



**READING REGIONAL
AIRPORT AUTHORITY
MINIMUM STANDARDS
COMMERCIAL AERONAUTICAL ACTIVITY**

ADOPTED:

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REVISION PAGE

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#01	10 Flight Schools February 9, 2010	18
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#03	Full Document Review: February 21 st 2023 <ul style="list-style-type: none">• Reorganize the document for readability. All sections have been renumbered and some have been reordered.• Reconcile defined terms throughout the document. Article I has been revised and other defined terms updated throughout the document.• Outline generally applicable conditions and procedures. Article II is largely new.• Improve and clarify the application process for operators intending to provide new commercial aeronautical services. Articles III and IV are entirely new.• Add standards for Non-Based Commercial Aeronautical Activities. Article XIV is entirely new.	

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I. DEFINITIONS

1. **Aeronautical Activity** – Any operation that involves or facilitates the operation of aircraft. Aeronautical Activities do not include any operation, commercial or otherwise, not directly related to the operation of aircraft, e.g. restaurant, hotel, rental car, newsstand, or other concessions.
2. **Agreement** - A lease or other written agreement approved by the Authority that authorizes the conduct of a Commercial Aeronautical Activity on the Airport.
3. **Air Carrier** - A Commercial Aeronautical Operator holding an operating certificate under Federal Aviation Regulation Part 121.
4. **Air Taxi** – An operator licensed by the Federal Aviation Administration to provide air transportation of persons or property for hire on a charter basis or as an air taxi operator on a scheduled, nonscheduled, or on-demand basis as defined and regulated by the Federal Aviation Administration. This term specifically includes, but is not limited to, operators certificated by FAA under 14 C.F.R. Part 135 or regulated by 14 C.F.R. Part 380.
5. **Airport** – The Reading Regional Airport, including all of the area, buildings, facilities and improvements within the interior boundaries of such Airport as it now exists or as it may be hereafter or extended or enlarged and as depicted on a current Airport Layout Plan approved by the Federal Aviation Administration.
6. **Airport Layout Plan** –The current, FAA-approved drawing depicting the physical layout of the Airport and identifying the location and configuration of current and proposed runways, taxiways, buildings, roadways, utilities, navigational aids, etc.
7. **Airport Director** –The Airport Director and any individual delegated by the Airport Director to exercise any of the Airport Director’s official authority, including the authority to administer and direct the operation of the Airport and to enforce and administer the Rules and Regulations and the Minimum Standards.
8. **Airport Security Program** – The written plan concerning security on the Airport, containing elements specified by 49 C.F.R. Part 1542 if approved by the Transportation Security Administration (TSA).
9. **Applicant** – An Entity applying to conduct a Commercial Aeronautical Activity on the Airport, including a current Commercial Aeronautical Operator applying to conduct a new Commercial Aeronautical Activity.
10. **Avionics Service** - A Commercial Aeronautical Operator providing avionics overhaul, maintenance and repair services to any type of aircraft, including sales of avionics, parts, appliances and accessories.
11. **Authority** – The Reading Regional Airport Authority.

12. Commercial Aeronautical Activity – Any Aeronautical Activity conducted for commercial purposes. Except as otherwise specified herein, this term includes any Aeronautical Activity conducted to secure earnings, income, compensation or profit, whether or not such objective or objectives are accomplished.
13. Commercial Aeronautical Operator – An Entity conducting a Commercial Aeronautical Activity on the Airport.
14. Completion Center – A Commercial Aeronautical Operator providing aircraft interior or exterior finishing or refinishing.
15. Entity – Any person, firm, general or limited partnership, corporation, Limited Liability Corporation, trust, association, or similar entity making application for, leasing, or using any land or facility at the Airport.
16. Fixed Base Operator (FBO) - A Commercial Aeronautical Operator which meets the Minimum Standards, as set forth herein, and is permitted to offer a full range of Commercial Aeronautical Activities, including the sale of aviation fuel.
17. Flight Instructor – A person, certificated by the FAA, to provide flight instruction leading to, or in maintenance of, any grade of federal pilot certificate or rating.
18. Flight School - A Commercial Aeronautical Operator providing flight instruction and aircraft rental leading to, or in maintenance of, any grade of federal pilot certificate or rating.
19. Flying Club – A non-profit organization, registered with the Commonwealth of Pennsylvania, whose purpose is to promote aviation through joint ownership and sharing of aircraft use, and does not conduct any Commercial Aeronautical Activity.
20. Maintenance Facility – A Commercial Aeronautical Operator providing aircraft, maintenance, overhaul and repair services to any type of aircraft, including sales of aircraft parts, aircraft engines and parts and aircraft propellers, appliances and accessories, paint and aircraft coatings, oils, lubricants and consumable incidental to the servicing and repair of aircraft.
21. Mechanic – A person, certificated by the FAA, that is authorized to provide aircraft maintenance.
22. Minimum Standards – The qualifications established herein, as amended from time to time by the Authority, or the Airport Director pursuant to his or her delegated authority, setting forth the minimum requirements that must be met to conduct a Commercial Aeronautical Activity on the Airport.
23. Museum – A not for profit or charitable person, firm or corporation, as herein defined, whose purpose is to exhibit and display airworthy and non-airworthy aircraft and aviation artifacts for interpretation by the general public.

24. Non-Commercial Aeronautical Operator - An Entity conducting Aeronautical Activities solely on behalf of its members, employees and/or owners.
25. Rules and Regulations – Those lawful rules and regulations promulgated by the Authority, or the Airport Director pursuant to his or her delegated authority, for the orderly use of the Airport, as such rules and regulations may be amended, modified, or supplemented from time to time.
26. Specialized Aeronautical Service Operator or SASO – An Entity that is authorized to provide one or a combination of Commercial Aeronautical Activities that does not include commercial fueling of any kind.
27. Through the Fence or TTF Operations – Those activities permitted by an airport sponsor through an agreement that permits access to the public landing area by independent entities or operators offering a Commercial Aeronautical Activity or to owners of aircraft based on land adjacent to, but not part of, the airport.

II. INTRODUCTION

A. General

1. These Minimum Standards are established by the Authority as the minimum requirements which must be complied with by any Entity hereafter desiring to provide a Commercial Aeronautical Activity at the Airport.
2. These Minimum Standards are adopted by the Authority through its authority pursuant to Pennsylvania law. The Authority also delegated authority to the Airport Director to accept all submissions, documents, applications, proposals, statements of interests, and other information from potential or current Airport tenants on the Authority's behalf.
3. All Commercial Aeronautical Activities conducted at or from the Airport must be authorized in an Agreement approved by the Authority, and all such Agreements authorizing the use of Airport property and facilities for Commercial Aeronautical Activities shall be performed in accordance with these Minimum Standards and the Rules and Regulations.
4. In addition to the Minimum Standards, all persons on the Airport are subject to all applicable provisions of federal law, and the laws of the Commonwealth of Pennsylvania and Berks County.
5. The privilege of using the Airport and any and all of its facilities shall be conditioned on the assumption of full responsibility and risk by the user thereof. The Authority reserves the right to claim immunity from liability in connection with its operation of the Airport and to assert any other defense available.
6. These Minimum Standards are intended to supersede any and all prior minimum standards for Commercial Aeronautical Activities at the Airport.
7. The invalidation of any specific minimum standard shall not affect the validity of the remainder of the Minimum Standards.
8. These Minimum Standards shall be subject and subordinate to all the terms, and conditions of any instruments and documents under which Authority acquired the land or improvements thereon constituting the Airport or any portion thereof, of which any leased premises are a part, and these Minimum Standards shall be given only such effect as will not conflict with nor be inconsistent with such terms and conditions. These Minimum Standards shall further be subordinate to the provisions of any existing or future agreement between Authority and the United States of America, the Commonwealth of Pennsylvania, or any of its or their agencies, relative to the operation or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the grant or receipt of federal or Commonwealth funds for the development of the Airport, and to any

terms or conditions imposed upon the Airport by any other governmental authority having jurisdiction over the Airport.

9. Except as prescribed herein or pursuant to an Agreement, the standards and requirements of the Minimum Standards are minimums and may be exceeded.

B. Effectiveness and Amendment

1. The Minimum Standards shall be effective upon enactment and shall apply to (i) any new Agreement to conduct a Commercial Aeronautical Activity on the Airport; and (ii) any existing Agreement and any amendment to an existing Agreement, to the fullest extent permissible and in the manner provided under any such Agreement. An Entity may request an advisory opinion from the Airport Director as to the application of the Minimum Standards to the Entity. The rest of this paragraph notwithstanding, the Authority may in its discretion apply prior versions or iterations of the Minimum Standards to an Agreement with an Entity where substantial negotiations with that Entity began prior to the enactment of these Minimum Standards.
2. The Authority and/or the Airport Director may supplement and amend these Minimum Standards from time to time to protect the health, safety and interest of the Authority and the public. Upon approval of any such amendments, the Commercial Aeronautical Operators shall be required to conform to such amended standards to the maximum extent permitted by their then-effective Agreement.
3. Upon the expiration of an Agreement authorizing a Commercial Aeronautical Activity, the party to the Agreement may seek a new Agreement in accordance with the procedural and substantive requirements of the Minimum Standards then in effect. Nothing herein shall be construed to convey the right to continue to conduct a Commercial Aeronautical Activity beyond the term of an Agreement.

C. Lease of Property at the Airport

1. The Authority intends for all Commercial Aeronautical Operators to lease space at the Airport in the minimum area prescribed by the Minimum Standards, either from the Authority or as a sublessee of another Commercial Aeronautical Operator. The purpose of this policy is to ensure that Commercial Aeronautical Operators do not attempt to gain an unfair competitive advantage by operating without a similar level of financial investment in the Airport and in their business operation as their competitors.
2. Nevertheless, the Authority recognizes that there may be limited instances in which a Commercial Aeronautical Activity may be performed by a

Person that does not lease space at the Airport. Specifically, a Person may be permitted to provide products and services at the Airport upon demonstrating, to the satisfaction of the Airport Director, that no Commercial Aeronautical Operator leasing space at the Airport has the requisite certificate, certified personnel, or access to equipment and parts to provide the product or perform the service or that in lieu of leasing space the Person has entered into an Agreement with the Authority for a limited time period whereby the Person is paying a predetermined fee for the right to operate at the Airport.

3. The Airport Director may approve a request from a Person meeting these conditions provided that (i) the Person enters into an Agreement with the Authority identifying the Commercial Aeronautical Activity that may be performed and the rates, fees, and charges assessed for the privilege of conducting the Commercial Aeronautical Activity, and (ii) the Person satisfies all other applicable Minimum Standards prescribed herein for the Commercial Aeronautical Activity.
4. Notwithstanding the above, a non-Airport based aircraft mechanic may be permitted, subject to the provisions of Section XIV.A (Non-Airport Based Mechanic Services) herein and all other applicable Minimum Standards, to provide certain specified maintenance services on aircraft located at the Airport. Similarly, an Independent Flight Instructor may be permitted, subject to the provisions of Section XIV.B (Independent Flight Instructors) to provide flight instruction at the Airport without leasing space at the Airport. These exceptions to the general principles stated above may be rescinded or modified by the Authority upon ninety (90) days' notice without formal amendment of these Minimum Standards.

D. Covered Entities and Activities

The Minimum Standards shall apply to the following Entities and activities:

1. Any Entity proposing to conduct, or conducting, a Commercial Aeronautical Activity at or from the Airport, including Fixed Base Operators (FBOs) and Specialized Aeronautical Service Operators (SASOs), whether or not such Entity is based on the Airport.
2. The Authority, in any instance in which the Authority elects to operate a Commercial Aeronautical Activity on the Airport.
3. Flying Clubs, but only as specified in Section XIV herein.
4. Aviation Museums, but only as specified in Section XV herein.

E. Non-Covered Entities and Activities

1. Non-Covered Entities

The Minimum Standards shall not apply to the following Entities:

- Air Carriers operating at the Airport.
- A Flight Instructor accessing the Airport for the limited purpose of picking up or dropping off a student pilot or conducting flight training in an aircraft that is not based on the Airport.
- An aircraft manufacturer providing parts and services at the specific request of an aircraft owner or operator pursuant to a “rapid response” or similar program to provide outsourced aircraft maintenance at a remote location.
- Non-Commercial Aeronautical Operators, except to the extent such Entity is separately conducting any Commercial Aeronautical Activities or as referenced in Article XIII, Paragraph B.

2. Non-Covered Activities

The Minimum Standards shall not apply to the following activities:

- Any activities other than Commercial Aeronautical Activities or Flying Clubs, including, without limitation, individuals storing their own aircraft;
- The limited subleasing of private hangar space by Non-Commercial Aeronautical Operators to other Non-Commercial Aeronautical Operators or other third parties, except that the Airport Director may in his or her discretion determine that regular and continuous subleasing qualifies as a Commercial Aeronautical Activity; and
- Self-servicing and self-fueling by an Entity to the extent permitted by the Rules and Regulations.

F. Prohibited Activities

1. Through-the-Fence Operations

These Minimum Standards expressly forbid all Through-the-Fence (TTF) operations. The Authority’s obligation to make the Airport available for the use and benefit of the public does not extend to providing access from adjacent property. Such TTF operations can adversely affect the ability of the Airport to sustain itself financially, result in unfair competitive situations, and contribute to loss of control with respect to Airport access.

2. Cross-Ownership

All Commercial Aeronautical Operators have an affirmative obligation to identify if they hold or control, directly or indirectly, any ownership, voting, management or debt interests (actual or contingent) in any on-Airport Commercial Aeronautical Operator or other commercial service provider. Consistent with the Authority’s obligation to avoid granting exclusive rights, no Commercial Aeronautical Operator may hold or control such interests in more than one on-Airport

Commercial Aeronautical Operator or other commercial service provider, absent written authorization by the Authority.

3. Subleasing

No Entity shall conduct a Commercial Aeronautical Activity as a lessee or sublessee of Airport property that is leased or designated for a non-commercial use with prior written approval from the Authority.

4. Fuel Services by Entities Other than FBOs

The sale of fuel on the Airport is limited to those entities meeting the Minimum Standards for a Fixed Base Operator. Fuel CO-OPs are not permitted on the Airport. Self-service fueling is only permitted in accordance with the Airport Rules and Regulations and any other directives of the Airport Director.

G. Waivers and Variances

1. Waivers

The Authority may issue a Waiver for all or any portion of the Minimum Standards for the benefit of any government or government agency providing public or emergency services, including, for example, and without limitation: law enforcement, air ambulance, Civil Air Patrol, disaster relief, search and rescue, fire prevention and firefighting.

In all other instances, the Authority may, but is not obligated to, approve a Waiver of the Minimum Standards upon finding that all the following conditions are satisfied:

- The Commercial Aeronautical Operator seeking the Waiver will be the only operator on the Airport to provide a specific product, service, or facility as of the effective date of the Agreement.
- The Waiver is needed to alleviate the financial burden of initiating a new or expanding an existing Commercial Aeronautical Activity on the Airport.
- The Authority finds that the Waiver will not materially interfere with the Commercial Aeronautical Operator's ability to provide high quality products, services and facilities to Airport users.

In extraordinary circumstances, the Authority in its sole discretion may also grant a Waiver under circumstances that are fair and equitable when the Commercial Aeronautical Operator is unable to satisfy all of the above conditions.

During the term of the applicable Agreement, the Authority shall reserve the right to re-evaluate from time to time whether the continuation of a Waiver remains justifiable. The Authority may in its discretion revoke a Waiver upon a finding that the conditions noted above are no longer satisfied or applicable, to ensure that the Authority remains in compliance with its federal grant assurances or applicable law, or on other reasonable grounds. The Authority shall provide the Commercial

Aeronautical Operator a reasonable period of time to come into compliance with the portion of the Minimum Standards previously subject to the Waiver.

2. Variances

The Authority may approve a Variance of the Minimum Standards upon finding that all the following conditions are satisfied:

- A special condition or unique circumstance exists that makes the application of the Minimum Standards unduly burdensome.
- The Variance is narrowly tailored to address the special condition or unique circumstance.
- The Commercial Aeronautical Operator has agreed to come into full compliance with the Minimum Standards within a prescribed schedule.
- The schedule is enforceable by the Authority, including the ability of the Authority to terminate the Agreement or Variance for a failure to comply with the schedule.
- The Variance will not create an unfair competitive relationship among Commercial Aeronautical Operators on the Airport.
- The Authority finds that the Variance will not materially interfere with the Commercial Aeronautical Operator's ability to provide high quality products, services and facilities to Airport users.

Any Waiver or Variance approved by the Authority hereunder shall apply only to the specific Commercial Aeronautical Operator and the specific circumstance and (i) shall not serve to amend, modify, or alter the Minimum Standards, (ii) shall have no precedential effect as to circumstances that may arise in the future on the Airport, and (iii) shall not create any rights in the specific Commercial Aeronautical Operator to be granted a Waiver or Variance in like circumstances in the future.

3. Fuel

The rest of this Section notwithstanding, the Authority will not issue a Waiver or Variance to permit a Commercial Aeronautical Operator to sell fuel without compliance with the applicable Minimum Standards.

H. Additive Standards and Conflicts

Except as otherwise specifically provided herein, Commercial Aeronautical Operators must meet every minimum standard for every authorized Commercial Aeronautical Activity.

In the event of conflicting Minimum Standards, the Commercial Aeronautical Operator will be required to satisfy the higher or more demanding standard. In the event of a conflict between the Agreement and the Minimum Standards, the terms of the Agreement shall apply; however, in no

event shall an Agreement with standards less stringent than these Minimum Standards govern unless the Authority has granted the Commercial Aeronautical Operator a Waiver or Variance as described in Section II.F or an accommodation as described in this Section II.G.

The Authority may permit a SASO conducting multiple Commercial Aeronautical Activities to satisfy a minimum standard that is less than the sum of the standards for each Commercial Aeronautical Activity, if the Authority finds that each of the following conditions is satisfied:

- Such minimum standard will not affect the Commercial Aeronautical Operator's ability to provide high quality products, services and facilities to Airport users in keeping with the policies hereof.
- Such minimum standard will not create an unfair competitive relationship among Commercial Aeronautical Operators on the Airport.

Any accommodation granted pursuant to this provision shall not constitute a Waiver or Variance as provided in Section II.F above.

III. APPLICATIONS FOR COMMERCIAL AERONAUTICAL AGREEMENTS

All inquiries concerning permission to conduct any Commercial Aeronautical Activity on the Airport shall be made to the Airport Director. As set forth in more detail in this Article III, the Applicant shall submit all information and material necessary, or requested by the Authority, to establish to the satisfaction of the Authority that the Applicant will qualify and will comply with these Minimum Standards.

A Commercial Aeronautical Operator on the Airport as of the date of enactment of these Minimum Standards shall not be required to submit a statement of interest or application as described by this Article III, nor be or subject to review under Article IV, with respect to its current Agreement. However, at the time of enactment of these Minimum Standards, the Airport Director may request additional information listed in Article III, Paragraph C, to complete the Authority's records.

An Entity conducting any Commercial Aeronautical Activities without an Agreement with the Authority as of the date of enactment of these Minimum Standards shall be required to submit an application.

A. Statement of Interest

The Authority will not accept or take action on a request to conduct a Commercial Aeronautical Activity on the Airport until after the proposed Applicant submits a Statement of Interest in writing which provides: (1) a general overview and scope of the proposed Commercial Aeronautical Activity(ies), including the general area in which the proposed activity(ies) shall occur; and (2) appropriate contact information, including the name, mailing address, email address and telephone number of the Applicant.

B. Notice / Procurement

Upon receipt of a statement of interest, or on its own initiative, the Authority may authorize a request for qualifications or proposals or otherwise select a Commercial Aeronautical Operator through a competitive solicitation. In such event:

1. The Authority shall issue a Request for Qualifications or a Request for Proposals in a manner consistent with then-applicable local and Federal procurement requirements to determine whether any other Entity is interested and qualified to perform the same or similar Commercial Aeronautical Activity.
2. The Authority shall accept responses for a reasonable time period so as not to unreasonably delay consideration of any pending applications.

In the discretion of the Authority, all other Entities then conducting Commercial Aeronautical Activities on the Airport who, in the opinion of the Authority, would be directly affected by the approval of a Commercial Aeronautical Activity pursuant to a Request for Qualifications or Proposals, may also be notified of the filing of such statement of interest and the time and place of the Authority meeting to consider the same.

C. Written Application

If the Authority elects to issue a Request for Qualification or Request for Proposals, it will request a written application from interested parties. If not, the Authority will only request a written application from the initial Applicant. The written application shall be in the form prescribed by the Airport Director, or, in the absence of a form, shall include the information listed below and any such additional information as may be requested by the Authority or the Airport Director. The application shall be signed and submitted by a party owning an interest in the business, or the individual who will be managing the business, or partner of a partnership, or a director or an officer of a corporation.

Upon the consideration of the application, the Authority shall determine whether the Applicant meets the standards and qualifications as herein set out and whether such application should be granted in whole or in part, and if so, upon what terms and conditions. If the Authority receives an unsolicited written application (i.e., without first receiving a statement of interest), the Authority reserves the right to initiate the competitive solicitation process set forth above.

1. Information for Written Application:
 - (a) The name and address of the Applicant.
 - (b) Comprehensive listing of the scope of the proposed Commercial Aeronautical Activity(ies).
 - (c) With respect to the real property that the Applicant seeks to lease from the Authority, or to sublease from another Entity:
 - (1) A map, to scale, depicting clearly the property's location, size, and borders.

- (2) If applicable, who currently leases such property.
 - (3) What form of agreement with the property's lessor, if applicable, the Applicant proposes to enter into to lease or otherwise use such property.
 - (4) Map, to scale, of the amount, configuration, and location of
 - (i) the land requested or desired to be constructed or leased from the Authority or
 - (ii) the land or facilities to be subleased from another Entity for the purpose of conducting the Commercial Aeronautical Activity.
- (d) The names and the qualifications of the personnel to be involved in conducting such activity(ies).
 - (e) The financial responsibility and ability of the Applicant to perform and provide the activity(ies) sought for a minimum of five (5) years (or a lesser period if the proposed term of the Agreement will be less than five (5) years). The Authority shall be the sole judge of what constitutes adequate financial capacity.
 - (f) The tools, equipment, services and inventory, if any, proposed to be furnished in connection with such activity(ies), including the number, type(s) and basing of aircraft to be provided/maintained (as applicable).
 - (g) Copies of the necessary certificates from the FAA or other authority where the same are required for the activity proposed, or demonstration that the Applicant can reasonably obtain such approvals.
 - (h) The requested or proposed date for commencement of the activity(ies) and the term of conducting the same.
 - (i) A map, to scale, showing the size and position of the building(s) to be constructed or leased and the proposed design and terms for the construction of any additional space and the ownership, leasing or sub-leasing thereof. The estimated cost of any structure(s) or facility(ies) to be furnished, the proposed specifications for same, and the means or method of financing such constructions or acquisition of facilities.
 - (j) Evidence of the ability to obtain the specific types and amounts of insurance proposed in accordance with minimum requirements for the activity(ies).
 - (k) Names and financial statement(s) of proposed guarantor(s) for the Agreement, if appropriate.

- (l) Pro forma operating statement for first year.
- (m) Identification of any and all bankruptcies relating to the Applicant and the Applicant's principals.
- (n) Disclosure of any and all documented violations by the Applicant and/or the Applicant's principals of FAA regulations.
- (o) Disclosure if any Entity holding or controlling, directly or indirectly, any ownership, voting, management or debt interests (actual or contingent) ("cross-ownership") in any on-Airport commercial service provider (aeronautical or non-aeronautical) is involved in the ownership or management of the potential operator, provide complete information about the extent and nature of such cross-ownership.
- (p) A list and description of any and all outstanding liens, lawsuits, or legal judgments issued against the Applicant or any of its owners and/or directors within the previous five (5) calendar years, together with the current status of each.

D. Supporting Documents

If requested by the Authority, the Applicant shall submit the following supporting documents to the Authority, together with such other documents and information as may be requested by the Authority:

1. Financial Statement. A current financial statement certified by a Certified Public Accountant.
2. Assets. A written listing of the assets owned or being purchased which will be used in the operation of the business on the Airport.
3. Credit Report. A current credit report covering all areas in which the Applicant has done business during the past ten years.
4. Authorization for Release of Information. A written authorization for the FAA and all aviation or aeronautic commissions, administrators, or department of all states in which the Applicant has engaged in aviation business to supply the Authority with all information in their files relating to the Applicant or his operation. The Applicant shall execute such forms, releases and discharges as may be requested by any of these agencies.

E. Applicant Confidentiality

An Applicant may mark any of its application materials as "confidential business information" to the extent that they contain financial information regarding the Applicant. The Authority will take reasonable measures to ensure that any documents so marked by an Applicant are not made

publicly available. An Applicant may also request that confidential business information associated with its application be reviewed by the Authority's Board in an executive session, which request may be granted by the Authority Board in its sole discretion. The rest of this section notwithstanding, the Authority may disclose any materials as required pursuant to Pennsylvania law.

IV. REVIEW OF APPLICATION

The Authority shall not take action on an application to conduct a Commercial Aeronautical Activity on the Airport unless and until it has received all required and/or requested information and documentation specified in Section III.C. and III.D. above.

In reviewing an application to conduct a Commercial Aeronautical Activity on the Airport, any of the following reasons shall be grounds for denial of that application:

1. Not Qualified. The Applicant for any reason does not meet the established qualifications, standards, or requirements.
2. Safety and Efficiency. The Applicant's proposed operations or construction will impair the safe and efficient operation of the Airport.
3. Authority Expenditure. The granting of the application will require the Authority to spend airport revenue or public funds, or to supply labor or materials in connection with the proposed operations that the Airport Director or the Authority Board determines is not justified.
4. Availability. There is no appropriate, adequate or available space or building on the Airport to accommodate the entire activity of the Applicant at the time of the application.
5. Non-Compliance with Airport Layout Plan or Airport Master Plan. The proposed operation or Airport development or construction does not comply with the Airport Layout Plan or current Airport Master Plan.
6. Misrepresentation. Any party applying, or interested in the business, has either intentionally or unintentionally, supplied the Authority with any false information or has misrepresented any material fact in his application or in supporting documents or has failed to make full disclosure on his application or in supporting documents.
7. History of Violations. Any party applying, or interested in the business, has a record of violating the minimum standards or the rules and regulations of this or any other airport, or the Federal Aviation Administration regulations.
8. Lack of Authorization. The Applicant lacks any permit, license, or other authorization required by the FAA or any other federal, state, or local agency to conduct any of the operations or development the Applicant proposes, and the Applicant does not demonstrate to the Authority's satisfaction that

it will obtain all such required authorizations as necessary to undertake such proposed operations or development.

9. Defaulted Performance. Any party applying, or interested in the business, has defaulted in the performance of any Agreement with the Authority or any other entity.
10. Poor Credit Report. Any party applying, or interested in the business, has a credit report which contains derogatory information and who does not appear to have satisfactory business responsibility and reputation.
11. Lack of Finances. The Applicant does not appear to have, or have access to, the finances necessary to conduct the proposed operation for a minimum period of six months.
12. Undesirable Reputation. Any party applying, or interested in the business, has been convicted of any crime or violation of any law, regulation, or ordinance of such nature that it indicates to the Authority that the Applicant would not safely operate on the Airport.
13. FAA Determination. The FAA has determined that any proposed development would constitute an obstruction or hazard to air navigation.
14. Other. Denial of the application is otherwise appropriate because it would cause the Authority to be in violation of applicable federal, state or local obligations.

The execution of any final Agreement with a Commercial Aeronautical Operator shall be subject to approval from the Authority's Board.

V. INSURANCE AND INDEMNITY

A. General Insurance Requirements

All Commercial Aeronautical Operators must comply with the following insurance requirements in addition to those specified in the Minimum Standards for particular Commercial Aeronautical Activities:

1. At its sole cost and expense, cause all improvements on the demised premises under its Agreement to be kept insured to the full replacement value of such improvement in a broad form coverage including, but not limited to fire, extended coverage vandalism, malicious mischief, sonic boom, and boiler explosion. The proceeds of any such insurance paid on account of any loss shall be used to either defray the cost of repairing, restoring and reconstructing said improvements or paid to the Authority.
2. Promptly after the execution of any Agreement, at its sole cost and expense, provide liability insurance (including products liability) for personal

injuries/death and property damage arising out of any one accident or disaster in a minimum amount set forth in the sections of these Minimum Standards applicable to the particular Commercial Aeronautical Activity provided.

3. If applicable, provide and keep in force during the term of the Agreement hangarkeeper's liability insurance which shall apply with respect to damages because of injury to or destruction of aircraft, including the loss of use of the aircraft, which are the property of others and are in the custody of the Commercial Aeronautical Operator for storage, repair or safekeeping in or on the Airport. The minimum liability coverage for any one accident shall be established as the fair market value of the most expensive aircraft in the care and custody of the Commercial Aeronautical Operator. At all times during the term of the Agreement, the limit of liability must be such that in the event of a loss, the Commercial Aeronautical Operator will be completely insured with respect to any one accident.
4. Maintain Worker's Compensation Insurance as prescribed by the Commonwealth of Pennsylvania Department of Labor regulations.
5. Maintain all insurance and bonds with insurance underwriters authorized to do business in the Commonwealth of Pennsylvania satisfactory to the Authority, and shall name the Authority and the officers, servants, agents and employees of the Authority as additional insured at no cost to the Authority.
6. Furnish the Authority with evidence from the insurance carrier showing such insurance and bonds to be in full force and effect during the entire term of the lease. All policies shall contain a provision that written notice of cancellation, or any material change in the policy by the insurer, will be delivered to the Authority thirty (30) days in advance of the effective date of such cancellation or change.

B. Indemnity Requirements

In any Agreement with the Authority, a Commercial Aeronautical Operator must agree to the following indemnity provisions:

1. Assume all risks incident to, or in connection with the conduct of its business, and be solely responsible for all accidents or injuries of whatever nature or kind to persons or property caused by its operations at the Airport, and indemnify, defend and save harmless the Authority from any penalties for violation of any law, ordinance or regulation affecting its operation, and from any and all claims, suits, losses, costs, and counsel fees resulting from damages or injuries to persons or property of whatever kind or nature arising directly or indirectly out of the operation of such business and resulting

from the carelessness, negligence, or improper conduct of the Commercial Aeronautical Operator or any of its agents or employees.

2. Indemnify and hold the Authority harmless of and from any and all claims, demands and losses, including environmental claims, demands and losses, that may result or be imposed upon the Authority by reason of the operation on the Airport including, but not limited to, any fine or other order of the Federal, State or local government, or any agency thereunder.
3. A Commercial Aeronautical Operator will be required to deliver to the Authority a surety bond or letter of credit in the amount of six months' rent under the Agreement, which shall be conditioned on the faithful performance of all terms, conditions and covenants of the Agreement. The said surety bond or letter of credit shall be renewed annually, and shall be kept in full force and effect for the complete term of the Agreement. The Authority reserves the right to require an additional surety bond or letter of credit from the Commercial Aeronautical Operator to secure performance of any construction obligations under the Agreement.

VI. FIXED BASE OPERATORS

A. Fixed Base Operator Minimum Requirements

An FBO shall comply with the following minimum standards:

1. Mandatory Services

A FBO must provide the following Commercial Aeronautical Activities and services:

- (a) The sale of aircraft fuels, lubricants, and propellants. The sale of said fuels, lubricants and propellants shall include the right to establish an above ground or underground fuel storage facility and the right to use vehicles necessary for the servicing of aircraft in the sale of such products.
- (b) The loading and unloading of transient aircraft which shall include, but not be limited to, parking, towing, providing auxiliary power, tie down service, protective storage (whether multiple storage, interior or exterior) of any aircraft normally utilizing the facilities of the Airport.
- (c) Customary accommodation for the convenience of users, including pilot lounge area, informational services and courtesy ground transportation to and from the passenger terminal.
- (d) The performance of light maintenance and servicing of aircraft, including but not limited to annual inspections.

- (e) The removal, or the arrangement for the removal, of any disabled aircraft from the Airport Operating Area, if requested by the aircraft owner/operator.

2. Optional Services

- 3. In addition to the above minimum required services, at its option, an FBO may provide any additional Commercial Aeronautical Activities, provided that such performance is in accord with the Minimum Standards contained herein.

Excluded Services: An FBO shall not provide the following services:

- (a) The sale of automotive gasoline and the maintenance and repair of vehicular equipment of the general public or other tenants of the Airport. Said exclusion shall not apply to the maintenance, repair and fueling of ground service equipment commonly used on the Airport.

4. Insurance

An FBO shall acquire and maintain liability insurance (including products liability) for personal injuries/death growing out of any one accident or disaster in a minimum amount of \$1,000,000, and property liability insurance in a minimum amount of \$1,000,000 for property damage growing out of any one accident or disaster.

5. Hours of Operation

An FBO shall remain open for business weekdays from 07:00 to 18:00, weekends from 07:00 to 17:00 local time, with the exception of holidays, and shall be on call at all other times.

6. Facilities

An FBO shall comply with the following facilities requirements:

- (a) Land - Lease two and one-half (2-1/2) acres of land from the Airport Authority
- (b) Hangar – Construct or lease 15,000 square feet
- (c) Shop Space – Construct or lease 3,000 square feet
- (d) Office Space – Construct or lease 2,000 square feet
- (e) Restrooms – Construct or lease two (2) restrooms in compliance with ADA regulations
- (f) Paved Apron – Construct or lease a paved apron of 23,000 square feet or the size of the proposed hangar, whichever is greater.

- (g) Tie Downs – Five (5) hard surfaced tie downs.
- (h) Automobile Parking – Construct or lease fifty (50) paved parking spaces, two (2) of which shall be handicapped parking. All drainage for the leased area must be self-contained or drain into mains designated by the Authority.
- (i) All utilities brought onto the property must be underground facilities.
- (j) Any utilities of the Airport may be utilized; however, all hook-ups must be underground and at the sole cost of the FBO.
- (k) All construction must meet the local, state or federal building safety, health and ADA codes in affect at the time of construction.
- (l) All of the proposed construction and improvements will be subject to the approval of the Authority or its designated representative.

VII. SPECIALIZED AVIATION SERVICE OPERATORS

A. SASO Minimum Requirements

The Minimum Standards for a SASO, as defined herein, shall consist of the following:

1. Optional Services

A SASO may provide one or more of the following Commercial Aeronautical Activities, in accord with the Minimum Standards contained herein:

- (a) Buying and selling new and used aircraft and parts and accessories, and/or pilot supplies.
- (b) A Flight School.
- (c) An Air Taxi operation.
- (d) A Maintenance Facility.
- (e) A Completion Center.

2. Excluded Services

A SASO shall not provide the following services:

- (a) The sale of avgas and jet fuel, lubricants and propellants.
- (b) Ground transportation for hire.

- (c) The sale of automotive gasoline and the maintenance and repair of vehicular equipment of the general public or other tenants of the Airport.

3. Insurance

A SASO shall acquire and maintain liability insurance (including products liability) for personal injuries/death growing out of any one accident or disaster in a minimum amount of \$1,000,000, and property liability insurance in a minimum amount of \$1,000,000 for property damage growing out of any one accident or disaster.

4. Hours of Operation

A SASO shall remain open for business a minimum of 5 days per week from 08:00 to 17:00 local time.

5. Facilities

A SASO shall comply with the following facilities requirements:

- (a) Land - Lease one and one-half (1-1/2) acres of land at the Airport
- (b) Hangar - Construct or lease 7,000 square feet
- (c) Combined shop, office, and classroom space - Construct or lease 2,250 square feet total with sufficient portions allocated to each category based upon the type of Commercial Aeronautical Activity provided
- (d) Restrooms - Construct or lease two (2) restrooms in compliance with ADA regulations, provided that the Authority may in its discretion permit multiple Commercial Aeronautical Operators to share bathrooms for their customers
- (e) Paved Apron - Construct or lease a paved apron of 9,000 square feet or the sized of the hangar, whichever is greater.
- (f) Tie Downs - Hard surfaced tie down facilities in the apron area must at all times be provided for aircraft at least equal to the number, type and size of aircraft for which hangar space is made available.
- (g) Automobile Parking - Construct or lease thirty (30) paved parking spaces; one (1) parking space shall be handicapped parking.
- (h) All utilities brought onto the property must be underground facilities.

- (i) Any utilities of the Airport may be utilized; however, all hook-ups must be underground and at the sole cost of the SASO.
- (j) All construction must meet the local, state or federal building safety, health and ADA codes in affect at the time of construction.
- (k) All of the proposed construction and improvements will be subject to the approval of the Authority or their designated representative.
- (l) A SASO may sublet space in accordance with these Minimum Standards from an FBO with the prior written approval of the Airport Authority.

VIII. SALE OF AIRCRAFT FUEL, LUBRICANTS AND PROPELLANTS

A. Fuel Sales Minimum Requirements

A Commercial Aeronautical Operator engaged in the sale of Aircraft Fuel, Lubricants, and Propellants must comply with the following requirements:

1. Comply with the minimum standards of a Fixed Base Operator.
2. Provide a minimum of 12,000-gallon storage capacity for Jet A and 8,000-gallon storage capacity for aviation gasoline in above ground storage tanks.
3. Provide a minimum of one (1) mobile refueling truck for each grade of fuel sold.
4. Provide documentation that all fuel service personnel are trained; maintain written records in accordance with 14 CFR Part 139; submit annual written evidence of compliance to the Authority upon request.
5. Require fuel service personnel to wear uniforms in compliance with Airport safety regulations.
6. Submit to periodic inspections of equipment and training records by the FAA and Authority.
7. Maintain and operate all fueling equipment in compliance with all applicable Airport, local, state, and federal safety regulations.
8. Annually provide the Authority with written evidence of compliance with all applicable mandatory environmental regulations, including copies of all plans, licenses and certificates.
9. Provide the Authority with evidence of leak protection and environmental protection insurance for the operation of all fueling activities and fuel tanks.

10. Indemnify and hold harmless the Reading Regional Airport Authority from any and all claims, demands, and losses that may result or be imposed upon Authority by reason of the use, maintenance, and operation by the Commercial Aeronautical Operator of underground fuel storage tanks, including, but not limited to, any fine or other order of the Federal, State or local government, or any agency thereunder.

IX. MAINTENANCE OF AIRCRAFT

A. Aircraft Maintenance Minimum Requirements

A Commercial Aeronautical Operator engaging in aircraft maintenance shall:

1. Ensure that all aircraft maintenance is done in accordance with all applicable FAA regulations pertaining to the maintenance of aircraft.
2. Provide general and preventative maintenance, inspection on general basis, 100-hour basis, and annual inspection basis, and the purchase and sale of parts, equipment and accessories therefore.
3. At its option, provide inspection, overhauling, rebuilding and licensing of engines, airframe, aircraft accessories, electronic accessories and the purchase and sale of parts, equipment, and accessories therefore.
4. Employ and have on duty sufficient personnel to conduct the maintenance services. This requirement includes at least one person on the maintenance force who holds a valid FAA Airframe & Powerplant certificate and one person who holds a valid FAA Inspection Authorization certificate.
5. Obtain and maintain sufficient equipment necessary to conduct the maintenance services.

X. COMPLETION CENTER

A. Completion Center Minimum Requirements

A Commercial Aeronautical Operator operating a Completion Center shall:

1. Ensure that all aircraft completion work is done in accordance with all applicable FAA regulations pertaining to the completion of aircraft.
2. Annually provide the Airport Authority with written evidence of compliance with all applicable Federal and State environmental regulations, including copies of all plans, licenses, and certificates.
3. Indemnify and hold harmless the Authority from any and all claims, demands and losses that may result or be imposed upon the Authority by reason of the operation of the Completion Center including, but not limited

to, any fine or other order of the Federal, State, or local government, or any agency thereunder.

XI. FLIGHT SCHOOLS

A. Flight School Minimum Requirements

A Commercial Aeronautical Operator operating a Flight School shall:

1. Provide a minimum 200 square feet of office space to provide an adequate training environment for students. This space must have public access.
2. Obtain and maintain at all times a written agreement with an FBO at the Airport that will provide tie-downs, hangar space, and fueling to support the Flight School aircraft.
3. Provide aircraft that are maintained in accordance with 14 CFR Part 91 and in airworthy condition at all times. This requirement includes, but is not limited to, annual and 100-hour inspections.
4. The Flight School must be operated in accordance with all applicable FAA regulations.
5. Employ or contract a minimum of two (2) FAA-certificated Flight Instructors on staff. Flight Instructors must be certified by the FAA and instruct in accordance with all applicable FAA regulations pertaining to flight instruction.
6. Obtain and maintain at all times a minimum of \$1,000,000.00 liability insurance naming the Authority as additionally insured.
7. Provide basic pilot supplies as may be required to conduct flight training that would include, but not limited to, current aviation charts, manuals, training materials, and equipment required for flight training.
8. The flight school must obtain appropriate permits and licensing as may be required by any Federal, State, or Local authorities to conduct commercial business.

XII. AIR TAXI

A. Air Taxi Minimum Requirements

A Commercial Aeronautical Operator operating as an Air Taxi shall:

1. Obtain and maintain at all times an approved certificate from the FAA to provide the Air Taxi services, which may be issued under either 14 CFR Part 135 or 14 CFR Part 380.

2. Provide at least one airworthy aircraft certificated and fully equipped to operate under 14 CFR Part 135 or Part 380, as applicable.

XIII. HANGAR DEVELOPERS AND/OR HANGARKEEPERS

A. Minimum Requirements

A Commercial Aeronautical Operator wishing to develop and either sell or sublease hangar space to other Airport users will be required to comply with the following requirements:

1. Permitted Uses:
 - (a) The Commercial Aeronautical Operator or its subtenant(s) may own or lease a hangar for the exclusive housing and operation of one or more of the Commercial Aeronautical Operator or subtenant's owned or leased aircraft.
2. Excluded Uses:
 - (a) The Commercial Aeronautical Operator shall not conduct any other Commercial Aeronautical Activities, nor permit any subtenants to perform Commercial Aeronautical Activities, without written permission from the Authority.
 - (b) A person, firm or corporation is prohibited from storing fuel on the Airport. A person, firm or corporation is permitted to dispense fuel only to its own aircraft, and only in accordance with the RRAA Rules and Regulations, Section 7 - FIRE SAFETY AND FUEL HANDLING.
3. Facilities:
 - (a) Lease land from the Authority equal to two and one-half times the size of the hangar.
 - (b) Provide a paved aircraft parking which equals the hangar in size.
 - (c) Provide auto parking to accommodate owners, employees, passengers and invited guests.
4. Insurance:
 - (a) Provide liability insurance (including products liability) for personal injuries/death growing out of any one accident or disaster in a minimum amount of \$1,000,000, and in addition shall provide property liability insurance in a minimum amount of \$1,000,000 for property damage growing out of any one accident or disaster.

- (b) Maintain all insurance and bonds with insurance underwriters authorized to do business in the Commonwealth of Pennsylvania satisfactory to the Reading Regional Airport Authority, and shall name the Authority and the officers, servants, agents and employees of the Authority as additional insured at no cost to Reading Regional Airport Authority. Furnish the Reading Regional Airport Authority with a duplicate policy from the insurance carrier showing such insurance and bonds to be in full force and effect during the entire term of the lease. All policies shall contain a provision that written notice of cancellation or any material change in the policy by the insurer will be delivered to the Reading Regional Airport Authority thirty (30) days in advance of the effective date of such cancellation or change.
- (c) Indemnify and hold the Authority harmless of and from any and all claims, demands and losses, including environmental claims, demands and losses, that may result or be imposed upon Reading Regional Airport Authority by reason of the operation on the Airport including, but not limited to, any fine or other order of the Federal, State or local government, or any agency thereunder.

B. Applicability to Non-Commercial Aeronautical Operators

- 1. This Article shall generally not apply to Non-Commercial Aeronautical Operators, or an entity seeking to develop and occupy a hangar for its own non-commercial purposes (e.g., a private recreational or non-aeronautical corporate user).
- 2. The previous paragraph notwithstanding, the Authority reserves the right to use this Article as reference in requirements for development by Non-Commercial Aeronautical Operators or other non-commercial users.

XIV. NON-BASED COMMERCIAL AERONAUTICAL ACTIVITIES

A. Non-Airport Based Mechanic Services

- 1. A Person providing only Non-Airport Based Mechanic Services shall not generally be required to lease space from the Authority or at the Airport on an exclusive basis.
- 2. A Person providing Non-Airport Based Mechanic Services shall hold an aircraft mechanic certificate with both the airframe and powerplant ratings issued by the FAA under 14 C.F.R. Part 65 and hold a current inspection authorization issued by the FAA under 14 C.F.R. Part 65.
- 3. A Person providing Non-Airport Based Mechanic Services shall obtain and have a current Agreement issued by RRAA. Such Agreement shall be effective

for the time which is demonstrated to be needed to perform the required services but in no event shall be effective for more than one (1) year.

4. A Person providing Non-Airport Based Mechanic Services shall comply with all applicable Minimum Standards and Rules and Regulations issued by the Authority, including providing proof of the insurance coverages required by these Minimum Standards.
5. A Person providing Non-Airport Based Mechanic Services shall conduct all work in a safe and reasonable manner.
6. A Person providing Non-Airport Based Mechanic Services shall comply with all directives given by the Airport Director.
7. A Person providing Non-Airport Based Mechanic Services shall provide sufficient equipment and supplies to allow for the safe and expeditious accomplishment of the provided service.
8. A Person providing Non-Airport Based Mechanic Services shall only provide services to an Airport tenant in such tenant's exclusively leased hangar. Notwithstanding the foregoing, minor maintenance *may* be performed in common use hangars (i.e., "community hangars") if the applicable tasks may be completed in a short period of time and without disruption of other tenants or the safe and efficient use of such hangars, as determined in the sole discretion of the Authority. In no event may annual inspections or heavy maintenance be performed in a common use hangar.

B. Independent Flight Instructors

1. An Independent Flight Instructor that does not meet the requirements for a Flight School or does not otherwise exclusively lease space at the Airport will be permitted to provide aircraft flight instruction on a limited, part-time basis at times of their choosing with prior written authorization pursuant to an Agreement with the Authority as set forth herein.
2. Prior to any flight instruction on the Airport, the proposed Independent Flight Instructor must provide, either separately or within the written Agreement:
 - (a) A specific description of the flight instruction to be offered and the N-number of the aircraft to be used.
 - (b) A description of the area on the Airport where the flight instruction will be provided.
 - (c) Proof of proper and current licenses certified by the FAA, with appropriate ratings to cover the type of training offered.

- (d) Written assurance that all federal, state, and local statutes, rules, and regulations will be complied with at all times.
 - (e) A certification indemnifying and holding harmless the Authority for operations on the Airport.
 - (f) Written assurance that any flight training services shall be provided only on a part-time, independent basis.
- 3. The Agreement issued to the Independent Flight Instructor shall be specifically limited to the conditions set forth above (e.g., the flight instruction shall only be provided using the named aircraft), and shall not exceed a term of one (1) year. If the Independent Flight Instructor intends to provide additional services, a new or amended Agreement must be executed.
 - 4. The Authority will reserve the right to terminate an Agreement with a purported Independent Flight Instructor if it determines in its reasonable discretion that the operations of such individual should be subject to the requirements for a Flight School under Article XI. This includes, but is not limited to, the use of multiple aircraft, hiring of dedicated flight instructors, or public marketing of flight training services, all of which are inconsistent with operation as an Independent Flight Instructor.

XV. OTHER AERONAUTICAL BUSINESSES

A. Other Aeronautical Businesses Minimum Requirements

This section addresses other Commercial Aeronautical Activities (“Miscellaneous Aeronautical Functions”) that are too varied to reasonably permit the establishment of specific minimum standards for each. Miscellaneous Aeronautical Functions include but are not limited to:

- Aerial Application Services
- Aerial photography or surveying
- Aircraft cleaning and washing
- Aircraft sales
- Aircraft salvage
- Banner towing and aerial advertising
- Fire-fighting

- Non-stop sightseeing flights
- Power line or pipeline patrol
- Whole or part aircraft type modifications under the auspices of a Supplemental Type Certificate
- Any other Commercial Aeronautical Activity not otherwise specifically addressed elsewhere in these Minimum Standards.

If any of the Miscellaneous Aeronautical Functions listed above overlaps with a Commercial Aeronautical Activity addressed elsewhere in these Minimum Standards, and such Miscellaneous Aeronautical Function is described more specifically than that Commercial Aeronautical Activity, the requirements of this section shall apply to the Miscellaneous Aeronautical Function.

Each repair service listed in this section may be offered only under an appropriate FAA-certified Repair Station license of either a class or limited rating as defined in 14 C.F.R. Part 145.

This Section XV shall only apply to those Entities which are conducting regular and frequent Commercial Aeronautical Activities, in the sole opinion of the City. The City may require that any Entity performing any Commercial Aeronautical Activity at or from the Airport comply with the Minimum Standards, whether or not that Entity or its aircraft are based on the Airport.

The proposed Commercial Aeronautical Operator of a Commercial Aeronautical Activity under this section shall meet the general requirements applicable to Commercial Aeronautical Operators in these Minimum Standards. The City shall determine, in its reasonable discretion, whether the proposed Commercial Aeronautical Operator shall be subject to any additional requirements.

XVI. MINIMUM STANDARDS FOR FLYING CLUBS

A. Flying Club Minimum Requirements

A Flying Club desiring to base its aircraft on the Airport shall:

1. Be a volunteer non-profit corporation or partnership with no salaried or contracted employees.
2. Derive revenue from the use of the aircraft no greater than that required for its actual operation, maintenance, and replacement.
3. Provide a register and keep current with the Authority a list of the club's membership, officers, and current mailing address. A copy of the club's Articles of Incorporation, current operating rules, and proof of insurance shall be submitted to the Authority and updated as they are modified by the Flying Club.
4. Maintain all aircraft owned, operated, or leased by the Flying Club in compliance with all airworthiness requirements.

5. Permit the aircraft to be used by bona fide members only and by no one for any Commercial Aeronautical Activity.
6. Offer flight instruction only to club members in club aircraft, provided such instruction is given by a FAA-certificated flight instructor who is a club member or by a Flight School authorized to conduct flight instruction on the Airport who may be reimbursed for services rendered.
7. Provide written verification of insurance coverage for the aircraft and the instructors upon request from the Authority.
8. Provide parking space in the ratio of one space per fifteen members.

B. Insurance

In addition, a Flying Club shall:

1. Provide liability insurance (including products liability) for personal injuries/death growing out of any one accident or disaster in a minimum amount of \$1,000,000, and in addition shall provide property liability insurance in a minimum amount of \$1,000,000 for property damage growing out of any one accident or disaster.
2. Maintain all insurance and bonds with insurance underwriters authorized to do business in the Commonwealth of Pennsylvania satisfactory to the Authority, and shall name the Authority and the officers, servants, agents and employees of the Authority as additional insured at no cost to the Authority. Furnish the Authority with a duplicate policy from the insurance carrier showing such insurance and bonds to be in full force and effect during the entire term of the lease. All policies shall contain a provision that written notice of cancellation or any material change in the policy by the insurer will be delivered to the Authority thirty (30) days in advance of the effective date of such cancellation or change.
3. Indemnify and hold the Authority harmless of and from any and all claims, demands and losses, including environmental claims, demands and losses, that may result or be imposed upon the Authority by reason of the operation on the Airport including, but not limited to, any fine or other order of the Federal, State, or local government, or any agency thereunder.

XVII. MINIMUM STANDARDS FOR AVIATION MUSEUM

A. Aviation Museum Minimum Requirements

An Aviation Museum operating on the Airport shall comply with the following requirements:

1. Permitted Services

- (a) The restoration and maintenance of historic aircraft owned by the museum.
- (b) Flight instruction only as required by normal museum operations commensurate with the Museum ' s aircraft operations programs, but not for hire.
- (c) Historic flight programs for its membership.
- (d) Local charity flight rides at will and at any time for the purpose of raising funds for the museum.
- (e) The exhibit and display of aviation artifacts for interpretation by the general public.
- (f) The operation of a museum gift shop.

B. Excluded Services

- 1. An Aviation Museum shall not perform any Commercial Aeronautical Activities for the general public except as specifically set forth above.
- 2. An Aviation Museum shall not store or dispense aviation fuel.

C. Organizational and Operating Standards

- 1. Establish and maintain a statement of mission which is solely related to aviation and aviation history and which is educational in nature.
- 2. Must have previously applied to the Internal Revenue Service for non-profit foundation status and have on hand an initial determination letter from the IRS stating that the organization has met the provisions of the IRS code for non-profit foundation status.
- 3. Maintain itself as an aviation museum open to the public.
- 4. Maintain regular full-time hours and days of operation, holidays excepted, on a set schedule which is consistent with the full-time operation of any business enterprise and which is compatible with the typical practices of other professional museums and historical societies within Berks County.
- 5. Have established an initial collection of a minimum of six aircraft, all of which are owned by the corporation and not by individuals.
- 6. Provide financial statements to the Authority in a form acceptable to the Authority for review, in accordance with acceptable accounting practices by a recognized CPA, for the Authority' s determination of the organization' s ability to meet its anticipated financial obligations to the Authority.

D. Facilities

1. Maintain office space on the Airport sufficient for the conduct of the normal day-to-day business of the business organization.
2. Maintain office space on the Airport appropriate to the discipline and scope of the museum organization.
3. Maintain maintenance and restoration facilities on the Airport appropriate to service the types of aircraft now present or reasonably anticipated to be included in the museum. s collection.
4. Maintain a museum store with sufficient stock to service those persons of the general public who may reasonably be expected to visit the museum facility.
5. Maintain a minimum of one main aircraft display capable of housing and displaying those types of aircraft that the museum chooses to collect.
6. Maintain a dedicated vehicle parking area of no less than 30 paved spaces, one of which shall be a handicapped parking space.
7. Maintain the overall museum facility in compliance with in the standards of the Americans with Disabilities Act including, but not limited to, rest room facilities, parking, doorways, access ramps and elevators, as appropriate.
8. Maintain an outdoors aircraft-parking apron capable of accommodating the operations, parking and/or display of those types of aircraft that the museum chooses to collect.
9. All utilities brought onto the property must be underground facilities.
10. Any utilities of the Airport may be utilized; however, all hook-ups must be underground and at the sole cost of the museum operator.
11. All construction must meet the local, state or federal building safety, health and ADA codes in affect at the time of construction.
12. All of the proposed construction and improvements will be subject to the approval of the Reading Regional Airport Authority or their designated representative.

E. Insurance

1. Provide liability insurance (including products liability) for personal injuries/death growing out of any one accident or disaster in a minimum amount of \$1,000,000, and in addition shall provide property liability

insurance in a minimum amount of \$1,000,000 for property damage growing out of any one accident or disaster.

2. Maintain all insurance and bonds with insurance underwriters authorized to do business in the Commonwealth of Pennsylvania satisfactory to the Authority, and shall name the Authority and the officers, servants, agents and employees of the Authority as additional insured at no cost to the Authority. Furnish the Authority with a duplicate policy from the insurance carrier showing such insurance and bonds to be in full force and effect during the entire term of the lease. All policies shall contain a provision that written notice of cancellation or any material change in the policy by the insurer will be delivered to the Authority thirty (30) days in advance of the effective date of such cancellation or change.
3. Indemnify and hold the Authority harmless of and from any and all claims, demands and losses, including environmental claims, demands and losses, that may result or be imposed upon the Authority by reason of the operation on the Airport including, but not limited to, any fine or other order of the Federal, State or local government, or any agency thereunder.