MINIMUM STANDARDS AND PROCEDURES FOR COMMERCIAL AERONAUTICAL ACTIVITIES

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Section 1: Purpose, Intent and Requirements

Paragraph 1.1

The purpose herein is to allow for the establishment and orderly development of a sound economic base upon which the Telluride Regional Airport can remain self-sufficient; to insure that the public receives reliable, safe and nondiscriminatory service from its Tenants conducting commercial aeronautical activities from the Airport; and to insure that Tenants, conducting aeronautical activities at the Airport receive equitable treatment as compared to others conducting the same or similar activities at the Airport.

Paragraph 1.2

The intent herein is to categorically identify those Minimum Standards and Procedures by which all Tenants conducting commercial aeronautical activities (revenue producing) at the Airport shall conduct their respective operations.

Paragraph 1.3

The requirements, as set forth in these Minimum Standards and Procedures are intended to ultimately protect the public health, safety, and other interests, to insure that the Airport can maintain, self-sufficiency, and adhere to the Federal Aviation Administration's Assurances for the Airport Sponsors.

Paragraph 1.4

These Minimum Standards and Procedures have been written in conformance to Advisory Circular 150/5190-1A, and the Federal Aviation Administration's Assurances for Airport Sponsors.

Section 2: Implementation and Application

Paragraph 2.1

It is intended that the implementation and application of these Minimum Standards and Procedures shall be accomplished by the Telluride Regional Airport Authority (hereinafter TRAA) and/or its appointed Airport Manager.

Paragraph 2.2

These Minimum Standards and Procedures shall be published and appended to all current Lease and Operating agreements and shall be considered a part of all Lease and Operating agreements which TRAA may enter into relating to the Telluride Regional Airport except as otherwise provided in Section 4, Paragraph 4.4.

Paragraph 2.3

Any person(s), fir or legal entity wishing to obtain the right to operate and/or establish leasehold on the Airport shall make a written application to the Airport Manager in the manner and form prescribed herein. Applications for permission to establish lease and/or use Airport land or any facilities thereon shall be approved by TRAA. However, in no case shall an applicant submit anything less than the following information:

- A. Applicant's legal name and address;
- B. Applicant's primary business;
- C. Applicant's express purpose in applying for lease and operating rights;
- D. Applicant's express intent for utilization of the land and/or facilities to be occupied, and more importantly the services, which are intended to be provided to the public.
- E. Applicant's estimate of costs which he/she will incur for the development and improvements of such leasehold or fee position applied for;
- F. Applicant's schedule for commencement of lease term, operation and construction of leasehold improvements;
- G. Applicant shall provide qualified references attesting to his/her financial responsibility and technical ability as related to his/her proposed type of business.
- H. Applicant shall provide, prior to commencement of operations the names, addresses and qualifications of those key (management personnel) that will be involved with the day-to-day operation of the business.
- I. Submit above information with a non-refundable processing fee of \$250.00. Upon receipt of the application, it will be reviewed by TRAA within 90 days. Any fees incurred by TRAA above the \$250.00 processing fee will be paid for by the applicant.

Section 3: Glossary of Terms

Paragraph 3.1

TRAA: hereinafter shall mean the Telluride Regional Airport Authority, or its successor, operator of the Airport.

Paragraph 3.2

Airport: hereinafter shall mean the land, and developments thereon, either held in fee simple or as leasehold either occupied by tenants or fee holders, which are controlled, operated, and maintained by either the TRAA, its tenants and/or those to whom title in fee has been legally transferred. The Airport shall also include, but not necessarily be limited to all runways, taxiways, rights of way, control tower(s), aprons, aircraft and vehicle parking areas, storage areas of all kinds and descriptions, improvements, utilities, facilities or other real property necessary or convenient, or desirable, for the landing, takeoff, accommodation and servicing of aircraft of all types.

Paragraph 3.3

Applicant: as hereinafter defined shall mean that person(s), firm or legal entity desiring to acquire use of the Airport, or establish or use any facility on the Airport for commercial aeronautical activity, or other purpose; and who shall apply in writing and in the manner and form prescribed for permission to establish such operations on the Airport.

Paragraph 3.4

Aircraft: as hereinafter defined, shall mean and include any and all contrivances now or hereafter used for the navigation of, or flight in air or space, including but not limited to airplanes, airships, dirigibles, helicopters, gliders, amphibians, sea planes and ultra lights.

Paragraph 3.5

Operator: as hereinafter defined, shall mean any person(s), firm, or legal entity who have applied for and received written permission to engage in a commercial aeronautical activity on or from the Airport, and has entered into and executed the required lease and/or operating agreement. An operator shall in all cases be a tenant.

Paragraph 3.6

Tenant: as hereinafter defined, shall mean any person(s), firm, or legal entity who has applied for and received written permission to establish a leasehold or other operating right at the Airport whether for commercial activity or not.

Paragraph 3.7

Commercial Aeronautical Activity: as hereinafter defined, shall mean any on-going activity conducted at, on, or from the Airport by any person(s), firm or legal entity intended to result in monetary gain to the party conducting such activity. This activity includes the following:

- A. Minor and Major Airframe and Power Plant repair and/or Inspection;
- B. Aircraft Detailing and Painting;
- C. Aircraft Charter and Air Taxi Services
- D. Flight Training and/or Scenic Rides;
- E. Aircraft Rental;
- F. Aircraft Management;
- G. Aircraft Insurance
- H. Aircraft Sales;
- I. Aircraft Avionics Sales and/or Service;
- J. Aircraft Crop Dusting and/or Firefighting;
- K. Aerial Photography

Paragraph 3.8

Standard Construction Specifications: as hereinafter defined, shall include, but not limited to:

- A. Federal Aviation Administration "Standards for Specifying Construction of Airports";
- B. All other applicable Federal, State, Local and TRAA building codes or other rules and/or regulations controlling construction on public airports.

Paragraph 3.9

The Telluride Regional Airport Authority shall hold the exclusive right to provide the following minimum services:

- A. The sale of any type of fuel and lubricants to General Aviation and/or air Carrier aircraft and
- B. Aircraft Line Services.

Paragraph 3.10

Leasehold Improvements: as hereinafter defined, shall mean any modification, alterations or repairs of either a structural or architectural nature, which is performed by Tenants, Operators at his/her sole expense. Any such improvements shall be accomplished only after TRAA has approved the Tenants and Operators written application requesting same. In all instances, unless

provided otherwise in the lease and/or operating agreement, upon the termination of natural expiration of a lease and/or operating agreement, title to such structure(s) shall revert to and vest with TRAA, at the option of TRAA.

Paragraph 3.11

Normal Business Hours: as hereinafter defined as 8:00 a.m. until 5:00 p.m., Monday through Friday.

Paragraph 3.12

Normal Operating Hours: as hereinafter defined as 6:00 a.m. or 30 minutes before sunrise, whichever is later, and 30 minutes after sunset, seven days a week.

Paragraph 3.13

Signatory Airline: as hereinafter defined shall mean an airline that has signed a Scheduled Airline Operating Agreement with the Telluride Regional Airport Authority.

Paragraph 3.14

Non-Signatory Airline: as hereinafter defined shall mean an airline that has not signed a Scheduled Airline Operating Agreement with the Telluride Regional Airport authority.

Paragraph 3.15

Permittee: as hereinafter defined shall mean a person(s), firm or legal entity who performs self-refueling of their aircraft.

Section 4: Statement of Policy

Paragraph 4.1

The TRAA reserves the right to reject any and all proposals submitted to them by any person(s) firm, or legal entity.

Paragraph 4.2

Upon the consideration of the applicant, TRAA shall determine whether or not the applicant meets the standards and qualifications as herein set forth and whether or not such application should be granted in whole or in part, and if so, upon what terms and conditions.

Paragraph 4.3

It is TRAA's intent to have prepared, and make available an Airport Layout Plan, which will be a scaled dimensional layout of the entire Airport property indicating in general, current and proposed usage for each identifiable segment.

Paragraph 4.4

All present Tenants and Operators conducting operations on the Airport prior to the effective date of these Minimum Standards and Procedures may be allowed to continue without fully complying with the portions of these Minimum Standards and Procedures relating to the number of categories and to the physical requirements of land and buildings relating to the number of categories and to the physical requirements of land and buildings so long as TRAA determines that the continuation of such an operation is in the public interest and does not conflict with any FAA requirements, or if TRAA determines that it would be an extreme hardship, financial or otherwise for such any Tenants and Operators to fully comply with said portions of these Minimum Standards and Procedures.

When an existing lease of any present Tenants and Operators, who in accordance with this subsection is not made to fully comply with these Minimum Standards and Procedures, expires, such Tenants and Operators shall at the time of expiration of such existing lease be required to comply with all the provisions of these Minimum Standards and Procedures.

Paragraph 4.5

All applicants shall meet the Minimum Standards and Procedures, as recited herein and which pertain to their respective category.

Paragraph 4.6

It is the intent of TRAA to examine each applicant. Each applicant shall be responsible for providing satisfactory evidence to TRAA of his, her or its respective technical ability and financial responsibility, including the capability to meet the insurance requirements as stated herein.

Paragraph 4.7

TRAA may review the Minimum Standards and Procedures for the Telluride Regional Airport from time to time and may make such revisions or amendments as shall be deemed necessary under the use circumstances surrounding the Airport to property protect the health, safety, and interest of the public. Upon enactment of any such amendments, all Tenants and Operators shall be required to conform to such amended standards.

Paragraph 4.8

In addition to the requirements of the Federal Aviation Administration, TRAA may establish and implement such rules and regulations as may be required for the safe and orderly operation of the Airport, for the safe and orderly operation of aircraft in the Airport traffic area and airspace surrounding the Airport, and for the safe and orderly operation of aircraft on the ground.

Paragraph 4.9

No person(s), firm or legal entity shall act as an Tenant and Operator conduct any commercial activity of any kind or nature whatsoever on the Airport, until such time as that person(s), firm or legal entity has applied for and received permission to so act, and has entered into and executed a lease and/or operating agreement with TRAA.

Each successful applicant shall within thirty (30) business days after having received written approval of his/her application be ready, willing and able to enter into a written lease and/or operating agreement with TRAA in the form and manner prescribed by TRAA.

In the case of an air charter operation which is not based at the Airport, but which operates to and from the Airport the payment of all applicable landing fees, parking and other levied fees shall be deemed sufficient to meet the requirements of this paragraph.

Paragraph 4.10

It is the intention of TRAA to enter into and execute a lease and/or operating agreement with the approved applicant within 30 days after such application is approved.

Paragraph 4.11

All lease and/or operating agreements shall contain, inter alia, a covenant reciting the Tenants and Operators obligation to pay an amount for the basic monthly rental of agreed space. Any sub-lease approved by TRAA between Lessee Tenants and Operators and a sub-lessee shall provide that the sub-lessee pay the fees prescribed by TRAA for the activity being performed as showed in Section 8.

Paragraph 4.12

With regard to land having access to the Airport runway and taxiway system, it is the intent of TRAA to restrict the amount of land leased to any Tenant and Operator to the minimum area

reasonably required for the specific aviation purpose, which the Tenant and Operator to conduct on the leased premises within eighteen (18) months of the effective date of the lease. TRAA will include a provision in each lease providing for the termination of the Tenant or Operator rights on the leased premises, or any portion thereof, on which the Tenant or Operator has not made improvements or otherwise utilized for an approved aviation purpose within eighteen (18) months of executing said lease.

Paragraph 4.13

All Tenants and Operators will comply with the rules and regulations of the Colorado Discharge Permit System (DCPS) General Permit for discharge of stormwater from this Airport. All lease and/or operating agreements will include all general permit requirements as well as compliance with all aspects of the Airport's Stormwater Management Plan (SWMP) developed by the Telluride Regional Airport. This clause is not subject to any Grandfather provisions.

Section 5: Fuel Dispensing Standards

Paragraph 5.1

The Telluride Regional Airport Authority (TRAA) is the sole fuel dispensing authority at the Telluride Regional Airport. Based pilots who wish to supply fuel to their own aircraft must adhere to the regulations described in this section when dispensing fuel to their personal aircraft that includes fuel containers that are larger than 50 gallons. No other authority is granted by the Telluride Regional Airport Authority to any person, firm or legal entity for the dispensing of fuels at the Telluride Regional Airport.

Paragraph 5.2

Based pilots who wish to provide fuel to their personally owned aircraft must submit a written request to the Airport Manager for a Fueling Permit. The written request must contain the following information:

- 1. Name of applicant.
- 2. Type of aircraft based at the Telluride Regional Airport.
- 3. Type of fuel.
- 4. A detailed description of the equipment proposed to store and dispense fuel to applicant's aircraft. A detailed description must describe how this equipment meets all the requirements of ATA 103, release 2004.
- 5. What location is the applicant proposing to store said equipment.
- 6. Provide a complete Spill Prevention, Control and Countermeasure Plan (SPCC), which includes secondary storage requirements.
- 7. Application fee of \$200.00 must be included with application.

Paragraph 5.3

Once the application and fee has been received by the Airport Manager, a review of the application will be completed within 60 days of receipt and approval/disapproval and comments will be forwarded to the applicant. If approved, the applicant is restricted to refueling his personal aircraft only. Refueling aircraft other then the applicant's aircraft will result in a \$1,000 fine and revocation of the applicant's fueling permit. Fueling permits are not transferable.

Paragraph 5.4

The fueling permit fees are as follows:

- 1. Thirty cents per gallon fuel flowage fee each time the applicant's fuel storage tank is filled. The amount due to TRAA shall be accompanied by a copy of the fuel invoice from the Applicant's fuel supplier showing the gallons of fuel delivered. The amount due shall be paid to TRAA within 10 days of receipt of fuel.
- 2. \$100.00 monthly inspection fee payable each month.

Paragraph 5.5

Applicant's fueling equipment shall be properly maintained, operated and stored in accordance to the most recent ATA 103 guidelines, and any state and federal regulations. Applicant's equipment shall be subject to inspection at any time by TRAA employees, the State of Colorado and any federal agency.

Paragraph 5.6

In addition to the applicant's SPCC plan, applicant must maintain a fuel spill kit which includes the necessary materials for a fuel spill of not less than 55 gallons of fuel.

Paragraph 5.7

All fueling operations by the applicant must be completed in an area designated on the fueling permit. No fueling of aircraft is allowed in any building and/or hangar. All fueling operations must conform to the most recent ATA 103 guidelines.

Paragraph 5.8

Minimum fueling equipment requirements are:

- 1. Mobil refueler must be a minimum of fifty-five (55) gallons.
- 2. Fixed storage units must be a minimum of 10,000 gallons and must be double-walled above-ground tanks.
- 3. Mobil and fixed storage units must conform to the most recent ATA 103 guidelines.

Paragraph 5.9

Applicant must provide before a Fueling Permit is granted and maintain throughout the permit term the following insurance:

1. Liability: \$2,000,000 naming the Telluride Regional Airport Authority as an additional insured. A copy of the Certificate of Insurance shall be provided to the Airport Manager's office.

Paragraph 5.10

The Fueling Permit shall be subject to cancellation by the TRAA in the event Applicant shall:

- 1. Be in arrears in the payment of the whole or any part of the amounts agreed upon for a period of ten days after the time such payments become due;
- 2. Discontinue fueling operations:
- 3. Default in the performance of any of the covenants and conditions required herein to be kept and performed by Applicant, and such default continues for a period of ten days after receipt of a written notice from the TRAA of said default;

- 4. Violation of any safety procedures specifically enumerated in this Fueling Permit;
- 5. Lapse of any form of required maintenance;
- 6. Failure to report timely and accurate report records.

Paragraph 5.11

Applicant is and shall be deemed to be an independent contractor and operator responsible to all parties for its acts or omissions, and the TRAA shall in no way be responsible therefore. Applicant's covenants and agrees to indemnify, hold harmless and defend the TRAA, their officers, agents, servants, and employees from and against any and all claims fro damages or injury to persons or property arising out of or incident to the use of this Fueling Permit.

Section 6: Commercial Aeronautical Activities

Paragraph 6.1

Commercial Aeronautical Activity: as hereinafter defined, shall mean any on-going activity conducted at, on, or from the Airport by any person(s), firm or legal entity intended to result in monetary gain to the party conducting such activity. This activity includes the following activities:

- A. Minor and Major Airframe and Power Plant Repair and/or Inspection;
- B. Aircraft Detailing and Painting;
- C. Aircraft Charter and Air Taxi Services
- D. Flight Training and/or Scenic Rides;
- E. Aircraft Rental;
- F. Aircraft Management;
- G. Aircraft Insurance;
- H. Aircraft Sales;
- I. Aircraft Avionics Sales and/or Service;
- J. Aircraft Crop Dusting and/or Firefighting
- K. Aerial Photography

Paragraph 6.2

The Operator may lease from TRAA a designated parcel(s) as shown on the Airport Layout Plan on which shall be erected a building to provide the necessary floor plan for the intended commercial aeronautical activity. The building shall be properly heated and lighted, provide for a business office, customer waiting area, restrooms and telephone facilities, and meet all applicable Federal Aviation Administration, State and local building codes. The building design, layout and use shall be approved by TRAA before construction. The Operator shall also provide security fencing, lighting and gates associated with exclusive areas in compliance with FAR Part 107.

If the Operator elects not to lease a parcel from TRAA, and instead leases space from an existing Tenant, the Operator must demonstrate that the leased space provides the above minimum requirements, and can be used for the intended commercial aeronautical activity.

Paragraph 6.3

The Operator shall provide adequate paved auto parking adjacent to the Operator's facility.

Paragraph 6.4

The Operator shall provide a paved walkway within the leased area to accommodate pedestrian access to the building's office.

Paragraph 6.5

The Operator shall provide and maintain a paved aircraft ramps to accommodate aircraft movement from the Operator's facilities to the Airport's existing taxiway and/or apron system. The apron design and tie-down layout must meet FAA standards for General Aviation apron design.

Paragraph 6.6

The Operator shall comply with all the rules and regulations for the Telluride Regional Airport, and properly store, dispense and clean-up all oil, lubricants and hazardous materials according to the Airport's Stormwater Management Plan.

Paragraph 6.7

The Operator's service(s) shall be made available during the Airport's normal business hours listed in Section 3, Paragraph 3.11.

Paragraph 6.8

The Operator is restricted to fueling their own aircraft and is subject to TRAA approval and meeting all the requirements in Section 5. In addition, the Operator shall be subject to quarterly fuel inspections by TRAA as required by FAR Part 139.321, and is required to provide TRAA copies of the training records of all employees who are responsible for any fueling operations. The following minimum training is required, in addition to the requirements of FAR Part 39.321:

- A. Fueling:
- B. Defueling;
- C. Quality Assurance;
- D. Fire Safety and Extinguisher Use:
- E. Hazardous Material Handling;
- F. Fuel Spills;
- G. All Federal, State and local regulations.

Paragraph 6.9

The Operator shall purchase, and for the period of the operations hereunder, maintain insurance in the types, amounts and forms as set forth in Section 7.

Paragraph 6.10

The Operator shall keep its facilities and equipment clean and representative of a professional business environment, and provide properly trained personnel in sufficient number on duty during normal business hours (paragraph 3.11). In addition, the Operator must maintain the same level of service(s) as initially represented to TRAA throughout the entire term of the Lease and/or Use Agreement.

Paragraph 6.11

The Operator shall be subject to the fees and charges listed in Section 8.

Paragraph 6.12

The Operator shall collect from any aircraft patronizing the Operator's business a landing fee as outlined in the Airport's Rules and Regulations and Section 8 of the Minimum Standards.

The Operator shall maintain and submit to TRAA a monthly accounting of all landing fees received and uncollected with the correct aircraft registration number of the tenth (10th) day of each month.

The Operator shall remit to TRAA by the tenth (10th) day of each month ninety (90%) percent of the total amount collected from landing fees.

Any uncollectable landing fees due to incorrect registration numbers will be charged to the Operator.

Section 7: Insurance Requirements

Paragraph 7.1

All Tenants and Operators are required to have the following minimum insurance when applicable to their respective business:

A. Airframe and Power Plant Repair

1.	Premises Liability
	(For Hangar Operation)

Combined Single Limit	
Bodily Injury & Property Damage	\$1,000,000 ea. occ.

2.	Product Liability & Completed Operations	
	a Dangire & Carriage	\$1.00

a. Repairs & Services	\$1,000,000 ea. occ.
b. Parts not Installed	\$1,000,000 ea. occ.

3. Hangars Keeper's Liability

Hangars Keeper's Liability	
a. Twins	\$ 250,000 ea. acft.
	\$ 500,000 ea. occ.
b. Singles	\$ 100,000 ea. acft
_	\$ 200,000 ea. occ.

B. Avionics, Instrument & Propeller Repair

1. Premises Liability

Combined Single Limit	
Bodily Injury & Property Damage	\$1,000,000 ea. occ.

2. Product Liability

a. Repairs & Service	\$1,000,000 ea, occ.
b. Sales of Parts Not Installed	\$1,000,000 ea. occ.

3. Hangar Keepers Liability

a. Twin	\$ 250,000 ea. acft. \$ 500,000 ea. occ.

b. Singles \$ 100,000 ea. acft. \$ 200,000 ea. acft.

C.	Flight Training	
C.		
	1. Aircraft Liability	
	 a. Combined Single Limit Bodily Injury & Property Damage 	\$1,000,000 ea. occ.
	b. Student and Renter's Liability	\$ 500,000 ea. occ.
D.	Aircraft Sales	
	Aircraft Liability (owned and non-owned aircraft)	
	Combined Single Limit Bodily Injury & Property Damage	\$1,000,000 ea. occ.
	2. Product Liability Sale of Aircraft	\$5,000,000 ea. occ.
E.	Aircraft Rental (Aircraft Liability)	
	 a. Combined Single Limit Bodily Injury, Property Damage Including Passengers 	\$2,000,000 ea. occ.
	b. Student Renter	\$ 500,000 ea. occ.
F.	Aircraft Charter and Air Taxi	
	Aircraft Liability Combined Single Limit Bodily Injury & Property Damage Including Passengers	\$3,000,000 ea. occ.
G.	Commercial Flying Clubs	
	Aircraft Liability	

a. Combined Single Limit Bodily Injury and Property Damage

b. Student & Renter's Liability

\$1,000,000 ea. occ.

\$ 500,000 ea. occ.

Paragraph 7.2

Before a lease and/or operating agreement is signed to conduct any commercial aeronautical activity, profit or non-profit, the person(s), firm or entity must provide TRAA with an appropriate Certificate of Insurance identifying TRAA as an additional named insured and certificate holder. All Certificates of Insurance will be reviewed by TRAA. Discrepancies identified by TRAA must be immediately corrected.

Section 8: Fees and Charges

Paragraph 8.1

F.

Tenant/Operator

In ad	dition to any land and/or building lease agreement between the Tenant and Operator and
TRAA	, or between the Tenant and Operator and an existing Airport Tenant, the following fees arges will be assessed (unless noted otherwise):
A.	Annual Activity Fee\$1,000.00 (Assessed only to Tenants and Operators not leasing land and/or building(s) from TRAA).
C.	Landing Fee: \$4.00 per 1,000 lbs. of certificated gross take-off weight for all General Aviation Aircraft over 12,500 lbs.
D.	Landing Fee: \$2.00 per 1,000 lbs. of certificated gross take-off weight for all General Aviation Aircraft under 12,500 lbs.
	Landing Fee: \$4.00 per 1,000 lbs. of certificated gross take-off weight for all Signatory Airlines.
	Landing Fee: \$4.00 per 1,000 lbs. of certificated gross take-off weight for all Non-Signatory Airlines.
C.	Fuel Flowage Fee: Forty (40) cents per gallon delivered to fuel storage.
D.	Tie-Down Fee:Current Rates for type of aircraft. (TRAA Apron not leased to any Tenant or Operator)
E.	Glycol removal fee shall be based on the total gallons used by the Tenant or Operator divided by the total gallons used by all Tenants and Operators times the total cost of removal.

Any fees and charges as described in the Lease and/or Operating Agreement.

I hereby agree to comply with the provisions of the above Airport Minimum Standards.

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Date