other equipment as FAA or the City shall require. The Airport may impose training and licensing requirements and charge a fee for AOA driving privileges.

J. **Waiver**. The Director may (but in no event shall be obligated to) waive one or more of the Minimum Standards applicable to an Operator for good cause shown upon written request of the Operator, provided that such waiver would not adversely affect public health or safety, the quality of service provided by the Operator to the public, or Airport finances or operations, or would violate any Federal, State, City or other law, statute, ordinance, rule, regulation, or Airport grant assurance.

VI. REQUIREMENTS APPLICABLE TO FIXED BASE OPERATORS

The following standards apply to Fixed Base Operators.

A. **Services**.

1) Minimum Services. Each Fixed Based Operator shall provide the following minimum services:

a) Aircraft Fueling Services. Each FBO shall provide into-aircraft retail delivery of a recognized brand of aviation fuel (including, but not limited to, AV gas and jet fuel), motor oil, and lubricants as required by the types of aircraft normally utilizing the Airport. The Operator shall provide proper fuel dispensing equipment to service aircraft, including mobile fuel dispensing trucks to service commercial passenger and cargo aircraft operating at the Airport. Separate dispensing pumps for each grade of fuel are required. Fuel may only be stored in above ground tanks. Underground fuel tanks are not permitted on the Airport. All fuel handling and storage facilities,

equipment and procedures shall strictly comply with all applicable Federal, State, City and local laws, rules and regulations, including without limitation, the most current rules and regulations promulgated by the USDOT and FAA. Fueling personnel shall be properly trained and qualified to perform their assigned duties. The Operator shall ensure that only clean fuel, free of water or other contaminants, is delivered into the aircraft serviced. The Operator shall maintain current fuel reports on file and available for review at anytime by the Director. Fueling service by the FBO shall be in full compliance with all applicable federal, state and local safety laws and regulations, including proper fire protection and electrical grounding of aircraft during fueling operations. All FBO fueling services and systems shall be subject to inspection for fire and other hazards by the Director or other Airport representative and by the appropriate State and City fire officials. The FBO shall maintain a spill prevention and control plan in accordance with applicable Federal, State, City, and Airport laws, rules and regulations.

b) Aircraft Line Services. Each FBO shall provide:

i) Suitable hard surface aircraft parking, tie-down, and hangar storage facilities; adequate tie-down facilities and equipment, including ropes, chains and other types of restraining devices, and wheel chocks for the typical number and type of aircraft simultaneously using the FBO during a peak period; and adequate loading, unloading and towing equipment to safely and efficiently move aircraft and store them in times of all reasonably expected weather conditions.

ii) Adequate ground equipment, including but not limited to, ground power and starting equipment, fire extinguishers, oxygen carts, portable compressed air, towing equipment, disabled recovery equipment, washing and cleaning facilities, and such other equipment, supplies and spare parts as may be reasonably required to service all general aviation aircraft at the Airport in accordance with manufacturers recommendations, including such services as repairing and inflating aircraft tires, servicing struts, changing engine oil, servicing oxygen systems, washing and cleaning of the interior and exterior of aircraft and aircraft windows, and recharging or energizing discharged aircraft batteries and starter.

iii) Adequate waiting lounge(s), briefing room(s), restrooms, telephone facilities, etc.

iv) Sale of aviation maps and charts, rulers, flight computer hardware and software, and such other miscellaneous goods and equipment necessary or appropriate for general aviation or flight planning.

c) Aircraft, Engine and Accessory Maintenance. In providing this Minimum Service, the FBO shall comply with the applicable Minimum Standards set forth in Section VII.

2) Optional Services. In addition to the Minimum Services, an FBO may also provide any Specialized Aeronautical Service for which it is qualified under these Minimum Standards, and is authorized to perform under its Lease with the City. Optional Specialized Aeronautical Services ("Optional Services") include aircraft engine and frame maintenance and repair, specialized aircraft parts maintenance and repair, aircraft sales, charter and air taxi services, and flight training.

3) Subcontracting. An FBO may provide any Minimum or Optional Service using its own resources and personnel, or with the prior written consent of the Director, it may provide such Service through a subcontractor subleasing space from the FBO, in accordance with the Minimum Standards and Lease terms applicable to subleasing and subcontracting. The FBO shall remain primarily responsible for any services performed by a subcontractor, and the compliance by such subcontractor with these Minimum Standards.

4) Rates and Charges. The FBO's rates or charges to General Aviation users for its services shall be determined by the FBO, subject to the requirement that all such rates or charges shall be reasonable and equally and fairly applied to all users of the services. All rates and charges for such services shall be filed with the Director.

5) Hours of Operation. A minimum of sixteen (16) hours per day, seven (7) days per week. The Director may require the FBO to provide a twenty-four (24) hour operation as traffic requires. The FBO shall have personnel available on an on-call basis at all times outside of the Operator's regularly scheduled business hours for emergency services.

6) Staffing. During all operating hours, the FBO shall employ and have on duty trained personnel in such numbers and with such certificates and ratings as are required to meet the Minimum Standards, in an efficient manner, for all Minimum and Optional Services being provided by the FBO, including appropriate supervisory and managerial personnel.

B. **Minimum Space Requirements**

1) Leased Premises. The minimum amount of land to be leased for a Fixed Base Land Operation shall be twelve (12) acres.

2) Aircraft Parking. The FBO must provide a minimum of 200,000 square feet of paved apron parking for aircraft parking and tie-downs with taxi-out capability, including sufficient taxi clearance, in accordance with applicable FAA regulations.

3) Hangars. The FBO shall provide a minimum of 30,000 square feet of hangar space, including not less than 22,000 square feet dedicated to the storage of FBO tenant and transient aircraft, and not less than 8,000 square feet dedicated to provision of aircraft repair and maintenance services and spare parts storage. Excluding T-Hangars, FBO hangars must be not less than 8000 square feet in area, and able to accommodate, at a minimum, FAA Airport Design Group I Aircraft.

4) Automobile Parking. The FBO must provide sufficient paved and striped parking to accommodate FBO, and FBO subtenant customers, passengers, and employees on a daily basis,

in accordance with applicable City Code requirements and the ABIA Design and Development Manual.

5) Terminal/Office Space. The FBO shall have a permanent terminal and office space designed and constructed in accordance with the ABIA Design and Development Manual consisting of at least 7,000 square feet of air conditioned space for crew and passenger lounge facilities, public restrooms, training, flight planning, and office space. Restrooms shall be conveniently located, free of charge, accessible to passengers and crews, and maintained in a clean and sanitary manner. At least one working telephone shall be provided for public use. At least 1,000 square feet of office and shop space shall be provided for aircraft maintenance and repair services, in either the terminal building or the hangar in which such services are provided.

C. **Term**. The term of a Lease with an FBO shall be as agreed between the City and the Operator up to a maximum of thirty (30) years unless the Operator can demonstrate to the Director that a longer term is necessary to finance and construct the necessary Improvements required to operate its business at the Airport in accordance with these Minimum Standards. In no event may the term of any Lease exceed forty (40) years, including renewals.

D. **Minimum Experience.** The Operator shall have a minimum of five (5) years of experience in operating a full service Fixed Base Operator facility at another airport similar, in levels and type of service and traffic, to the Airport.

E. **Liability Insurance**. FBOs shall carry and maintain throughout the term of their Lease the following coverages:

1) Commercial General Liability Insurance with a minimum bodily injury and property damage per occurrence limit of $10,000,000 for coverage A (Bodily Injury and Property Damage) and coverage B (Personal and Advertising Injury); and $10,000,000 product/completed operations limit of liability. The policy shall contain:

a) Independent Contractors coverage
b) Ground Hangarkeepers Liability with a limit of $2,000,000
c) Blanket contractual liability coverage for liability assumed under the Lease or Permit
d) Medical expense coverage with a limit of $5,000 any one person
e) City of Austin listed as additional insured, form CG 2010
f) Thirty (30) day Notice of Cancellation in favor of the City of Austin
g) Waiver of Transfer of Right of Recovery Against Others in favor of the City of Austin

2) If the FBO operates any motor vehicle in the Air Operations Area of the Airport, Business Automobile Liability Insurance for all owned, non-owned and hired vehicles with a minimum combined single limit of $5,000,000 for bodily injury and property damage. The policy shall contain:

a) City of Austin named as additional insured, form TE 9901B
b) Thirty (30) day Notice of Cancellation in favor of the City of Austin form TE 0202A

3) Aircraft Liability Insurance for all Operator owned or operated aircraft with a minimum bodily injury and property damage per occurrence limit of $10,000,000 for coverage Bodily Injury and Property Damage, and $10,000,000 for Personal and Advertising Injury. The policy shall contain:

a) Non-Owned Aircraft Liability with a minimum limit of $10,000,000
b) Blanket contractual liability coverage for liability assumed under the Lease or Permit
c) Medical expense coverage with a limit of $5,000 any one person
d) City of Austin as additional insured
e) Thirty (30) day Notice of Cancellation in favor of the City
f) Waiver of Transfer of Rights of Recovery Against Others in favor of the City of Austin

VII. STANDARDS APPLICABLE TO SPECIALIZED AERONAUTICAL SERVICE PROVIDERS.

The following standards apply to Specialized Aviation Service Operators. SASOs provide one or more of the following services and shall comply with the Minimum Standards described in this section. The term of a Lease with an SASO shall be as agreed between the City and the Operator up to a maximum of ten (10) years unless the Operator can demonstrate to the Director that a longer term is necessary to finance and construct the necessary Improvements required to operate its business at the Airport in accordance with these Minimum Standards. In no event may the term of any Lease exceed forty (40) years, including renewals. If an Operator is not leasing land from the City, but is leasing from another Airport tenant, and shall operate under a Permit, the term of such Permit shall be for one year, and month to month thereafter, unless the Operator can demonstrate to the Director that a longer term is necessary to operate its business at the Airport in accordance with these Minimum Standards.

A. **Aviation Shop Repair Services**. (Radios, Painting, Upholstery, Propellers, Instruments, Accessories, etc.) An Aviation Shop Repair Services Operator is a Person engaged in the business of operating a shop, or a combination of FAA certified shops for the repair of aircraft radios, propellers, instruments, and accessories for general aviation aircraft. The Operator may furnish one, or if desired, any combination of these services. This category includes sale of new and/or used aircraft radios, propellers, instruments and accessories.

1) Minimum Standards. The Operator shall maintain, as necessary, the repair station certificates required by the FAA which are applicable to the operation or operations contemplated. The avionics portion of the services offered must maintain current the qualifications of Class I and Class II FAA designated repair station. The Operator shall have in its employ, and on duty during the required operating hours, trained personnel currently certified as FAA radio, instrument or propeller repairmen in such numbers as are required to meet the minimum standards set forth for this category in an efficient manner.

2) Minimum Space Requirements. The Operator shall lease or sublease a sufficient amount of land upon which all required Improvements shall be located, including adequate (a) hangar or shop space for aircraft maintenance and repair and parts and equipment storage, (b) air conditioned space for office, restrooms, lounge and telephone facilities for customer use, (c)

paved aircraft apron space to accommodate the maximum number and type of aircraft that Operator can service at any one time, and (d) paved motor vehicle parking facilities to accommodate Operators customers and employees on a daily basis. If painting operations are contemplated, the Operator shall provide a separate paint shop that meets all applicable safety and air quality and other environmental requirements.

3) Hours of Operation. The Operator shall have personnel available two hours' notice on an on-call basis at all times outside of the Operator's regularly scheduled business hours for emergency services.

4) Minimum Experience. The Operator shall have a minimum of two (2) years of experience in providing the Commercial Aeronautical Service specified in this section.

5) Liability insurance. The Operator shall carry and maintain the following insurance coverages:

a) Commercial General Liability Insurance with a minimum bodily injury and property damage per occurrence limit of $10,000,000 for coverage A (Bodily Injury and Property Damage) and coverage B (Personal and Advertising Injury); and $10,000,000 product/completed operations limit of liability. The policy shall contain the following provisions:

i) Independent Contractors Coverage
ii) Blanket contractual liability coverage for liability assumed under the Lease or Permit
iii) Medical expense coverage with a limit of $5,000 any one person
iv) Ground Hangarkeepers Liability with a limit of $2,000,000
v) City of Austin listed as additional insured
vi) Thirty (30) day Notice of Cancellation in favor of the City of Austin
vii) Waiver of Transfer of Right of Recovery Against Others in favor of the City of Austin

b) If Operator operates any motor vehicle in the Air Operations Area of the Airport, Business Automobile Liability Insurance for all owned, non-owned and hired vehicles with a minimum combined single limit of $5,000,000 for bodily injury and property damage. The policy shall contain:

i) City of Austin named as additional insured, form TE 9901B
ii) Thirty (30) day Notice of Cancellation in favor of the City of Austin form TE 0202A

c) Aircraft Liability Insurance for all Operator owned or operated aircraft with a minimum bodily injury and property damage per occurrence limit of $10,000,000 for coverage Bodily Injury and Property Damage and $10,000,000 for Personal and Advertising Injury. The policy shall contain:

i) Contractual liability coverage for liability assumed under the Lease or Permit

ii) Medical Expense coverage with a limit of $5,000 any one person
iii) City of Austin as additional insured
iv) Thirty (30) day Notice of Cancellation in favor of the City
v) Waiver of Transfer of Rights of Recovery Against Others in favor of the City of Austin
vi) Non-owned aircraft liability with a minimum limit of $10,000,000

6) Independent Repair Service Technicians. An independent repair service technician may provide aircraft repair services at the Airport if the independent technician applies for, and is granted, an Independent Repair Service Technician Permit in accordance with these Minimum Standards. The independent repair service technician must pay the applicable permit fee, and provide proof of proper and current required FAA certifications for the type of repair services offered, and liability insurance as specified above in Section VI.A.5). Independent repair service technicians are not subject to the Minimum Space and Hours of Operation requirements of this Section. Repair services may be performed only in areas of the Airport designated by the Director as suitable for such work.

B. **Aircraft Airframe And Powerplant Repair and Maintenance**. The Operator is a Person engaged in the business of providing aircraft airframe and powerplant repair and maintenance services, including the non-exclusive right to sell aircraft parts and accessories.

1) Minimum Standards. The Operator shall apply for Part 145 Repair Station Certification from the FAA, and shall provide a true copy of the Certificate to the Director when granted. Failure to obtain Repair Station Certification within six months of application shall be a violation of these Minimum Standards, unless the Operator can demonstrate the failure is attributable to FAA delays, and not the fault of Operator. Operator shall employ a sufficient number of FAA certified mechanics with airframe, powerplant and inspector ratings to properly and safely perform the work performed by Operator, including and at least one FAA certified A&P mechanic on duty during normal business hours. Operator shall have all necessary tools, equipment, supplies, and parts necessary to perform its repair and maintenance services in accordance with manufacturer's recommendations and applicable FAA regulations.

2) Minimum Space Requirements. The Operator shall lease or sublease a sufficient amount of land upon which all required Improvements shall be located, in accordance with the requirements of Part 145, including (a) one or more hangars adequate for aircraft maintenance and repair and parts and equipment storage, (b) air conditioned space for office, restrooms, customer lounge and telephone facilities for customer use office, (c) paved aircraft apron space to accommodate the maximum number and type of aircraft that Operator can service at any one time, and (d) paved motor vehicle parking facilities to accommodate Operator's customers and employees on a daily basis. If painting operations are contemplated, the Operator shall provide a separate paint shop that meets all applicable safety and air quality and other environmental requirements.

3) Hours of Operation. The Operator shall have personnel available upon two hours' notice on an on-call basis at all times outside of the Operator's regularly scheduled business hours for emergency services.

4) Minimum Experience. The Operator shall have a minimum of two (2) years of experience in providing the Commercial Aeronautical Service specified in this section.

5) Liability Insurance. The Operator shall carry and maintain the following insurance coverages:

a) Commercial General Liability Insurance with a minimum bodily injury and property damage per occurrence limit of $10,000,000 for coverage A (Bodily Injury and Property Damage) and coverage B (Personal and Advertising Injury); and $10,000,000 product/completed operations limit of liability. The policy shall contain:

i) Independent Contractors Coverage
ii) Blanket contractual liability coverage for liability assumed under the Lease or Permit
iii) Medical expense coverage with a limit of $5,000 any one person
iv) Ground Hangarkeepers Liability with a limit of $2,000,000
v) City of Austin listed as additional insured
vi) Thirty (30) day Notice of Cancellation in favor of the City of Austin
vii) Waiver of Transfer of Right of Recovery Against Others in favor of the City of Austin

b) If Operator operates any motor vehicle in the Air Operations Area of the Airport, Business Automobile Liability Insurance for all owned, non-owned and hired vehicles with a minimum combined single limit of $5,000,000 for bodily injury and property damage. The policy shall contain the following provisions:

i) City of Austin named as additional insured, form TE 9901B
ii) Thirty (30) day Notice of Cancellation in favor of the City of Austin form TE 0202A

c) Aircraft Liability Insurance for all Operator owned or operated aircraft with a minimum bodily injury and property damage per occurrence limit of $10,000,000 for coverage Bodily Injury and Property Damage, and $10,000,000 for Personal and Advertising Injury. The policy shall contain:

i) Contractual liability coverage for liability assumed under the Lease or Permit
ii) Medical Expense coverage with a limit of $5,000 any one person
iii) City of Austin as additional insured
iv) Thirty (30) day Notice of Cancellation in favor of the City
v) Waiver of Transfer of Rights of Recovery Against Others in favor of the City of Austin
vi) Non-owned aircraft liability with a minimum limit of $10,000,000

C. **Flight Training and Ground School.** A flight training and ground school Operator is a Person engaged in the business of instructing pilots in dual and solo flight operations, in fixed and/or rotary wing aircraft, and such related ground school instruction as is necessary to prepare persons for

taking a written examination and flight check for the category or categories of pilots' licenses and rating involved.

1) Minimum Standards. The Operator shall obtain and maintain an FAA certificate under FAR Part 61 or 141, as applicable to its operation. The Operator shall employ at a sufficient number of instructors to provide the type of flight and ground training offered. All instructors shall be fully trained and properly certificated by the FAA. Flight instructors shall have a current pilot's license and, to the extent required by applicable regulations, medical certificate. The Operator shall own or lease and have available for use in flight training at least one properly certified aircraft appropriate to the type of flight instruction offered. The Operator shall have appropriate training equipment and instructional materials to provide proper and effective flight training, including adequate mock-ups, pictures, slides, films or other visual aids. All equipment and materials must comply with applicable FAA requirements for the training offered.

2) Minimum Space Requirements. The Operator shall lease or sublease (a) a sufficient amount of hangar or tie-down space for all aircraft used for flight instruction at the Airport, (b) air conditioned space for classroom, office, briefing room, restrooms, and telephone facilities for customer use, and (c) sufficient paved motor vehicle parking facilities to accommodate Operator's customers and employees on a daily basis. Ground instruction may not be provided in public areas of the Airport.

3) Hours of Operation. A minimum of eight (8) hours per day, five (5) days per week.

4) Minimum Experience. The Operator shall have a minimum of two (2) years of experience in providing the Commercial Aeronautical Service specified in this section.

5) Liability Insurance. The Operator shall carry and maintain the following insurance coverages:

a) Commercial General Liability Insurance with a minimum bodily injury and property damage per occurrence limit of $1,000,000 for coverage A (Bodily Injury and Property Damage) and coverage B (Personal and Advertising Injury); and $1,000,000 product/completed operations limit of liability. The policy shall contain:

i) Independent Contractors Coverage
ii) Blanket contractual liability coverage for liability assumed under the Lease or Permit
iii) Medical expense coverage with a limit of $5,000 any one person
iv) Ground Hangarkeepers Liability with a limit of $2,000,000
v) City of Austin listed as additional insured
vi) Thirty (30) day Notice of Cancellation in favor of the City of Austin
vii) Waiver of Transfer of Right of Recovery Against Others in favor of the City of Austin

b) If Operator operates any motor vehicle in the Air Operations Area of the Airport, Business Automobile Liability Insurance for all owned, non-owned and

hired vehicles with a minimum combined single limit of $1,000,000 for bodily injury and property damage. The policy shall contain the following provisions:

i) City of Austin named as additional insured, form TE 9901B
ii) Thirty (30) day Notice of Cancellation in favor of the City of Austin form TE 0202A

c) Aircraft Liability Insurance for all Operator owned or operated aircraft with a minimum bodily injury and property damage per occurrence limit of $1,000,000 for coverage Bodily Injury and Property Damage, and $1,000,000 for Personal and Advertising Injury. The policy shall contain:

i) Contractual liability coverage for liability assumed under the Lease or Permit
ii) Medical Expense coverage with a limit of $5,000 any one person
iii) City of Austin as additional insured
iv) Thirty (30) day Notice of Cancellation in favor of the City
v) Waiver of Transfer of Rights of Recovery Against Others in favor of the City of Austin
vi) Non-owned aircraft liability with a minimum limit of $1,000,000

6) Independent Flight Instructors. An independent flight instructor may provide aircraft flight instruction at the Airport if the independent instructor applies for, and is granted, an Independent Flight Instructor Permit in accordance with these Minimum Standards. The independent flight instructor must pay the applicable permit fee, and provide proof of proper and current pilot's license, required FAA certifications for the type of instruction offered, and liability insurance as specified above in Section VI.C.5). Independent flight instructors are not subject to the Minimum Space and Hours of Operation requirements of this Section. Ground school and briefing/debriefing may be provided off-airport or on-airport in leased or subleased space, but such instruction may not be provided in public areas of the Airport.

D. **Aircraft Sales**. An aircraft sales Operator is a Person engaged in the business of selling new or used aircraft through franchises, or licensed dealership or distributorship (either on a retail or wholesale basis) of an aircraft manufacturer or otherwise; and providing such repair, services and parts as necessary to meet any guarantee or warranty on new or used aircraft sold.

1) Minimum Standards. The Operator shall have at least one full time authorized agent to transact sales, and at least one fully licensed and certificated pilot with ratings appropriate for the types of aircraft to be demonstrated. All dealers shall be properly bonded and licensed in accordance with applicable Federal, State, City, and local laws, rules and regulations. A new aircraft sales Operator shall have available or on call at least one current model of the aircraft made by the manufacturer the Operator represents, and shall provide for demonstrations of additional models of such manufacturer. The Operator shall provide all parts, equipment and services required to repair and service aircraft sold by the Operator during applicable warranty periods. Warranty service facilities may be provided through written agreement with an FBO or other repair shop Operator at the Airport.

2) Minimum Space Requirements. The Operator shall lease or sublease a sufficient amount of land to include (a) an adequate amount of paved aircraft ramp or apron space to accommodate its projected inventory of aircraft, (b) air conditioned space for salesroom, office, restrooms, and telephone facilities for customer use, (c) if the Operator is providing warranty maintenance itself, sufficient additional space to provide warranty maintenance and service for aircraft and for parts storage, and (d) sufficient paved motor vehicle parking facilities to accommodate Operator's customers and employees on a daily basis.

3) Minimum Experience. The Operator shall have a minimum of two (2) years of experience in providing the Commercial Aeronautical Service specified in this section.

4) Liability Insurance. The Operator shall carry and maintain the following insurance coverages:

a) Commercial General Liability Insurance with a minimum bodily injury and property damage per occurrence limit of $1,000,000 for coverage A (Bodily Injury and Property Damage) and coverage B (Personal and Advertising Injury); and $1,000,000 product/completed operations limit of liability. The policy shall contain:

i) Independent Contractors Coverage
ii) Blanket contractual liability coverage for liability assumed under the Lease or Permit
iii) Medical expense coverage with a limit of $5,000 any one person
iv) Ground Hangarkeepers Liability with a limit of $2,000,000
v) City of Austin listed as additional insured
vi) Thirty (30) day Notice of Cancellation in favor of the City of Austin
vii) Waiver of Transfer of Right of Recovery Against Others in favor of the City of Austin

b) If Operator operates any motor vehicle in the Air Operations Area of the Airport, Business Automobile Liability Insurance for all owned, non-owned and hired vehicles with a minimum combined single limit of $1,000,000 for bodily injury and property damage. The policy shall contain the following provisions:

i) City of Austin named as additional insured, form TE 9901B
ii) Thirty (30) day Notice of Cancellation in favor of the City of Austin form TE 0202A

c) Aircraft Liability Insurance for all Operator owned or operated aircraft with a minimum bodily injury and property damage per occurrence limit of $1,000,000 for coverage Bodily Injury and Property Damage and $1,000,000 for Personal and Advertising Injury. The policy shall contain:

i) Contractual liability coverage for liability assumed under the Lease or Permit
ii) Medical Expense coverage with a limit of $5,000 any one person
iii) City of Austin as additional insured
iv) Thirty (30) day Notice of Cancellation in favor of the City

v) Waiver of Transfer of Rights of Recovery Against Others in favor of the City of Austin

vi) Non-owned aircraft liability with a minimum limit of $1,000,000

E. **Aircraft Rental**. An aircraft rental Operator is a Person engaged in the business of renting aircraft to the public.

1) Minimum Standards. The Operator shall own or lease and have available for rental, either owned or under written lease to Operator, a sufficient number of airworthy aircraft properly certificated to handle the proposed scope of its operation. Operator shall employ at least one person having current FAA pilot's license appropriate for the each of the aircraft models offered for rental. The Operator shall develop and implement written policies to ensure that only properly qualified and licensed Persons may rent aircraft, and shall provide a copy of such policies to the Director.

2) Minimum Space Requirements. The Operator shall lease or sublease a sufficient amount of land to include (a) an adequate amount of paved aircraft ramp or apron space to accommodate its projected inventory of rental aircraft, (b) air conditioned space for office, restrooms, and telephone facilities for customer use, and (c) sufficient paved motor vehicle parking facilities to accommodate Operator's customers and employees on a daily basis.

3) Hours of Operation. A minimum of a minimum of eight (8) hours per day, six (6) days per week.

4) Minimum Experience. The Operator shall have a minimum of two (2) years of experience in providing the Commercial Aeronautical Service specified in this section.

5) Liability Insurance. The Operator shall carry and maintain the following insurance coverages:

a) Commercial General Liability Insurance with a minimum bodily injury and property damage per occurrence limit of $1,000,000 for coverage A (Bodily Injury and Property Damage) and coverage B (Personal and Advertising Injury); and $1,000,000 product/completed operations limit of liability. The policy shall contain:

i) Independent Contractors Coverage

ii) Blanket contractual liability coverage for liability assumed under the Lease or Permit

iii) Medical expense coverage with a limit of $5,000 any one person

iv) Ground Hangarkeepers Liability with a limit of $2,000,000

v) City of Austin listed as additional insured

vi) Thirty (30) day Notice of Cancellation in favor of the City of Austin

vii) Waiver of Transfer of Right of Recovery Against Others in favor of the City of Austin

b) If Operator operates any motor vehicle in the Air Operations Area of the Airport, Business Automobile Liability Insurance for all owned, non-owned and

hired vehicles with a minimum combined single limit of $1,000,000 for bodily injury and property damage. The policy shall contain the following provisions:

i) City of Austin named as additional insured, form TE 9901B
ii) Thirty (30) day Notice of Cancellation in favor of the City of Austin form TE 0202A

c) Aircraft Liability Insurance for all Operator owned or operated aircraft with a minimum bodily injury and property damage per occurrence limit of $1,000,000 for coverage Bodily Injury and Property Damage and $1,000,000 for Personal and Advertising Injury. The policy shall contain:

i) Contractual liability coverage for liability assumed under the Lease or Permit
ii) Medical Expense coverage with a limit of $5,000 any one person
iii) City of Austin as additional insured
iv) Thirty (30) day Notice of Cancellation in favor of the City
v) Waiver of Transfer of Rights of Recovery Against Others in favor of the City of Austin
vi) Non-owned aircraft liability with a minimum limit of $1,000,000

F. **Aircraft Charter and Air Taxi Service**. An aircraft charter and air taxi Operator is a Person engaged in the business of providing air transportation to the public for hire, either on a charter basis or as an air taxi Operator, as defined in the Federal Aviation Act of 1958, or as said Act may be amended from time to time. Non-scheduled air carrier companies providing service to and from the Airport, but not based on the Airport, are exempt from these Minimum Standards.

1) Minimum Standards. The Operator must hold a valid current FAA Air Charter and Taxi Certificate under FAR Part 135, with appropriate ratings and licenses for the services to be provided at the Airport. All pilots must be fully qualified and certificated for air charter and air taxi service. The Operator must own or lease and have available under its exclusive control at least one airworthy and fully certificated multi-engine all-weather aircraft. The Operator shall have available sufficient trained personnel for checking in and ticketing passengers, and handling luggage.

2) Minimum Space Requirements. The Operator shall lease or sublease a sufficient amount of land to include (a) an adequate amount of paved aircraft ramp or apron space to accommodate its fleet of aircraft based at the Airport, (b) air conditioned space for office, customer lounge, cargo and luggage storage and handling space, restrooms, and telephone facilities for customer use, and (c) sufficient paved motor vehicle parking facilities to accommodate Operator's customers and employees on a daily basis.

3) Hours of Operation. A minimum of a minimum of eight (8) hours per day, five (5) days per week and shall be available on two hours' notice on an on-call basis after Operator's regularly scheduled business hours.

4) Minimum Experience. The Operator shall have a minimum of two (2) years of experience in providing the Commercial Aeronautical Service specified in this section.

5) Liability Insurance. The Operator shall carry and maintain the following insurance coverages:

a) Commercial General Liability Insurance with a minimum bodily injury and property damage per occurrence limit of $20,000,000 for coverage A (Bodily Injury and Property Damage) and coverage B (Personal and Advertising Injury); and $20,000,000 product/completed operations limit of liability. The policy shall contain the following provisions:

i) Independent Contractors Coverage
ii) Blanket contractual liability coverage for liability assumed under the Lease or Permit
iii) Medical expense coverage with a limit of $5,000 any one person
iv) Ground Hangarkeepers Liability with a limit of $2,000,000
v) City of Austin listed as additional insured
vi) Thirty (30) day Notice of Cancellation in favor of the City of Austin
vii) Waiver of Transfer of Right of Recovery Against Others in favor of the City of Austin

b) If Operator operates any motor vehicle in the Air Operations Area of the Airport, Business Automobile Liability Insurance for all owned, non-owned and hired vehicles with a minimum combined single limit of $5,000,000 for bodily injury and property damage. The policy shall contain the following provisions:

i) City of Austin named as additional insured, form TE 9901B
ii) Thirty (30) day Notice of Cancellation in favor of the City of Austin form TE 0202A

c) Aircraft Liability Insurance for all Operator owned or operated aircraft with a minimum bodily injury and property damage per occurrence limit of $20,000,000 for coverage Bodily Injury and Property Damage and $20,000,000 for Personal and Advertising Injury. The policy shall contain:

i) Contractual liability coverage for liability assumed under the Lease or Permit
ii) Medical Expense coverage with a limit of $5,000 any one person
iii) City of Austin as additional insured
iv) Thirty (30) day Notice of Cancellation in favor of the City
v) Waiver of Transfer of Rights of Recovery Against Others in favor of the City of Austin
vi) Non-owned aircraft liability with a minimum limit of $20,000,000