17622 Airfield Lane Pearland, Texas 77581 Phone: (281) 482-7551 **Updated December 5, 2014**

Minimum Standards



Table of Contents

Secti	on 1: General	
1.1	Introduction	2
1.2	Purpose*	2
1.3	Policy*	3
1.4	Objective*	3
1.5	Application of Minimum Standards	4
1.6	Insurance	4
1.7	Personnel	
1.8	Rights and Privileges	5
1.9	Land and Facility Use	5
1.10	Compliance	5
Secti	on 2: Aeronautical Operators & Tenants	
2.1	Authority	
2.2	Specialized Aviation Service Operation (SASO)	
2.3	Temporary Aeronautical Commercial Activity(TACA)	
2.4	Executive Hangar	7
2.5	Nonprofit	
2.6	Through-the-Fence Access Users	7
Secti	on 3: Application Process	
3.1	Improvements to Airport Property	8
3.2	Temporary Aeronautical Commercial Activities (TACA)	8
3.3	Additional Requirements	8
3.4	Action on Application	9
Anne	endix	
	Insurance Requirements1	.1

Section 1 General

1.1 Introduction

Clover Acquisition Corporation, as Owner of the Pearland Regional Airport, establishes these Minimum Standards for persons who are or wish to become Commercial Operators, or anyone who leases land, and/or who makes use of Airport property, including Through-the-Fence (TTF) Access Users. These Minimum Standards consider the significant role of the Airport in aviation, facilities that currently exist at the Airport, services being offered at the Airport, and the future development planned for the Airport. For the purposes of this document, "Airport Management" shall be used to mean Clover Acquisition Corporation and Texas Aviation Partners, LLC. and their officers, agents, owners, and employees

These Minimum Standards serve the following purposes:

- 1. Ensure that all commercial operators, tenants, users, and Clover Acquisition Corporation are not exposed to illegal, unsafe, or irresponsible practices.
- Serve the public interest and discourage substandard business practices and construction, thereby protecting both the established aeronautical activity and the Pearland Regional Airport customers.

1.2 Purpose*

In accordance with the Airport and Airway Improvement Act of 1982 and the Airport Improvement Program (AIP) sponsor assurances, the owner or operator of the Airport (the Airport Sponsor) that has been developed or improved with federal grant assistance or conveyances of Federal property assistance is required to operate the Airport for the use and benefit of the public and to make it available for all types, kinds, and classes of aeronautical activity.

These federal obligations involve several distinct requirements. Most important is that the Airport and its facilities must be available for public use as an Airport. The terms imposed on those who use the Airport and its services must be reasonable and applied without unjust discrimination, whether by the Airport Sponsor or by a contractor or licensee who has been granted a right by the Airport sponsor to offer services or commodities normally required to serve aeronautical users of the Airport.

Federal law requires that recipients of federal grants sign a grant agreement or covenant in a conveyance of property that sets out the obligations that an Airport Sponsor assumes in exchange for federal assistance. The FAA's policy recommending minimum standards stems from the

Airport Sponsor's grant assurances and similar property conveyance obligations to make the Airport available for public use on reasonable conditions and without unjust discrimination.

1.3 Policy*

The Airport Sponsor of a federally obligated Airport agrees to make available the opportunity to engage in commercial aeronautical activities by persons, firms, or corporations that meet reasonable minimum standards established by the Airport Sponsor. The Airport Sponsor's purpose in imposing standards is to ensure a safe, efficient, and adequate level of operation and services is offered to the public. Such standards must be reasonable and not unjustly discriminatory.

1.4 Objective*

The FAA objective in recommending the development of minimum standards serves to promote safety in all Airport activities, protect Airport users from unlicensed and unauthorized products and services, maintain and enhance the availability of adequate services for all Airport users, promote the orderly development of Airport land, and ensure efficiency of operations. Therefore, Airport Sponsors should strive to develop minimum standards that are fair and reasonable to all on-Airport aeronautical service providers and relevant to the aeronautical activity to which it is applied.

The sponsor may prohibit or limit any given type, kind or class of aeronautical use of the Airport if such action is necessary for the safe operation of the Airport or necessary to serve the civil aviation needs of the public. Under certain circumstances, an Airport Sponsor could deny Airport users the opportunity to conduct aeronautical activities at the Airport for reasons of safety and efficiency. A denial based on safety must be based on evidence demonstrating that safety will be compromised if the applicant is allowed to engage in the proposed aeronautical activity. The FAA is the final authority in determining what, in fact, constitutes a compromise of safety. These standards should be tailored to the specific aeronautical activity and the Airport to which they are to be applied. Considerations for applying these standards may include the following:

- 1. Apply standards to all providers of aeronautical services, from full service FBOs to single service providers;
- 2. Impose conditions that ensure safe and efficient operation of the Airport in accordance with FAA rules, regulations, and guidance;
- 3. Ensure standards are reasonable, not unjustly discriminatory, attainable, uniformly applied and reasonably protect the investment of providers of aeronautical services to meet minimum standards from competition not making a similar investment;
- 4. Ensure standards are relevant to the activity to which they apply; and

5. Ensure standards provide the opportunity for newcomers to meet the minimum standards to offer their aeronautical services within the market demand for such services.

1.5 Application of Minimum Standards

Any Aeronautical Commercial Operator, Nonprofit, TTF Access User, and Hangar Tenant must comply with these Minimum Standards and any amendments thereto. If there is a conflict between a Minimum Standards and the provision of a lease, permit, or agreement, the provision in the Minimum Standards governs.

Whenever an Aeronautical Commercial Operator, Nonprofit, TTF Access User, or Hangar Tenant conducts multiple aeronautical activities under one lease, permit, or agreement with Airport Management, the Aeronautical Commercial Operator, Nonprofit, TTF Access User, or Hangar Tenant must comply with these Minimum Standards for each activity being conducted. If the Minimum Standards for one of the aeronautical activities are inconsistent with the Minimum Standards for another aeronautical activity, Airport Management may apply the Minimums Standards that are most beneficial to Airport operations.

Airport Management may waive or modify any Minimum Standard for the benefit of any governmental agency or when Airport Management determines that a waiver or modification is in the best interest of Airport operations and will not result in unjust discrimination among Aeronautical Commercial Operators, Nonprofits, TTF Access Users, or Hangar Tenants.

In addition to the requirements set forth in this document, an annual review of existing leases and agreements may be conducted for each tenant/lessee/user at any time to ensure compliance with these Minimum Standards.

1.6 Insurance

All insurance requirements can be found in Appendix A of this document.

All individuals and entities providing commercial aeronautical activities shall protect the public generally, its customers or clients, and Airport Management from any and all unlawful damages, claims, or liability and shall carry comprehensive general liability insurance with a company authorized to do business in the State of Texas with limits of not less than that specified herein; and such policies must be written with Clover Acquisition Corporation and Texas Aviation Partners, LLC. (Airport Manager) named as an additional insured; such policies must be approved by the Airport and a certificate of insurance furnished to same. It is further understood that as circumstances may justify in the future, Airport Management may modify these insurance requirements.

^{*} Federal Aviation Administration Advisory Circular Number 150/5190-7, August 28, 2006

All tenants and users will have three months, or until expiration date of current insurance policy, whichever is greater, to update their insurance coverage in order to comply with these Minimum Standards.

1.7 Personnel

Each Aeronautical Commercial Operator must employ a sufficient number of trained, on-duty personnel to provide for the safe, efficient, and orderly conduct of all its operations utilizing the Airport, and for proper compliance with its obligations under its lease, permit, or agreement. Each Aeronautical Commercial Operator, Nonprofit, TTF Access Users, and Hangar Tenant must control the conduct and demeanor of its personnel, subtenants, invitees, and, upon objection by Airport Management concerning the conduct or demeanor of any such person, the Aeronautical Commercial Operator, Nonprofit, Access User, and Hangar Tenant must immediately take all lawful steps necessary to remove the cause of the objection.

Each Aeronautical Commercial Operator, Nonprofit, TTF Access User, and Hangar Tenant must conduct its operations in a safe, orderly, efficient, and proper manner so as not to unreasonably disturb, endanger, or be offensive to others.

1.8 Rights and Privileges

Airport Management reserves the right to take any actions it considers necessary to protect the aerial approaches to the Airport against obstructions.

Airport Management reserves the right to enter upon any premises at reasonable times for the purpose of making such inspections as it may deem expedient to the proper enforcement of these Minimum Standards.

1.9 Land and Facility Use

Airport Management reserves the right to lease an existing facility or any portion of an existing facility to an Aeronautical Commercial Operator, Nonprofit, or Hangar Tenant in order to maximize facility use and business opportunities. A lease of this nature shall be at Airport Management's sole discretion, and shall be considered to meet the minimum facility requirements as specified in these Minimum Standards.

1.10 Compliance

In the event modified or updated Minimum Standards create a situation whereby an existing tenant is not in compliance, Airport Management has the sole right to establish a plan for correcting such non-compliance. Airport Management will work with the tenant to help provide a fair and reasonable solution in a timely manner.

Section 2 Aeronautical Operators & Tenants

2.1 Authority

Airport Management reserves the right to adjust and/or combine the required square footage of building space or area if more than one category of service is provided by one individual, firm, or corporation. Airport Management also reserves the right to make any changes to these Minimum Standards dictated by changing conditions or circumstances.

2.2 Specialized Aviation Service Operation (SASO)

A Specialized Aviation Service Operation (SASO) is an Aeronautical Commercial Operator that is authorized to offer a single or limited service according to established Minimum Standards. Examples of a SASO include, but are not limited to, the following commercial aeronautical activities: aircraft maintenance, avionics maintenance, avionics sales, flight training, aircraft charter, aircraft sales, aircraft storage, specialized commercial aeronautical operations, and aircraft refurbishing.

A SASO shall:

- 1. Own or lease from the Airport adequate square footage for a balanced facility including but not limited to: office space, restrooms, lobby, and other activities traditionally associated with the intended facility use.
- 2. Ensure that customers, clients, and/or employees have the appropriate and current FAA pilot's license and current Airman Medical Certificate as necessary.
- 3. Have adequate facilities or arrangements for storing, parking, servicing, and repairing all of its aircraft.
- 4. Provide or make adequate arrangements for motor vehicle parking for its employees and customers.

2.3 Temporary Aeronautical Commercial Activity(TACA)

A Temporary Aeronautical Commercial Activity is a single aeronautical service offered on a temporary basis without an established place of business on the Airport. Examples of a TACA include, but are not limited to, mobile versions of Specialized Aviation Service Operations (SASO).

The TACA must be permitted by Airport Management and may be denied access to the Airport. Airport Management may or may not allow this type of servicing to exist on the Airport.

2.4 Executive Hangar

An Executive Hangar is a small to medium size hangar, owned or leased by an individual or business to store their own aircraft. The uses of an Executive Hangar shall be limited to the storage of wholly owned or leased aircraft and service and maintenance on wholly owned or leased aircraft. Executive Hangar Tenants may not hangar aircraft owned by others nor offer, nor provide, any services whatsoever to others, except however, other's aircraft may be temporarily hangared without compensation.

Executive Hangar Tenants shall:

- 1. Construct a hangar with a minimum structure size of 50' x 50'.
- 2. Determine the necessity of certain Development Design Standards, such as restroom facilities and vehicle parking, with the assistance of Airport Management prior to construction.

2.5 Nonprofit

A Nonprofit serves and/or educates the aviation community without the intent to distribute profits or dividends or without the intent to operate as a commercial business. Airport Management may request articles of incorporation filed with the Secretary of State to ascertain nonprofit status.

Due to the variety of nonprofit aviation organizations, minimum leased area, building size, and insurance requirements will be determined on a case-by-case basis.

2.6 Through-the-Fence (TTF) Access Users

TTF Access Users are the owners of the fee simple title of an off-airport property. Off-airport property means the land (and associated infrastructure and improvements) located adjacent to the Airport having ground access for aircraft across the Airport's property boundary to the Airport's airside infrastructure.

Unauthorized access to the Airport from adjacent properties is strictly prohibited.

Off-airport property owners will familiarize themselves with the Airport's Through-the-Fence Access Guidebook, which may be found at www.flypearland.com.

Section 3 Application Process

3.1 Improvements to Airport Property

Prospective tenants wishing to establish a permanent business on Airport property or to construct a hangar for personal use must first complete a Project Development Questionnaire.

All improvements constructed on Airport property are subject to the requirements of these Minimum Standards, the Airport's Development Design Standards, and all applicable municipal, county, state, and federal codes. Plans for construction will be approved by Airport Management prior to the commencement of work.

A Project Development Questionnaire packet may be found at www.flypearland.com.

3.2 Temporary Aeronautical Commercial Activities (TACA)

Temporary or mobile business activities are permitted after the proper Temporary Permit Application has been completed and approved by Airport Management, all applicable fees have been paid, and proper proof of insurance has been provided.

A Temporary Permit Application may be found at www.flypearland.com.

3.3 Additional Requirements

Airport Management may require the Applicant to provide additional information to ensure compliance with Airport Rules and Regulations or these Minimum Standards.

Applicant shall satisfy the Airport that they are technically and financially able to perform the services associated with the proposed nature of their business. This may include the responsibility for demonstrating continued financial solvency and business ability by submitting financial statements, credit references, a business plan, and any other data that Airport Management may require from time to time. In each instance, Airport Management shall make the final determination as to qualifications and financial ability of the applicant.

3.4 Action on Application

All applications will be reviewed and acted upon by Airport Management within 30 days from the receipt of the application. Applications may be denied for one more of the following reasons:

- 1. The applicant does not meet qualifications, standards, and requirements established by these Minimum Standards.
- 2. The applicant's proposed operations or construction will create a safety hazard on the Airport.
- 3. The granting of the application will require the expenditure of Airport funds, labor, or materials on the facilities described in or related to the application, or the operation will result in a financial loss to the Airport.
- 4. There is no appropriate or adequate available space or building on the Airport to accommodate the entire activity of the applicant.
- 5. The proposed operation, development, or construction does not comply with the approved Airport Layout Plan (ALP).

Appendix A: Insurance Requirements

Pearland Regional Airport Minimum Insurance Requirements

Basic airport operations minimum requirements:

CLASSIFICATION	COMPREHENSIVE AIRPORT LIABILITY	AIRCRAFT LIABILITY	HANGARKEEPERS
SASO	\$1,000,000	≥ \$1,000,000	Value of aircraft in care, custody, or control
TEMPORARY AERONAUTICAL ACTIVITY	\$1,000,000	N/A	N/A
NONPROFIT	\$1,000,000	> \$1,000,000	N/A
EXECUTIVE HANGAR	N/A	> \$1,000,000	N/A
T-HANGAR	N/A	> \$1,000,000	N/A
REMARKS	All: CSL with coverage for Bodily Injury & Property Damage	All: CSL with coverage for Bodily Injury & Property Damage	

Other minimum requirements based on other miscellaneous activities:

ACTIVITY	COMPREHENSIVE AIRPORT LIABILITY	AIRCRAFT LIABILITY
AIR CHARTER	\$1,000,000	> \$2,000,000*
AIR CARGO	\$1,000,000	\$5,000,000
AIRCRAFT SALES	\$1,000,000	\$2,000,000
PRODUCTS LIABILITY	> \$1,000,000	N/A
REMARKS		* Minimums increase based on passenger capacity

Insurance standards apply to all tenants/users who utilize airport property regardless of location (i.e. on-airport vs. through-the-fence).

Property Insurance:

All tenants who own or lease property at the Airport are required to carry Property Liability insurance. If the hangar/facility is owned, the lessee must carry insurance equal to the market replacement value of the building and underlying slab. If the hangar/facility is leased, lessee must insure the contents of the facility.

Auto Insurance:

Any vehicle operating in the Aircraft Operations Area (AOA), whether owned, not owned, or hired, must carry Automobile Liability of at least \$500,000.