



U.S. Department
of Transportation
**Federal Aviation
Administration**

800 Independence Ave., S.W.
Washington, D.C. 20591

July 31, 2015

Exemption No. 12269
Regulatory Docket No. FAA-2015-2137

Mr. Kristopher Graham
Taggart, Rimes and Graham, PLLC
1022 Highland Colony Parkway
Suite 101
Ridgeland, MS 39157

Dear Mr. Graham:

This letter is to inform you that we have granted your request for exemption. It transmits our decision, explains its basis, and gives you the conditions and limitations of the exemption, including the date it ends.

By letter dated May 20, 2015, you petitioned the Federal Aviation Administration (FAA) on behalf of Galloway Advisors, LLC (hereinafter petitioner or operator) for an exemption. The petitioner requested to operate an unmanned aircraft system (UAS) to conduct aerial photography, surveying, inspections, and mapping.

See Appendix A for the petition submitted to the FAA describing the proposed operations and the regulations that the petitioner seeks an exemption.

The FAA has determined that good cause exists for not publishing a summary of the petition in the Federal Register because the requested exemption would not set a precedent, and any delay in acting on this petition would be detrimental to the petitioner.

Airworthiness Certification

The UAS proposed by the petitioner are the DJI S1000 +, DJI Phantom 2 Vision +, and DJI Inspire 1.

In accordance with the statutory criteria provided in Section 333 of Public Law 112–95 in reference to 49 U.S.C. § 44704, and in consideration of the size, weight, speed, and limited operating area associated with the aircraft and its operation, the Secretary of Transportation has determined that this aircraft meets the conditions of Section 333. Therefore, the FAA finds that relief from 14 CFR part 21, *Certification procedures for products and parts, Subpart H—Airworthiness Certificates*, and any associated noise certification and testing requirements of part 36, is not necessary.

The Basis for Our Decision

You have requested to use a UAS for aerial data collection¹. The FAA has issued grants of exemption in circumstances similar in all material respects to those presented in your petition. In Grants of Exemption Nos. 11062 to Astraeus Aerial (*see* Docket No. FAA–2014–0352), 11109 to Clayco, Inc. (*see* Docket No. FAA–2014–0507), 11112 to VDOS Global, LLC (*see* Docket No. FAA–2014–0382), and 11213 to Aeryon Labs, Inc. (*see* Docket No. FAA–2014–0642), the FAA found that the enhanced safety achieved using an unmanned aircraft (UA) with the specifications described by the petitioner and carrying no passengers or crew, rather than a manned aircraft of significantly greater proportions, carrying crew in addition to flammable fuel, gives the FAA good cause to find that the UAS operation enabled by this exemption is in the public interest.

Having reviewed your reasons for requesting an exemption, I find that—

- They are similar in all material respects to relief previously requested in Grant of Exemption Nos. 11062, 11109, 11112, and 11213;
- The reasons stated by the FAA for granting Exemption Nos. 11062, 11109, 11112, and 11213 also apply to the situation you present; and
- A grant of exemption is in the public interest.

Our Decision

In consideration of the foregoing, I find that a grant of exemption is in the public interest. Therefore, pursuant to the authority contained in 49 U.S.C. 106(f), 40113, and 44701, delegated to me by the Administrator, Galloway Advisors, LLC is granted an exemption from 14 CFR §§ 61.23(a) and (c), 61.101(e)(4) and (5), 61.113(a), 61.315(a), 91.7(a), 91.119(c), 91.121, 91.151(a)(1), 91.405(a), 91.407(a)(1), 91.409(a)(1) and (2), and 91.417(a) and (b), to the extent necessary to allow the petitioner to operate a UAS to perform aerial data collection. This exemption is subject to the conditions and limitations listed below.

¹ Aerial data collection includes any remote sensing and measuring by an instrument(s) aboard the UA. Examples include imagery (photography, video, infrared, etc.), electronic measurement (precision surveying, RF analysis, etc.), chemical measurement (particulate measurement, etc.), or any other gathering of data by instruments aboard the UA.

Conditions and Limitations

In this grant of exemption, Galloway Advisors, LLC is hereafter referred to as the operator.

Failure to comply with any of the conditions and limitations of this grant of exemption will be grounds for the immediate suspension or rescission of this exemption.

1. Operations authorized by this grant of exemption are limited to the DJI S1000 +, DJI Phantom 2 Vision +, and DJI Inspire 1 when weighing less than 55 pounds including payload. Proposed operations of any other aircraft will require a new petition or a petition to amend this exemption.
2. Operations for the purpose of closed-set motion picture and television filming are not permitted.
3. The UA may not be operated at a speed exceeding 87 knots (100 miles per hour). The exemption holder may use either groundspeed or calibrated airspeed to determine compliance with the 87 knot speed restriction. In no case will the UA be operated at airspeeds greater than the maximum UA operating airspeed recommended by the aircraft manufacturer.
4. The UA must be operated at an altitude of no more than 400 feet above ground level (AGL). Altitude must be reported in feet AGL.
5. The UA must be operated within visual line of sight (VLOS) of the PIC at all times. This requires the PIC to be able to use human vision unaided by any device other than corrective lenses, as specified on the PIC's FAA-issued airman medical certificate or U.S. driver's license.
6. All operations must utilize a visual observer (VO). The UA must be operated within the visual line of sight (VLOS) of the PIC and VO at all times. The VO may be used to satisfy the VLOS requirement as long as the PIC always maintains VLOS capability. The VO and PIC must be able to communicate verbally at all times; electronic messaging or texting is not permitted during flight operations. The PIC must be designated before the flight and cannot transfer his or her designation for the duration of the flight. The PIC must ensure that the VO can perform the duties required of the VO.
7. This exemption and all documents needed to operate the UAS and conduct its operations in accordance with the conditions and limitations stated in this grant of exemption, are hereinafter referred to as the operating documents. The operating documents must be accessible during UAS operations and made available to the Administrator upon request. If a discrepancy exists between the conditions and limitations in this exemption and the procedures outlined in the operating documents,

the conditions and limitations herein take precedence and must be followed. Otherwise, the operator must follow the procedures as outlined in its operating documents. The operator may update or revise its operating documents. It is the operator's responsibility to track such revisions and present updated and revised documents to the Administrator or any law enforcement official upon request. The operator must also present updated and revised documents if it petitions for extension or amendment to this grant of exemption. If the operator determines that any update or revision would affect the basis upon which the FAA granted this exemption, then the operator must petition for an amendment to its grant of exemption. The FAA's UAS Integration Office (AFS-80) may be contacted if questions arise regarding updates or revisions to the operating documents.

8. Any UAS that has undergone maintenance or alterations that affect the UAS operation or flight characteristics, e.g., replacement of a flight critical component, must undergo a functional test flight prior to conducting further operations under this exemption. Functional test flights may only be conducted by a PIC with a VO and must remain at least 500 feet from other people. The functional test flight must be conducted in such a manner so as to not pose an undue hazard to persons and property.
9. The operator is responsible for maintaining and inspecting the UAS to ensure that it is in a condition for safe operation.
10. Prior to each flight, the PIC must conduct a pre-flight inspection and determine the UAS is in a condition for safe flight. The pre-flight inspection must account for all potential discrepancies, e.g., inoperable components, items, or equipment. If the inspection reveals a condition that affects the safe operation of the UAS, the aircraft is prohibited from operating until the necessary maintenance has been performed and the UAS is found to be in a condition for safe flight.
11. The operator must follow the UAS manufacturer's maintenance, overhaul, replacement, inspection, and life limit requirements for the aircraft and aircraft components.
12. Each UAS operated under this exemption must comply with all manufacturer safety bulletins.
13. Under this grant of exemption, a PIC must hold either an airline transport, commercial, private, recreational, or sport pilot certificate. The PIC must also hold a current FAA airman medical certificate or a valid U.S. driver's license issued by a state, the District of Columbia, Puerto Rico, a territory, a possession, or the Federal government. The PIC must also meet the flight review requirements specified in 14 CFR § 61.56 in an aircraft in which the PIC is rated on his or her pilot certificate.

14. The operator may not permit any PIC to operate unless the PIC demonstrates the ability to safely operate the UAS in a manner consistent with how the UAS will be operated under this exemption, including evasive and emergency maneuvers and maintaining appropriate distances from persons, vessels, vehicles and structures. PIC qualification flight hours and currency must be logged in a manner consistent with 14 CFR § 61.51(b). Flights for the purposes of training the operator's PICs and VOs (training, proficiency, and experience-building) and determining the PIC's ability to safely operate the UAS in a manner consistent with how the UAS will be operated under this exemption are permitted under the terms of this exemption. However, training operations may only be conducted during dedicated training sessions. During training, proficiency, and experience-building flights, all persons not essential for flight operations are considered nonparticipants, and the PIC must operate the UA with appropriate distance from nonparticipants in accordance with 14 CFR § 91.119.
15. UAS operations may not be conducted during night, as defined in 14 CFR § 1.1. All operations must be conducted under visual meteorological conditions (VMC). Flights under special visual flight rules (SVFR) are not authorized.
16. The UA may not operate within 5 nautical miles of an airport reference point (ARP) as denoted in the current FAA Airport/Facility Directory (AFD) or for airports not denoted with an ARP, the center of the airport symbol as denoted on the current FAA-published aeronautical chart, unless a letter of agreement with that airport's management is obtained or otherwise permitted by a COA issued to the exemption holder. The letter of agreement with the airport management must be made available to the Administrator or any law enforcement official upon request.
17. The UA may not be operated less than 500 feet below or less than 2,000 feet horizontally from a cloud or when visibility is less than 3 statute miles from the PIC.
18. If the UAS loses communications or loses its GPS signal, the UA must return to a pre-determined location within the private or controlled-access property.
19. The PIC must abort the flight in the event of unpredicted obstacles or emergencies.
20. The PIC is prohibited from beginning a flight unless (considering wind and forecast weather conditions) there is enough available power for the UA to conduct the intended operation and to operate after that for at least five minutes or with the reserve power recommended by the manufacturer if greater.
21. Air Traffic Organization (ATO) Certificate of Waiver or Authorization (COA). All operations shall be conducted in accordance with an ATO-issued COA. The exemption holder may apply for a new or amended COA if it intends to conduct operations that cannot be conducted under the terms of the attached COA.

22. All aircraft operated in accordance with this exemption must be identified by serial number, registered in accordance with 14 CFR part 47, and have identification (N-Number) markings in accordance with 14 CFR part 45, Subpart C. Markings must be as large as practicable.
23. Documents used by the operator to ensure the safe operation and flight of the UAS and any documents required under 14 CFR §§ 91.9 and 91.203 must be available to the PIC at the Ground Control Station of the UAS any time the aircraft is operating. These documents must be made available to the Administrator or any law enforcement official upon request.
24. The UA must remain clear and give way to all manned aviation operations and activities at all times.
25. The UAS may not be operated by the PIC from any moving device or vehicle.
26. All Flight operations must be conducted at least 500 feet from all nonparticipating persons, vessels, vehicles, and structures unless:
 - a. Barriers or structures are present that sufficiently protect nonparticipating persons from the UA and/or debris in the event of an accident. The operator must ensure that nonparticipating persons remain under such protection. If a situation arises where nonparticipating persons leave such protection and are within 500 feet of the UA, flight operations must cease immediately in a manner ensuring the safety of nonparticipating persons; and
 - b. The owner/controller of any vessels, vehicles or structures has granted permission for operating closer to those objects and the PIC has made a safety assessment of the risk of operating closer to those objects and determined that it does not present an undue hazard.

The PIC, VO, operator trainees or essential persons are not considered nonparticipating persons under this exemption.

27. All operations shall be conducted over private or controlled-access property with permission from the property owner/controller or authorized representative. Permission from property owner/controller or authorized representative will be obtained for each flight to be conducted.
28. Any incident, accident, or flight operation that transgresses the lateral or vertical boundaries of the operational area as defined by the applicable COA must be reported to the FAA's UAS Integration Office (AFS-80) within 24 hours. Accidents must be reported to the National Transportation Safety Board (NTSB) per instructions contained on the NTSB Web site: www.nts.gov.

If this exemption permits operations for the purpose of closed-set motion picture and television filming and production, the following additional conditions and limitations apply.

29. The operator must have a motion picture and television operations manual (MPTOM) as documented in this grant of exemption.
30. At least 3 days before aerial filming, the operator of the UAS affected by this exemption must submit a written Plan of Activities to the local Flight Standards District Office (FSDO) with jurisdiction over the area of proposed filming. The 3-day notification may be waived with the concurrence of the FSDO. The plan of activities must include at least the following:
 - a. Dates and times for all flights;
 - b. Name and phone number of the operator for the UAS aerial filming conducted under this grant of exemption;
 - c. Name and phone number of the person responsible for the on-scene operation of the UAS;
 - d. Make, model, and serial or N-Number of UAS to be used;
 - e. Name and certificate number of UAS PICs involved in the aerial filming;
 - f. A statement that the operator has obtained permission from property owners and/or local officials to conduct the filming production event; the list of those who gave permission must be made available to the inspector upon request;
 - g. Signature of exemption holder or representative; and
 - h. A description of the flight activity, including maps or diagrams of any area, city, town, county, and/or state over which filming will be conducted and the altitudes essential to accomplish the operation.
31. Flight operations may be conducted closer than 500 feet from participating persons consenting to be involved and necessary for the filming production, as specified in the exemption holder's MPTOM.

Unless otherwise specified in this grant of exemption, the UAS, the UAS PIC, and the UAS operations must comply with all applicable parts of 14 CFR including, but not limited to, parts 45, 47, 61, and 91.

This exemption terminates on August 31, 2017, unless sooner superseded or rescinded.

Sincerely,

/s/

John S. Duncan

Director, Flight Standards Service

Enclosures



Wise Counsel. Proven Advocacy. Real Solutions.

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May 20, 2015

U. S. Department of Transportation
Docket Management System
1200 New Jersey Ave., SE Washington, DC 20590

Re: Exemption Request for Galloway Advisors, LLC, Under Section 333 of the FAA Reform Act and Part 11 of the Federal Aviation Regulations from 14 C.F.R. §§ 61.113(a) and (b); 91.119(c); 91.121; 91.151(a); 91.405(a); 91.407(a)(1); 91.409(a)(2); 91.417(a) and (b).

Dear Sir or Madam:

Pursuant to Section 333 of the FAA Modernization and Reform Act of 2012 (the Reform Act) and 14 C.F.R. Part 11, Galloway Advisors, LLC (Galloway) operator of Small Unmanned Aircraft Systems ("sUASs") equipped to conduct commercial aerial data collection¹ associated with aerial photography, surveying, inspection and mapping (hereinafter "the Purpose"), hereby applies for an exemption from the listed Federal Aviation Regulations ("FARs") to allow commercial operation of its sUASs, so long as such operations are conducted within and under the conditions outlined herein or as may be established by the FAA in an exemption granted under either Section 333 or Section 49 U.S.C. § 44701(f). Galloway will accept the conditions set forth in Exemptions Nos. 11062, 11080, 11150, 11158, 11213, 11586, 11602 and 11604 ("the Similar Exemptions").

As with the approval of the Similar Exemptions, approval of this exemption would thereby enhance safety and fulfill the Secretary of Transportation's (the FAA Administrator's) responsibilities to "...establish requirements for the safe operation of such aircraft systems in the national airspace system." Section 333(c) of the Reform Act.

¹ Aerial data collection includes any remote sensing and measuring by an instrument(s) aboard the UA. Examples include imagery (photography, video, infrared, etc.), electronic measurement (precision surveying, RF analysis, etc.), chemical measurement (particulate measurement, etc.), or any other gathering of data by instruments aboard the UA.

The name and address of the applicant is:

Galloway Advisors, LLC

Kristopher A. Graham (ASEL, ASES)

Member

1022 Highland Colony Parkway, Suite 101

Ridgeland, MS 39157

Office: 601-898-8400

Regulations from which the exemption is requested:

14 C.F.R. § 61.101(e)(4) and (5)

14 C.F.R. § 61.113(a) and (b)

14 C.F.R. §61.23 (a) and (c)

14 C.F.R. §61.315(a)

14 C.F.R. § 91.119

14 C.F.R. § 91.121

14 C.F.R. § 91.151(a)(1)

14 C.F.R. § 91.405(a)

14 C.F.R. §91.7(a)

14 C.F.R. § 91.407(a)(1)

14 C.F.R. §91. 409(a)(1) and (2)

14 C.F.R. § 417(a) and (b)

This exemption application is expressly submitted to fulfill Congress' goal in passing Section 333(a) through (c) of the Reform Act. This law directs the Secretary of Transportation to consider whether certain unmanned aircraft systems may operate safely in the national airspace system (NAS) before completion of the rulemaking required under Section 332 of the Reform Act. In making this determination, the Secretary is required to determine which types of UASs do not create a hazard to users of the NAS or the public or pose a threat to national security in light of the following:

- The UASs size, weight, speed, and operational capability;
- Operation of the UAS in close proximity to airports and populated areas; and
- Operation of the UAS within visual line of sight of the operator.

Reform Act § 333(a). Lastly, if the Secretary determines that such vehicles “may operate safely in the national airspace system, the Secretary shall establish requirements for the safe operation of such aircraft in the national airspace system.” Id. § 333(c).

The Federal Aviation Act, in addition to the authority granted by Section 333 of Reform Act, expressly grants the FAA the authority to issue exemptions. This statutory authority by its terms includes exempting civil aircraft, as the term is defined under § 40101 of the Act, that includes sUASs, from the requirement that all civil aircraft must have a current airworthiness certificate.

The Administrator may grant an exemption from a requirement of a regulation prescribed under subsection (a) or (b) of this section or any sections 44702-44716 of the Transportation Act if the Administrator finds the exemption in the public interest. 49 U.S.C. § 44701(f). See also 49 U.S.C. § 44711(a); 49 U.S.C. § 44704; 14 C.F.R. § 91.203(a)(1).

Company Specifics

Galloway Advisors, LLC is a pilot-owned company founded in 2013 to explore the commercial applications of UASs in the agricultural, forestry, surveying, mapping and real estate industries. Galloway's UASs are rotorcraft, weighting 55 or fewer lbs. including payload. They operate, under normal conditions at a speed of no more than 50 knots and have the capability to hover, and move in the vertical and horizontal plane simultaneously. They will operate at altitudes of no more than 400 feet, and only in line of sight.

Galloway will be using the DJI S1000+, the DJI Phantom 2 Vision+ and the DJI Inspire 1 aircraft. They will operate only within the areas and under the conditions as described in the Aircraft Flight Manuals ("AFM") (hereinafter "the Manuals"). Operations in compliance with these manuals will insure that the sUAS will "not create a hazard to users of the national airspace system or the public" and that the aircraft will operate in compliance with the conditions set forth in this application.

In support of this application, Galloway is submitting the following manuals:

- 14 Channel Computer System 14 SG Instruction Manual (Exhibit 1)
- A2 Flight Control System User Manual v1.22 (Exhibit 2)
- DJI Inspire 1 User Manual v1.2 (Exhibit 3)
- DJI Inspire 1 Maintenance Manual v1.0 (Exhibit 4)
- DJI Inspire 1 Safety Guidelines v1.0 (Exhibit 5)
- DJI Phantom 2 Vision+ User Manual v1.8 (Exhibit 6)
- DJI s1000+ User Manual v1.2 (Exhibit 7)

Aircraft and Equivalent Level of Safety

Given the small size of the sUASs involved and the restricted environment within which they will operate, the applicant falls squarely within that zone of safety (an equivalent level of safety) in which Congress envisioned that the FAA must, by exemption, allow commercial operations of UASs to

commence immediately. Also due to the size of the UASs, the restricted areas in which the relevant sUASs will operate and the fact that aircraft will be flown by pilots holding at least a FAA private pilot license, approval of the application presents no national security issue. Given the clear direction in Section 333 of the Reform Act, the authority contained in the Federal Aviation Act, as amended; the strong equivalent level of safety surrounding the proposed operations, and the significant public benefit, including enhanced safety, reduction in environmental impacts, including reduced emissions associated with allowing battery powered UASs for these functions instead of turbine or gas power aircraft/rotorcraft and operations with pilots having at least a private pilot license, the grant of the requested exemptions is in the public interest. Accordingly, the applicant respectfully requests that the FAA grant the requested exemption without delay.

The applicant proposes that the exemption requested herein apply to civil aircraft that have the characteristics and that operate with the limitations listed herein. These limitations provide for at least an equivalent or higher level of safety to operations under the current regulatory structure because the proposed operations represent a safety enhancement to the current operations conducted with conventional aircraft.

Consent to Limitations on Exemption

These limitations and conditions to which Galloway agrees to be bound when conducting commercial operations under an FAA issued exemption include the following:

1. Operations authorized by this grant of exemption are limited to the DJI S1000+, DJI Phantom 2 Vision+ and DJI Inspire 1 when weighing less than 55 pounds including payload. Proposed operations of any other aircraft will require a new petition or a petition to amend this exemption.
2. Operations for the purpose of closed-set motion picture and television filming are not permitted.
3. The UA may not be operated at a speed exceeding 87 knots (100 miles per hour). The exemption holder may use either groundspeed or calibrated airspeed to determine compliance with the 87 knot speed restriction. In no case will the UA be operated at airspeeds greater than the maximum UA operating airspeed recommended by the aircraft manufacturer.
4. The UA must be operated at an altitude of no more than 400 feet above ground level (AGL). Altitude must be reported in feet AGL.
5. The UA must be operated within visual line of sight (VLOS) of the PIC at all times. This requires the PIC to be able to use human vision unaided by any device other than corrective lenses, as specified on the PIC's FAA-issued airman medical certificate or U.S. driver's license.
6. All operations must utilize a visual observer (VO). The UA must be operated within the visual line of sight (VLOS) of the PIC and VO at all times. The VO may be used to satisfy the VLOS requirement as long as the PIC always maintains VLOS capability. The VO and PIC must be able to communicate verbally at all

times; electronic messaging or texting is not permitted during flight operations. The PIC must be designated before the flight and cannot transfer his or her designation for the duration of the flight. The PIC must ensure that the VO can perform the duties required of the VO.

7. An exemption and all documents needed to operate the UAS and conduct its operations in accordance with the conditions and limitations stated in a grant of exemption, are hereinafter referred to as the operating documents. The operating documents must be accessible during UAS operations and made available to the Administrator upon request. If a discrepancy exists between the conditions and limitations in an exemption and the procedures outlined in the operating documents, the conditions and limitations of the exemption take precedence and must be followed. Otherwise, the operator must follow the procedures as outlined in its operating documents. The operator may update or revise its operating documents. It is the operator's responsibility to track such revisions and present updated and revised documents to the Administrator or any law enforcement official upon request. The operator must also present updated and revised documents if it petitions for extension or amendment to a grant of exemption. If the operator determines that any update or revision would affect the basis upon which the FAA granted an exemption, then the operator must petition for an amendment to its grant of exemption.

8. Any UAS that has undergone maintenance or alterations that affect the UAS operation or flight characteristics, e.g., replacement of a flight critical component, must undergo a functional test flight prior to conducting further operations under an exemption. Functional test flights may only be conducted by a PIC with a VO and must remain at least 500 feet from other people. The functional test flight must be conducted in such a manner so as to not pose an undue hazard to persons and property.

9. The operator is responsible for maintaining and inspecting the UAS to ensure that it is in a condition for safe operation.

10. Prior to each flight, the PIC must conduct a pre-flight inspection and determine the UAS is in a condition for safe flight. The pre-flight inspection must account for all potential discrepancies, e.g., inoperable components, items, or equipment. If the inspection reveals a condition that affects the safe operation of the UAS, the aircraft is prohibited from operating until the necessary maintenance has been performed and the UAS is found to be in a condition for safe flight.

11. The operator must follow the UAS manufacturer's maintenance, overhaul, replacement, inspection, and life limit requirements for the aircraft and aircraft components.

12. Each UAS operated under an exemption must comply with all manufacturer safety bulletins.

13. Under a grant of exemption, a PIC must hold either an airline transport, commercial, private, recreational, or sport pilot certificate. The PIC must also hold a current FAA airman medical certificate or a valid U.S. driver's license issued by a state, the District of Columbia, Puerto Rico, a territory, a

possession, or the Federal Government. The PIC must also meet the flight review requirements specified in 14 CFR § 61.56 in an aircraft in which the PIC is rated on his or her pilot certificate.

14. The operator may not permit any PIC to operate unless the PIC demonstrates the ability to safely operate the UAS in a manner consistent with how the UAS will be operated under an exemption, including evasive and emergency maneuvers and maintaining appropriate distances from persons, vessels, vehicles and structures. PIC qualification flight hours and currency must be logged in a manner consistent with 14 CFR § 61.51(b). Flights for the purposes of training the operator's PICs and VOs (training, proficiency, and experience-building) and determining the PIC's ability to safely operate the UAS in a manner consistent with how the UAS will be operated under an exemption are permitted under the terms of an exemption. However, training operations may only be conducted during dedicated training sessions. During training, proficiency, and experience-building flights, all persons not essential for flight operations are considered nonparticipants, and the PIC must operate the UA with appropriate distance from nonparticipants in accordance with 14 CFR § 91.119.

15. UAS operations may not be conducted during night, as defined in 14 CFR § 1.1. All operations must be conducted under visual meteorological conditions (VMC). Flights under special visual flight rules (SVFR) are not authorized.

16. The UA may not operate within 5 nautical miles of an airport reference point (ARP) as denoted in the current FAA Airport/Facility Directory (AFD) or for airports not denoted with an ARP, the center of the airport symbol as denoted on the current FAA-published aeronautical chart, unless a letter of agreement with that airport's management is obtained or otherwise permitted by a COA issued to the exemption holder. The letter of agreement with the airport management must be made available to the Administrator or any law enforcement official upon request.

17. The UA may not be operated less than 500 feet below or less than 2,000 feet horizontally from a cloud or when visibility is less than 3 statute miles from the PIC.

18. If the UAS loses communications or loses its GPS signal, the UA must return to a pre-determined location within the private or controlled-access property.

19. The PIC must abort the flight in the event of unpredicted obstacles or emergencies.

20. The PIC is prohibited from beginning a flight unless (considering wind and forecast weather conditions) there is enough available power for the UA to conduct the intended operation and to operate after that for at least 5 minutes or with the reserve power recommended by the manufacturer if greater.

21. Air Traffic Organization (ATO) Certificate of Waiver or Authorization (COA). All operations shall be conducted in accordance with an ATO-issued COA. The exemption holder may apply for a new or

amended COA if it intends to conduct operations that cannot be conducted under the terms of any attached COA.

22. All aircraft operated in accordance with an exemption must be identified by serial number, registered in accordance with 14 CFR part 47, and have identification (N-Number) markings in accordance with 14 CFR part 45, Subpart C. Markings must be as large as practicable.

23. Documents used by the operator to ensure the safe operation and flight of the UAS and any documents required under 14 CFR §§ 91.9 and 91.203 must be available to the PIC at the Ground Control Station of the UAS any time the aircraft is operating. These documents must be made available to the Administrator or any law enforcement official upon request.

24. The UA must remain clear and give way to all manned aviation operations and activities at all times.

25. The UAS may not be operated by the PIC from any moving device or vehicle.

26. All Flight operations must be conducted at least 500 feet from all nonparticipating persons, vessels, vehicles, and structures unless:

a. Barriers or structures are present that sufficiently protect nonparticipating persons from the UA and/or debris in the event of an accident. The operator must ensure that nonparticipating persons remain under such protection. If a situation arises where nonparticipating persons leave such protection and are within 500 feet of the UA, flight operations must cease immediately in a manner ensuring the safety of nonparticipating persons; and

b. The owner/controller of any vessels, vehicles or structures has granted permission for operating closer to those objects and the PIC has made a safety assessment of the risk of operating closer to those objects and determined that it does not present an undue hazard.

The PIC, VO, operator trainees or essential persons are not considered nonparticipating persons under this exemption.

27. All operations shall be conducted over private or controlled-access property with permission from the property owner/controller or authorized representative. Permission from property owner/controller or authorized representative will be obtained for each flight to be conducted.

28. Any incident, accident, or flight operation that transgresses the lateral or vertical boundaries of the operational area as defined by the applicable COA must be reported to the FAA's UAS Integration Office

(AFS-80) within 24 hours. Accidents must be reported to the National Transportation Safety Board (NTSB) per instructions contained on the NTSB Web site: www.nts.gov.

Unless otherwise specified in this grant of exemption, the UAS, the UAS PIC, and the UAS operations must comply with all applicable parts of 14 C.F.R. including, but not limited to, parts 45, 47, 61, and 91.

Risk Reduction and Equivalent Level of Safety

Approval of exemptions allowing commercial operations of sUASs for filming real estate, mapping, surveying, inspection and volunteer search and rescue operations will enhance safety by reducing risk. Conventional operations, using jet or piston power aircraft, operate at extremely low altitudes just feet from the subject being filmed and in extreme proximity to people and structures, and present the risks associated with vehicles that weigh in the neighborhood of 6,000 lbs., carrying large amounts of jet A or other fuel (140 gallons for jet helicopters). Such aircraft must fly to and from the project location. In contrast, a sUAS weighing fewer than 55 lbs. and powered by batteries eliminates virtually all of that risk given the reduced mass and lack of combustible fuel carried on board. The sUAS is carried to the target area and not flown. The sUAS will carry no passengers or crew and, therefore, will not expose them to the risks associated with manned aircraft flights.

The operation of small UASs, weighting less than 55 lbs., conducted in the strict conditions outlined above, will provide an equivalent level of safety supporting the grant of the exemptions requested herein. These lightweight aircraft operate at slow speeds, close to the ground, and in areas that are under the control of the customer for the inspections and, as a result, are far safer than conventional operations conducted with turbine helicopters or fixed wing aircraft operating in close proximity to the ground and people or the use of people to climb the structures to conduct the inspection.

Privacy

All flights will occur over private or controlled access property with the property owner's prior consent and knowledge. Inspections will be of inanimate objects in areas where the owners and/or operator will have consented to observation/ filming or otherwise have agreed to be in the area where inspection will take place.

Exemptions

14 C.F.R. § 61.113(a) and (b): Private Pilot Privileges and Limitations; 61.1.1(e)(4) and (5): Recreational pilot privileges and limitations; 62.23(a) and (c): Medical certificates: Requirement and duration; 61.315: Sport Pilot

Sections 61.113(a) and (b) and 61.1.1(e)(4) and (5) limit private and recreational pilots to non-commercial operations. Because the UAS will not carry a pilot or passengers, the proposed operations can achieve the equivalent level of safety of current operations by requiring the PIC operating the aircraft to have a private pilot's license rather than a commercial pilot's license to operate this small UAS. Unlike a conventional aircraft that carries the pilot and passengers, the sUAS is remotely

controlled with no living thing on board. The area of operation is controlled and restricted, and all flights are planned and coordinated in advance as set forth in the Manual. The level of safety provided by the requirements included in the Manual exceeds that provided by a single individual holding a commercial pilot's certificate operating a conventional aircraft. The risks associated with the operation of the sUAS are so diminished from the level of risk associated with commercial operations contemplated by Part 61 when drafted, that allowing operations of the sUAS as requested with a private pilot as the PIC exceeds the present level of safety achieved by 14 C.F.R. § 61.113(a) and (b). Under any exemption granted, the PIC will hold a current FAA airman medical certificate or a valid U.S. driver's license issued by a state, the District of Columbia, Puerto Rico, a territory, a possession, or the Federal Government. The PIC will also meet the flight review requirements specified in 14 CFR § 61.56 in an aircraft in which the PIC is rated on his or her pilot certificate. The FAA has granted exemptions for private pilots to conduct similar operations in Exemptions 11062, 11063, 11064, 11065, 11066, 11067 and 11080.

14 C.F.R. § 91.119: Minimum Safe Altitudes.

Section 91.119 establishes safe altitudes for operation of civil aircraft. Section 91.119(d) allows helicopters to be operated at less than the minimums prescribed, provided the person operating the helicopter complies with any route or altitudes prescribed for helicopters by the FAA. As this exemption is for a sUAS that could be defined as a helicopter, and the exemption requests authority to operate at altitudes up to 400 AGL, an exemption may be needed to allow such operations. The UAS will never operate at higher than 400 AGL.

The equivalent level of safety will be achieved given the size, weight, speed of the UAS as well as the location where it is operated. No flight will be taken without the permission of the property owner, facility owner and local officials. Because of the advance notice to the property owner and participants all affected individuals will be aware of the planned flight operations as set forth in the Manual. Compared to flight operations with aircraft or rotorcraft weighting far more than the maximum 55lbs. proposed herein and the lack of flammable fuel, any risk associated with these operations is far less than those presently presented with conventional aircraft operating at or below 500 AGL in the aerial photography industry. In addition, the low- altitude operations of the sUAS will ensure separation between these small-UAS operations and the operations of conventional aircraft that must comply with Section 91.119. The FAA has granted exemptions to conduct similar operations in Exemptions 11062, 11063, 11064, 11065, 11066, 11067 and 11080.

14 C.F.R. § 91.121: Altimeter Settings.

This regulation requires each person operating an aircraft to maintain cruising altitude by reference to an altimeter that is set "...to the elevation of the departure airport or an appropriate altimeter setting available before departure." As the sUAS in at least one operating mode will not have a barometric

altimeter, but instead a GPS altitude read out, an exemption will be needed. An equivalent level of safety will be achieved by the operator, pursuant to the Manual and Safety Check list, confirming the altitude of the launch site shown on the GPS altitude indicator before flight. The FAA has granted exemptions to conduct similar operations in Exemptions 11062, 11063, 11064, 11065, 11066, 11067 and 11080.

14 C.F.R. § 91.151(a): Fuel Requirements for Flight in VFR Conditions.

Section 91.151 (a) prohibits an individual from beginning “a flight in an airplane under VFR conditions unless (considering wind and forecast weather conditions) there is enough fuel to fly to the first point of intended landing, and, assuming normal cruising speed – (1) During the day, to fly after that for at least 30 minutes; or (2) At night, to fly after that for at least 45 minutes.”

The battery powering the sUAS provides up to 15 minutes of powered flight for the S1000+, up to 25 minutes for the Phantom 2 Vision+ and up to 18 minutes for the Inspire 1. Meeting the 30 minute reserve requirement in 14 C.F.R. § 91.151 would not be possible.

Applicant believes that an exemption from 14 C.F.R. § 91.151(a) falls within the scope of prior exemptions. See Exemption 10673 (allowing Lockheed Martin Corporation to operate without compliance with FAR 91.151(a)). Operating the small UAS, in a tightly controlled area where only people and property owners or official representatives who have signed waivers will be allowed, with less than 30 minutes of reserve fuel, does not engender the type of risks that Section 91.151(a) was intended to alleviate given the size and speed of the small UAS. Applicant believes that an equivalent level of safety can be achieved by limiting flights to 25% of battery power. This restriction would be more than adequate to return the sUAS to its planned landing zone from anywhere in its limited operating area.

Similar exemptions have been granted to other operations, including Exemptions 2689F, 5745, 10673, 10808 and Exemptions 11062, 11063, 11064, 11065, 11066, 11067 and 11080.

14 C.F.R. §§ 91.405(a); 407(a)(1); 409(a)(1) and (2); 417(a) and (b): Maintenance Inspections.

These regulations require that an aircraft operator or owner “shall have that aircraft inspected as prescribed in subpart E of this part and shall between required inspections, except as provided in paragraph (c) of this section, have discrepancies repaired as prescribed in part 43 of this chapter...,” and others shall inspect or maintain the aircraft in compliance with Part 43.

Given that these section and Part 43 apply only to aircraft with an airworthiness certificate, these sections will not apply to the applicant. Maintenance will be accomplished by the operator pursuant to the flight manual and operating handbook as referenced in the attached manuals and per the manufacturer’s recommendations. An equivalent level of safety will be achieved because these small UASs are very limited in size and will carry a small payload and operate only in areas for limited periods of time. If mechanical issues arise the UAS can land immediately and will be operating from no higher than 400 feet AGL. The operator will ensure that the UAS is in working order prior to initiating flight, perform required maintenance, and keep a log of any maintenance performed. Moreover, the operator

is the person most familiar with the aircraft and best suited to maintain the aircraft in an airworthy condition to provide the equivalent level of safety. The FAA has granted exemptions for similar operations in Exemptions 11062, 11063, 11064, 11065, 11066, 11067 and 11080.

14 C.F.R. §91.7: Civil aircraft airworthiness

As there will be no airworthiness certificate for the aircraft, should this exemption be granted, no FAA regulatory standard will exist for determining airworthiness. Given the size of the aircraft, regular maintenance and the use of a safety checklist prior to all flights, an equivalent level of safety can be maintained.

Summary for Federal Register

Pursuant to 14 C.F.R. Part 11, the following summary is provided for publication in the Federal Register, should it be determined that publication is needed: Applicant seeks an exemption from the following rules: 14 C.F.R. §§ 61.101(e)(4) and (5); 61.113 (a) and (b); 61.23(a) and (c); 61.315(a); 91.7(a); 91.119(c); 91.121; 91.151(a); 91.405(a); 91.407(a)(1); 91.409(a)(1); 91.409(a)(2) and 91.417(a) and (b) to operate commercially a small unmanned vehicle (55 lbs. or less) for use in aerial data acquisition.

Conclusion

Satisfaction of the criteria provided in Section 333 of the Reform Act of 2012--size, weight, speed, operating capabilities, proximity to airports and populated areas and operation within visual line of sight and national security – provide more than adequate justification for the grant of the requested exemptions allowing commercial operation of applicant's UAS for the Purposes outlined herein and are consistent with exemptions already granted, including Exemptions 11062, 11063, 11064, 11065, 11066, 11067, 11080, 11150, 11158, 11213, 11586 and 11604.

Respectfully submitted,

This the 20th day of May, 2015.

Kristopher A. Graham

Enclosures