ST. AUGUSTINE AIRPORT

St. Johns County Airport Authority

Lease
Policy and Procedures

August 2026

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RECORD OF CHANGES

St. Johns County Airport Authority – Lease Policy and Procedures

Change No.	Date Entered	Description of Change	Entered By
1	August 2026	Cover page revision date changed from "March 2026" to "August 2026."	Executive Director
2	August 2026	Appendix 9.3, Sample Standard Form Lease Documents – the T-Hangar Use Agreement (Board approved March 2026) is replaced in its entirety by the Hangar Use Agreement, Form v16A, approved by the Board April 2026, which applies to both T-Hangar and Box Hangar units. Section 2 cross-reference to termination rights corrected from Section 27 to Section 26.	Executive Director
3	August 2026	Appendix 9.3 – the Hangar Lease (Box Hangar) standard form is deleted in its entirety. Box Hangar units are documented on the Hangar Use Agreement adopted at Change 2 above.	Executive Director
4	August 2026	Table of Contents, Section 9.3 – entry "T-Hangar, Box Hangar Lease" retitled "Hangar Use Agreement (T-Hangar & Box Hangar)." Page references for the In-Kind Lease and Residential Lease conformed to reflect the deleted pages.	Executive Director
5	August 2026	Appendix 9.3, Hangar Use Agreement – signature block corrected to read "Courtney K. Pittman, Executive Director." The form as approved read "Interim Executive Director." Scrivener's correction only; no change to any term or condition of the agreement.	Executive Director

Changes to this Policy are made by action of the St. Johns County Airport Authority. Each change shall be entered above by the Executive Director or designee at the time the change is incorporated into the document.

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1. INTRODUCTION AND DEVELOPMENT DISCUSSION

The property presently described as St. Augustine - St. Johns County Airport was deeded to the Authority in 1965 and has been generally under the care, custody and control of the St. Augustine - St. Johns County Airport Authority since that time. The airport was constructed by the United States Navy in 1941 in support of war efforts. With the eventual close of World War II, the airport was declared surplus to the needs of the military and through the War Assets Administration was deeded to the City of St. Augustine in 1946. The City operated the facility until Florida Legislature created, by special act, the Airport Authority and the deed was transferred in 1965.

The deed for the property contains several provisions which require or disallow certain activities pertaining to the use of the property, including:

A. First and perhaps most importantly, the deed requires the Authority to maintain and operate the property as a public-use airport. Only after meeting that condition does the Authority have the requirement and ability to utilize property declared surplus to aviation needs for non-aviation revenue producing efforts.

B. Another main deed provision involves the use of revenues derived from the utilization of airport property. Explicit language contained in the deed requires that all revenues derived from the use of airport property must go toward the operation and maintenance of the airport, with priority given to actual aviation areas.

C. The deed also provides that the airport develops a rental and fee structure that will make it as self-sustaining as possible.

Acceptance of grant money from the Federal Government (Federal Aviation Administration) obligates the Authority to many specific and more detailed requirements as they relate to the lease and use of airport property. For practical purposes, these "assurances" as they are known, obligate the Authority for a period generally not less than twenty (20) years from the acceptance of a grant. A copy of the most recent assurances is provided in Section 9.1. The grants accepted to-date have resulted in many capital, and money intensive projects being accomplished. The projects continue to benefit the community and would not have been possible without Federal Assistance.

Another key document is a Federal Aviation Administration publication entitled "Leasing of Surplus Airport Properties", Airport Compliance Requirements – F.A.A. Order 5190.6A. This governmental publication serves as the primary guidance document for Federal Aviation Administration staff and airport owners in complying with the deed and grant assurance requirements.

This Policy Document was developed for the purpose of codifying and facilitating a fair and consistent policy related to leasing efforts related to all airport property. This document is not intended to address all possible situations and/or requests relative to lease administration of Airport property. However, this document does attempt to detail the fundamental and recurring nature of the leasing effort; and, serves as a consensus document of the overall lease policy in effect. The document has been intentionally formatted to allow for periodic review and update, as necessary, to assure continued compliance with minimum federal and state requirements, as well as local rules, regulations and directives related to the leasing of airport property.

Generally, the procedures detailed within are applicable to all leases of airport property. In its development, this document makes every attempt to adhere to the guidelines, rules, regulations, and policy interpretations as promulgated by the Federal Government through the property deed, grant assurances, and FAA Order 5190.6A or its successor(s). However, the sole responsibility for development and administration of lease policy consistent with federal requirements rests exclusively with the property owner (Airport Authority).

The airport administration office maintains a repository for the referenced documents. These documents are available for public inspection during the normal business hours of the airport administration office.

Specific consideration and policy development has been made relative to the leasing activities of T-Hangars, Box Hangars and Tie Downs. All reasonable attempts were made to distinguish these types of leasing activities form that of other types of leasing activities. Where apparent conflicts or contradictions may exist in the leasing of T-Hangar type units, the specific guidance provided for T-Hangars shall apply over that of a more generalized nature.

The Authority may from time-to-time find it in the best interest of its business interests to temporarily modify or suspend any or all provisions contained herein without the need to amend or suspend the entirety of this Policy. Any such changes shall require a majority vote of the Authority and will require specific declaration as to the reason(s) behind the change and shall specify the duration of said change as a part of their action.

2. DEFINITIONS

AERONATICAL ACTIVITY - Shall mean any activity which involves, makes possible, or is required for the operation of aircraft or which contributes to, or is required for, the safety of such operations and shall include, but not by way of limitation, all activities commonly conducted at airports, such as charter operations, pilot training, aircraft rental, sightseeing, aerial photography, crop dusting, aerial advertising, surveying, air carrier operations, aircraft sales and services, sale of aviation petroleum products (whether or not conducted in conjunction with other included activities), repair and maintenance of aircraft, sale of aircraft parts, sale and maintenance of aircraft accessories, radio, communication and navigational equipment, flying clubs and any other activity which, because of its direct relationship to the operation of aircraft, can appropriately be regarded as an "aeronautical activity".

AIRPORT MASTER PLAN - Shall mean the current master plan report and the scaled dimensional layout of the entire property, indicating current and proposed usage for each identifiable segment as approved by the Airport Authority, Florida Department of Transportation, and Federal Aviation Administration.

AIRPORT AUTHORITY - Shall mean the independent, corporate body, whose members are elected by the citizens of St. Johns County for the purpose of oversight of airport interest and properties associated with St. Augustine - St. Johns County Airport.

AVIATION ACTIVITY - Shall mean any aeronautical and non-aeronautical use of airport property which by its nature or use is tied to the use of airport property. Examples of non-aeronautical uses would include ground transportation (taxis, car rental, limousines), restaurants, in-flight catering, barber shops, terminal concessions, automobile parking lots, aircraft or aircraft component manufacturers, etc....

COMMERCIAL ACTIVITY – Shall mean any kind of activity that involves the tender of money or barter. Such activity shall require operation under the terms of a written agreement with the Airport Authority and shall be subject to the specific sections of this and other Policies developed to control such activity on airport property.

CORPORATE AVIATION – Shall mean any kind of activity associated with a business entity not deriving direct benefit from the use of airport property. Corporate Aviation uses must be ancillary to another and distinctly separate business activity that may or may not be located on airport property.

EXCLUSIVE RIGHT - A power of privilege, or other right excluding or debarring another or others from enjoying or exercising a like power, privilege, or right through agreement or imposition of unreasonable standards, or by implication and construction.

EXECUTIVE DIRECTOR - Shall mean the chief administrative employee of the St. Augustine - St. Johns County Airport Authority. The Executive Director is charged with sole administrative responsibility with regard to this policy document.

FAIR MARKET VALUE (FMV) - The highest price estimated in terms of money which a property will bring if exposed for sale in the open market allowing a reasonable time to find a purchaser who buys with knowledge of all the uses to which it is adapted and for which it is capable of being used. It is also frequently referred to as the price at which a willing seller would sell and a willing buyer buy, neither being under abnormal pressure.

FAIR MARKET RENTAL VALUE (FMRV) - A market-based concept where after the Fair Market Value (FMV) is established by appraisal, Fair Market Rental Value (FMRV) is determined by using the percentage of FMV commonly used in the local area by the private sector to set fair rental value. The FMRV Is typically expressed as a percentage of the FMV of a property or improvement or as a rate or range of rates indicated by dollars ($) per Square Foot, per year.

FEES - The non-rent charge assessed by the Authority for the purpose of recovering the cost associated with the performance of some service or provision of some improvement. Fees are typically expressed as unit charges or percentage of revenues collected as a result of location on the airport.

LONG TERM LEASE – A long term lease shall include any lease whose term exceeds five (5) years in duration, inclusive of all options available within the terms of the lease contract.

PRIVILEGE FEES - Privilege Fees are the charges made or assessed for the granting of certain rights of service at the airport. Fees are typically expressed as unit charges or percentage of revenues collected as a result of the privilege of providing a specific service at the airport.

PUBLIC USE AND BENEFIT - The determination and assurance that the airport and its facilities must be available to be used in common with the public and that the terms imposed on those who use the airport and its services, including rates and charges, must be fair, reasonable, and applied without unjust discrimination in exchange for granted rights for the offering of services and/or commodities to the public as related to aeronautical activities.

SHORT TERM LEASE - A short-term lease shall one whose term, inclusive of any options, does not exceed five (5) years in duration.

T-HANGARS/BOX HANGARS – Shall mean any activity or building use for the sole purpose of the storage and user maintenance of light, general aviation aircraft whether owned by an individual, partnership, club or corporation and accomplished in areas designated and approved by the Airport Authority. Such activity and use shall be strictly non-commercial and is herein distinctly regulated and distinguished from that of commercial aviation activities.

3. FEDERAL COMPLIANCE

It shall be the policy of the St. Augustine - St. Johns County Airport Authority that all leases of airport property shall be consistent with the requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation - Effectuation of Title VI of the Civil Rights Act of 1964, and as may be amended.

Implementation Procedures

1. All proposed leases shall contain language specifically prohibiting the discrimination by virtue of race, color, creed, sex, or national origin in lease related activities, requiring the inclusion of such provisions in all sublease agreements covered in the original lease or when requested in the future.

2. All proposed leases shall contain termination provisions for violation(s) pursuant to breach of non-discrimination covenants. Such termination procedure shall require and are subject to the procedures of 49 CFR Part 21, including the expiration of any appeal rights contained therein,

ADMINISTRATIVE: *Sample language of the required clauses is shown in Exhibit 3.1.*

FAA Required Lease Clauses

RECOMMENDED LEASE CLAUSES

I. Lessee agrees to operate the premises leased for the use and benefit of the public.
(a) To furnish good, prompt, and efficient services adequate to meet all the demands for its service at the airport.
(b) To furnish said service on a fair, equal, and non-discriminatory basis to all users thereof, and
(c) To charge fair, reasonable, and non-discriminatory prices for each unit of sale or service, provided that the Lessee may be allowed to make reasonable and non-discriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.

II. The Lessee, for himself, his personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that: (1) no person on the grounds shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that the Lessee, shall use the premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary7, Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.
That in the event of breach of any of the above non-discrimination covenants, Lessor shall have the right to terminate the Lease and to re-enter and repossess said land and the facilities thereon, and hold the same as if said Lease had never been made or issued. This provision does not become effective until the procedures of 49 CFR Part 21 are followed and completed including expiration of appeal rights.

III. It is clearly understood by the Lessee that no right or privilege has been granted which would operate to prevent any person, firm or corporation operating aircraft on the airport from performing any services on its own aircraft with its own regular employees (including, but not limited to, maintenance and repair) that it may choose to perform.

IV. It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right.

V. a. The grantee assures that it will undertake an affirmative action program, as required by 14 CFR Part 152, Subpart E, to ensure that no person shall, on the grounds of race, creed, color, national origin, or sex, be excluded from participating in any employment, contracting, or leasing activities covered in 14 CFR Part 152, Subpart E. The grantee assures that no person shall be excluded, on these grounds, from participating in or receiving the services or benefits of any program or activity covered by this subpart. The grantee assures that it will require that its covered organizations provide assurance to the grantee that they similarly will undertake affirmative action programs and that they will require assurances from their suborganizations as required by 14 CFR Part 152, Subpart E, to the same effect.
b. The grantee agrees to comply with any affirmative action plan or steps for equal employment opportunity required by 14 CFR, Part 152, Subpart E, as part of the affirmative action program or by any Federal, state, or local agency or court, including those resulting from a conciliation agreement, a consent decree, court order, or similar mechanism. The grantee agrees that state or local affirmative action plan will be used in lieu of any affirmative action plan or steps required by 14 CFR Part 152, Subpart E, only when they fully meet the standards set forth in 14 CFR 152.409. The grantee agrees to obtain a similar assurance from its covered organizations, and to cause them to require a similar assurance of their covered suborganizations, as required by 14 CFR Part 152, Subpart E.

VI. Lessor reserves the right to further develop or improve the landing area of the airport as it sees fit, regardless of the desires or view of the Lessee, and without interference or hindrance.

VII. Lessor reserves the right, but shall not be obligated to Lessee, to maintain and keep in repair the landing area of the airport and all publicly owned facilities of the airport, together with the right to direct and control all activities of Lessee in this regard.

VIII. During the time of war or national emergency Lessor shall have the right to lease the landing area or any part thereof to the United States Government for military or naval use, and, if such lease is executed, the provisions of this instrument insofar as they are inconsistent with the provisions of the lease to the Government, shall be suspended.

IX. Lessor reserves the right to take any action it considers necessary to protect the aerial approaches of the airport against obstruction, together with the right to prevent Lessee from erecting, or permitting to be erected, any building or other structure on or adjacent to the airport which, in the opinion of the Lessor, would limit the usefulness of the airport or constitute a hazard to aircraft.

X. This Lease shall be subordinate to the provisions of any existing or future agreement between Lessor and the United States 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 expenditure of Federal funds for the development of the airport.

Mandatory Lease Clauses for Airports Receiving Federal Airport Aid

Owners of public airports to which the Federal Aviation Administration has made grants of Federal funds must assure the FAA that all existing leases concerning the providing of any service to the public on the airport contain Clauses I and II. The owner must supply FAA with a copy of each existing lease for examination. If any existing leases do not contain these two clauses, then they should be amended prior to submission to FAA.

All existing leases concerning aeronautical services on airports receiving Federal aid must contain Clauses I, II, III, IV, and V, and it is recommended that the remaining clauses (VI-X) also be included in this type of lease.

Airport owners requesting Federal airport aid should amend all existing leases as soon as possible in order to eliminate delays in the processing of their request. Airport owners, after entering into a Grant Agreement, should include the listed clauses, as appropriate in all future lease agreements.

Exhibit 3.1

4. APPLICATION AND WAITING LISTS

It shall be the policy of the St. Augustine - St. Johns County Airport Authority that application for aviation and non-aviation lease space shall be made using a uniform and consistently applied methodology. Where circumstances exist that waiting lists are required to segregate the demand for Authority owned facilities, the development and maintenance of said lists shall be developed, managed and maintained by the Executive Director.

Implementation Procedures

1. Application shall be on a form and in a manner provided by the Airport Authority and shall be subject to periodic updates and changes as determined necessary by Executive Director.

2. Applications shall specify with sufficient detail the nature of the proposed use including the name and contact information of the proposed lessee, the lessee's minimum or maximum space requirements and expected development timeline (if required), and shall comply where applicable with the requirements of Section 8.1.

To the greatest extent possible, the Executive Director shall match the space and use requirements of a potential tenant on the "waiting list" to that of an available unit(s). Information provided or amended by a prospective lessee shall form the basis of any such evaluation effort. The failure on the part of any prospective lessee to provide or keep current waiting list information shall not be considered adequate grounds for reversal of the Executive Director's decisions relative to an appropriate match of available space proposed lessee.

Exclusive of T-Hangar and Box Hangar type units, applications for other building space will not be accepted where the proposed scope of operation includes the sublease of more than 25% of the available square footage of the building space. Individuals or firms wishing to sublet more than 25% of building space shall be required to capitalize their own facilities after entering into an appropriate land lease with the Authority.

ADDITIONAL CONSIDERATION FOR COMMERCIAL AVIATION USES

Proposed Lessee's that have engaged in Commercial Aviation and a determination of "public use and benefit" has been properly made relative to the proposed commercial operation, shall be afforded first opportunity to lease existing available space and/or priority in occupancy in appropriate "built to specifications" space initiated by the Airport Authority, consistent with FAA guidelines.

ADDITIONAL PROCEDURES FOR T-HANGARS, BOX HANGARS & TIE DOWNS

1. The Executive Director shall develop, manage and maintain a waiting lists of qualified individuals desiring to lease a T-Hangar, box type hangars or tie-downs from the Authority. The Executive Director, consistent with the following provisions, shall administer the hangar waiting list.

2. The list shall be generally maintained in the order, in which the list has been developed, i.e., first names received shall be afforded the first opportunity for rental and subject to the following:

a. Individuals will be contacted via phone or email and afforded a three (3) business day period, to affirm their desire to lease the available hangar unit.

b. In the event the individual listed in the first position on the waiting list has specific aircraft requirements inconsistent with the available hangar unit, they will be retained in their relative position on the list for an appropriate hangar unit when available. A declination of an appropriately sized unit will result in forfeiture of waiting list position as provided herein.

c. Should the individual listed in first position on the waiting list fail to respond in the time specified, the individual listed in second position shall be contacted in like manner and afforded the opportunity to lease the available hangar unit. Movement through the list, in the order established, shall continue until the available unit is leased.

d. In the event that any individual fails to respond within the specified period described in Paragraph 1 above, he or she will be contacted via first class mail at the last address on file, for the purpose of affirming his or her desire to lease the next available hangar unit. Failing that, an individual who remains unresponsive for a period exceeding thirty (30) days shall be removed from the waiting list and shall forfeit all previous position on the waiting list.

e. The Executive Director shall conduct an annual review and adjustment of the waiting list. Such review shall verify current contact information of all individuals listed. Any individual, who fails to respond for more than thirty (30) days during the annual waiting list review, shall be removed from the list without additional priority on any new list.

f. Waiting List Individuals without Aircraft – Since Lessee's can build kit-type aircraft or may be waiting for an available T-Hangar prior to purchasing a new aircraft, aircraft ownership shall not be a condition precedent to leasing a T-Hangar. New Lessees who reach the top of the list and have a hangar become available shall have two options: (1) enter a lease and begin paying rent and have up to one hundred eighty (180) days to acquire an aircraft or acquire a kit-type aircraft after entering a lease; or (2) pass once on a T-Hangar and remain at the top of the waiting list for a period of one hundred eighty (180) days for the next available unit so as to allow the potential Lessee additional time to acquire an aircraft.

3. Additional Consideration for Existing T-Hangar Lessee's – An existing t-hangar lessee desiring to change specific hangar units shall be afforded a "first opportunity" to affect the change prior to the contact of individuals on the waiting list. The Executive Director shall maintain a list of individuals desiring such lateral moves. In affecting this provision, a new lease agreement reflecting the then current specific rates and terms associated with the desired unit shall be required of the Lessee.

5. COMPLIANCE WITH AIRPORT MASTER PLAN

It shall be the policy of the St. Augustine - St. Johns County Airport Authority that proposed leases of airport property shall be in general accordance with the approved Airport Master Plan or Airport Layout Plan depicted use.

Implementation Procedures

1. Proposed leases and/or developments intended for lease or sub-lease shall be reviewed for compliance with the then current FAA approved and Airport Authority adopted Airport Master Plan and/or Airport Layout Plan.

2. Proposed property uses which do not conform to the approved Airport Layout Plan will not be approved until which time as appropriate revisions to the plan are made and concurred in by the FAA and the Authority.

ADMINISTRATIVE: *Reference is made to Airport Master Plan. This document is available for review at the Airport Office.*

6. AVIATION LEASES

Non-Commercial Aviation Leases

6.1.1 LAND ONLY -

It shall be the policy of the St. Augustine - St. Johns County Airport Authority that the lease of all airport land to be utilized for non-commercial aviation purposes shall be done so consistent with this section.

Implementation Procedures

1. An appraisal shall be facilitated through the use of procedures described in Section 8.5 of this Policy. In the event that a specific ground lease can be valued using an "on-file" appraisal of comparable character, the requirement for an appraisal shall be deemed met for the purposes of this section. For the purpose of establishing value, an appraisal shall consider all Authority facilitated infrastructure improvements accessible to the site, including roads, sidewalks, storm water management improvements, utility and communication infrastructure.

2. All lease terms shall be developed using the appropriate "sample standard form lease documents" generally conforming to that appropriate document found in Section 9.3.

3. "Land only" annual rental valuations – Refer to Section 8.5, Fair Market Value / Return on Investment.

4. All land leases shall be subject to an annual CPI adjustment.

5. The basic property valuation shall be subject to adjustment every five (5) years. Such revaluation shall be as established by an appraisal consistent with Section 8.5. The base lease rate shall be adjusted to reflect the revised appraisal value. Should the revised appraisal value be less than the previous period (as adjusted by annual CPI movements), the higher of the two rates shall be used and shall serve as the base for the subsequent five -year period.

6. All utilities, phone service and related items are the obligation of the lessee.

7. All leasehold improvements shall become the property of the Airport Authority upon expiration of the lease unless otherwise negotiated and approved by the Authority. Improvements which are or will be donated to the Authority or for which an agreement for maintenance has been authorized, shall be included in the determination of FMV effective upon the commencement date specified in the authorization/acceptance document(s).

8. Fair Market Value determinations shall exclude sales tax in such computation.

9. All leases shall be subject to sales and ad Valorem taxation as provided by the general laws of the State of Florida.

ADMINISTRATIVE: *Standard Form Land Lease document in Section 9.3.*

6.1.2. **BUILDINGS** (New Construction or "Build-to-Suit") -

It shall be the policy of the St. Augustine - St. Johns County Airport Authority that the lease of all newly constructed airport buildings to be utilized for non-commercial aviation purposes shall be done so consistent with this section.

Implementation Procedures

1. An appraisal shall be facilitated through the use of procedures described in Section 8.5 of this Policy. In the event that a specific facility lease can be valued using an "on-file" appraisal of a facility lease of comparable character, the requirement for an appraisal shall be deemed met for the purposes of this section. For the purpose of establishing value, the appraisal shall consider all Authority facilitated infrastructure improvements pertaining to the site, including roads, sidewalks, storm water management improvements, utility and communication infrastructure.

2. All lease terms shall be developed using the appropriate "standard form" lease agreement generally conforming to that found in Section 9.3.

3. Annual rental valuations – Refer to Section 8.5, Fair Market Value / Return on Investment.

4. All leases shall be subject to an annual CPI adjustment.

5. The basic facility valuation shall be subject to adjustment every five (5) years. Such revaluation shall be as established by an appraisal consistent with Section 8.5. The base lease rate shall be adjusted to reflect the revised appraisal value. Should the revised appraisal value be less than the previous period (as adjusted by annual CPI movements), the higher of the two rates shall be used and shall serve as the base for the subsequent five -year period. Improvements made by the lessee shall not be considered in the development of follow-on appraisals.

6. All non-warranty building maintenance, janitorial services, trash service, utilities and phone service, as well as, related Items are the obligation of the lessee.

7. All leasehold improvements shall become the property of the Airport Authority upon expiration of the lease unless otherwise negotiated and approved by the Authority. Improvements which are or will be donated to the Authority or for which an agreement for maintenance has been authorized, shall be included in the determination of FMV effective upon the commencement date specified in the authorization/acceptance document(s).

8. Fair Market Value and Rental Rate determinations shall exclude sales tax in such computation.

9. All leases shall be subject to sales and ad Valorem taxation as provided by the general laws of the State of Florida.

ADMINISTRATIVE: *Standard Form Land Lease document in Section 9.3.*

6.1.3 BUILDINGS (Existing Facilities or "Re-Rental") –

It shall be the policy of the St. Augustine - St. Johns County Airport Authority that the lease of all previously constructed (existing) airport buildings to be utilized for non-commercial aviation purposes shall be done so consistent with this section.

Implementation Procedures

1. An appraisal shall be facilitated through the use of procedures described In Section 8.5 of this Policy. In the event that a specific facility lease can be valued using an "on-file" appraisal of a facility comparable character, the requirement for an appraisal shall be deemed met for the purposes of this section. For the purpose of establishing value, the appraisal shall consider all Authority facilitated infrastructure improvements pertaining to the site, including roads, sidewalks, storm water management improvements, utility and communication infrastructure.

2. All lease terms shall be developed using the appropriate "standard form" lease agreement generally conforming to that found in Section 9.3,

3. Annual rental valuations – Refer to Section 8.5, Fair Market Value / Return on Investment.

4. All leases shall be subject to an annual CPI adjustment.

5. The basic facility valuation shall be subject to adjustment every five (5) years. Such revaluation shall be as established by an appraisal consistent with Section 8.5. The base lease rate shall be adjusted to reflect the revised appraisal value. Should the revised appraisal value be less than the previous period (as adjusted by annual CPI movements), the higher of the two rates shall be used and shall serve as the base for the subsequent five -year period. Improvements made by the lessee shall not be considered in the development of follow-on appraisals.

6. All non-warranty building maintenance, janitorial services, trash service, utilities and phone service, as well as, related items are the obligation of the lessee.

7. All leasehold improvements shall become the property of the Airport Authority upon expiration of the lease unless otherwise negotiated and approved by the Authority. Improvements which are or will be donated to the Authority or for which an agreement for maintenance has been authorized, shall be included in the determination of FMV effective upon the commencement date specified in the authorization/acceptance document(s).

8. Fair Market Value and Rental Rate determinations shall exclude sales tax in such computation.

9. All leases shall be subject to sales and ad Valorem taxation as provided by the general laws of the State of Florida.

10. Additional Build-out Requirements

    a. Approval Required - Improvements to an existing facility which are to be considered for Authority funding, shall be subject to approval by the Authority prior to the expenditure of funds.

b. Return on Investment Determination Standards – Refer to Section 8.5, Fair Market Value / Return on Investment.

c. Investment by Lessee - As an incentive and "good faith" gesture, the proposed lessee shall be required to make a minimum cash or equivalent investment in the proposed build-out equaling to at least ten percent (10%) of the projected improvement cost.

ADMINISTRATIVE: *Standard Form Land Lease document in Section 9.3.*

6.2 Commercial Aviation Leases

6.2.1 PUBLIC USE and BENEFIT DETERMINATION –

It shall be the policy of the St. Augustine - St. Johns County Airport Authority that commercial aviation designated property shall be leased and operated for the use and benefit of the Public.

Implementation Procedures

1. To affect this policy, all aviation leases shall contain language requiring that services proposed will be provided on a fair, equal, and nondiscriminatory basis to all users.

2. Aviation Leases will contain language requiring that for each unit of sale or service provided, the associated charges will be fair, reasonable, and non-discriminatory, provided that the Lessee may be allowed to make reasonable and non-discriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.

3. Lease language will be required which clearly states that exclusive rights or privileges related to aviation leases or services are not granted.

4. Leases will provide reservations benefiting the Authority which allow for the continued development of the airport, as the St. Augustine – St. Johns County Airport Authority determines appropriate, regardless of the desires or views of the Lessee, without hindrance or interference.

5. Aerial approaches to the airport will be protected by any means determined appropriate by the Authority, including the physical removal of obstructions or hazards, as required. Language to this effect will be included in all aviation leases.

6. Leases will contain language which makes all leasing activities of airport property subordinate to the provisions of any existing or future agreement between the Authority and the United States 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 expenditure of Federal funds for the development of the airport.

ADMINISTRATIVE: *Sample language of the required clauses is shown in Exhibit 3.1.*

6.2.2 PRIVILEGE FEE ASSESSMENT -

It shall be the policy of the St. Augustine – St. Johns County Airport Authority that commercially leased airport property may be subject to fees for the provision of service(s) to Lessee in excess of those included in the base rental amount.

Implementation Procedures

1. To affect this policy, all property determined by the Airport Authority to be affected shall be subject to collection and disbursement of fees and charges as established from time to time by the Airport Authority.

2. Assessment, if any, is determined by the Airport Authority. Commercial activities which use or access the assets of the St. Augustine Airport or use the location of the St. Augustine Airport in facilitating the individual business may be subject to assessment consistent with other airport users of similar nature and character. Examples of privilege fees are "percentage of gross sales," "airfield impact fees" or similar percentage or unit-type assessments. These fees are in addition to rent.

3. Documentation of sales information and/or audit rights will be required of lessee.

4. Established fees or charges may be adjusted as provided by the lease document and/or as provided by the establishing or amending action of the Airport Authority.

ADMINISTRATIVE: *None.*

6.2.3 OTHER FEE ASSESSMENT -

It shall be the policy of the St. Augustine – St. Johns County Airport Authority that commercially leased airport property may be subject to fees for the provision of service(s) to Lessee in excess of those included in the base rental amount.

Implementation Procedure

1. To affect this policy, all property determined by the Airport Authority to be affected shall be subject to collection and disbursement of fees and charges as established from time to time by the Airport Authority.

2. Services provided which may be subject to charges or fees include those associated with common area maintenance, fire service/protection, security, etc...

3. Documentation of actual receipt of identified charges or fees shall be included in appropriate lease files.

4. Established fees or charges may be adjusted as provided by the lease document or as provided by the establishing or amending action of the Airport Authority and are in addition to rent.

5. All document recording fees shall be paid by the Lessee.

ADMINISTRATIVE: *None.*

6.2.4. APPLICATION OF MINIMUM OPERATING STANDARDS

It shall be the policy of the St. Augustine - St. Johns County Airport Authority that commercial aviation designated property shall be leases and operated In compliance with adopted minimum operating standards.

Implementation Procedures

1. To affect this policy, all aviation leases shall contain language which specifies what services are to be provided by the Lessee and under what terms or conditions those privileges are granted.

2. Aviation Leases will contain language which specifies the development and capital required of the Lessee and addressing the minimum requirements appropriate for the activities to be conducted.

3. All commercial aviation uses of airport property will have an operating agreement specifying the terms and conditions required of the Lessee. When appropriate, the Authority shall ascribe the specific terms and conditions which shall be a part of the Lease.

4. Leases shall provide for date-certain phasing of capital requirements, as determined appropriate.

ADMINISTRATIVE: *Section 9.2 contains the Airport Authority adopted Minimum Operating Standards and procedures pursuant to aviation leases.*

6.2.5 LAND ONLY -

It shall be the policy of the St. Augustine - St. Johns County Airport Authority that the lease of all airport land to be utilized for commercial aviation purposes shall be done so consistent with this section.

Implementation Procedures

1. An appraisal shall be facilitated through the use of procedures described in Section 8.5 of this Policy. In the event that a specific ground lease can be valued using an "on-file" appraisal of land of comparable character, the requirement for an appraisal shall be deemed met for the purposes of this section. For the purpose of establishing value, the appraisal shall consider all Authority facilitated infrastructure improvements accessible to the site, including roads, sidewalks, storm water management improvements, utility and communication infrastructure.

2. All lease terms shall be developed using the appropriate "standard form" lease agreement generally conforming to that found in Section 9.3.

3. "Land only" annual rental valuations – Refer to Section 8.5, Fair Market Value / Return on Investment.

4. All land leases shall be subject to an annual CPI adjustment.

5. The basic property valuation shall be subject to adjustment every five (5) years. Such revaluation shall be as established by an appraisal consistent with Section 8.5. The base lease rate shall be adjusted to reflect the revised appraisal value. Should the revised appraisal value be less than the previous period (as adjusted by annual CPI movements), the higher of the two rates shall be used and shall serve as the base for the subsequent five -year period.

6. All utilities, phone service and related items are the obligation of the lessee.

7. All leasehold improvements shall become the property of the Airport Authority upon expiration of the lease unless otherwise negotiated and approved by the Authority. Improvements which are or will be donated to the Authority or for which an agreement for maintenance has been authorized, shall be included in the determination of FMV effective upon the commencement date specified in the authorization/acceptance document(s).

8. Fair Market Value determinations shall exclude sales tax in such computation.

9. All leases shall be subject to sales and ad Valorem taxation as provided by the general laws of the State of Florida.

ADMINISTRATIVE: *Standard Form Land Lease document in Section 9.3.*

6.2.6 **BUILDINGS** (New Construction or "Build-to-Suit") -

It shall be the policy of the St. Augustine - St. Johns County Airport Authority that the lease of all newly constructed airport buildings to be utilized for commercial aviation purposes shall be done so consistent with this section.

Implementation Procedures

1. An appraisal shall be facilitated through the use of procedures described in Section 8.5 of this Policy. In the event that a specific facility lease can be valued using an "on-file" appraisal of a facility lease of comparable character, the requirement for an appraisal shall be deemed met for the purposes of this section. For the purpose of establishing value, the appraisal shall consider all Authority facilitated infrastructure improvements pertaining to the site, including roads, sidewalks, storm water management improvements, utility and communication infrastructure.

2. All lease terms shall be developed using the appropriate "standard form" lease agreement generally conforming to that found in Section 9.3.

3. Annual rental valuations – Refer to Section 8.5, Fair Market Value / Return on Investment.

4. All leases shall be subject to an annual CPI adjustment.

5. The basic facility valuation shall be subject to adjustment every five (5) years. Such revaluation shall be as established by an appraisal consistent with Section 8.5. The base lease rate shall be adjusted to reflect the revised appraisal value. Should the revised appraisal value be less than the previous period (as adjusted by annual CPI movements), the higher of the two rates shall be used and shall serve as the base for the subsequent five -year period. Improvements made by the lessee shall not be considered in the development of follow-on appraisals.

6. All non-warranty building maintenance, janitorial services, trash service, utilities and phone service, as well as, related items are the obligation of the lessee.

7. All leasehold improvements shall become the property of the Airport Authority upon expiration of the lease unless otherwise negotiated and approved by the Authority. Improvements which are or will be donated to the Authority or for which an agreement for maintenance has been authorized, shall be included in the determination of FMV effective upon the commencement date specified in the authorization/ acceptance document(s).

8. Fair Market Value and Rental Pate determinations shall exclude sales tax in such computation.

9. All leases shall be subject to sales and ad Valorem taxation as provided by the general laws of the State of Florida.

ADMINISTRATIVE: *Standard Form Land Lease document in Section 9.3.*

6.2.7 **BUILDINGS** (Existing Facilities or "Re-Rental") -

It shall be the policy of the St. Augustine - St. Johns County Airport Authority that the lease of all previously constructed (existing) airport buildings to be utilized for commercial aviation purposes shall be done so consistent with this section.

Implementation Procedures

1. An appraisal shall be facilitated through the use of procedures described in Section 8.5 of this Policy. In the event that a specific facility lease can be valued using an "on-file" appraisal of a facility lease of comparable character, the requirement for an appraisal shall be deemed met for the purposes of this section. For the purpose of establishing value, the appraisal shall consider all Authority facilitated infrastructure improvements pertaining to the site, including roads, sidewalks, storm water management improvements, utility and communication infrastructure.

2. All lease terms shall be developed using the appropriate "standard form" lease, agreement generally conforming to that found in Section 9.3.

3. Annual rental valuations – Refer to Section 8.5, Fair Market Value / Return on Investment.

4. All leases shall be subject to an annual CPI adjustment.

5. The basic facility valuation shall be subject to adjustment every five (5) years. Such revaluation shall be as established by an appraisal consistent with Section 8.5. The base lease rate shall be adjusted to reflect the revised appraisal value. Should the revised appraisal value be less than the previous period (as adjusted by annual CPI movements), the higher of the two rates shall be used and shall serve as the base for the subsequent five -year period. Improvements made by the lessee shall not be considered in the development of follow-on appraisals.

6. All non-warranty building maintenance, janitorial services, trash service, utilities and phone service, as well as, related items are the obligation of the lessee.

7. All leasehold improvements shall become the property of the Airport Authority upon expiration of the lease unless otherwise negotiated and approved by the Authority. Improvements which are or will be donated to the Authority or for which an agreement for maintenance has been authorized, shall be included in the determination of FMV effective upon the commencement date specified in the authorization acceptance document(s).

8. Fair Market Value and Rental Rate determinations shall exclude sales tax in such computation.

9. All leases shall be subject to sales and ad Valorem taxation as provided by the general laws of the State of Florida.

10. Additional Build-out Requirements

    a. Approval Required - Improvements to an existing facility which are to be considered for Authority funding, shall be subject to approval by the Authority prior to the expenditure of funds.

b. Return on Investment Determination Standards – Refer to Section 8.5, Fair Market Value / Return on Investment.

c. Investment by Lessee - As an incentive and "good faith" gesture, the proposed lessee shall be required to make a minimum cash or equivalent investment in the proposed build-out equaling to at least ten percent (10%) of the projected improvement cost.

ADMINISTRATIVE: *Standard Form Land Lease document In Section 9.3.*

6.3 T-Hangar, Box Hangar & Tie Downs Aviation Leases

6.3.1 ALL AUTHORITY OWNED UNITS -

It shall be the policy of the St. Augustine - St. Johns County Airport Authority that the lease of all Airport Authority T-Hangar, Box Hangar & Tie Downs shall be consistent with this section.

Implementation Procedures

1. All T-Hangar, Box Hangar and Tie Down Type Aircraft Storage owned and operated by the St. Augustine – St. Johns County Airport Authority are subject to the provisions of this Policy.

2. All covered hangar rental units are required to have an executed lease agreement covering the terms and conditions of the rental. All rental agreements are subject to periodic review and adjustment, as deemed appropriate by the Airport Authority.

3. The Executive Director is charged with implementation of this Policy.

4. Rental Agreement - A rental agreement shall be required of all individuals desiring to use the hangar facilities operated by the Authority. Such agreement shall contain the following items, as a minimum:

    a. Named Lessee shall mean (i) for T-Hangar leases, a single person or a single entity and the ownership shall have a direct and verifiable connection to the title owner or lessee of the Listed Aircraft stored in the hangar , (ii) for Box Hangar leases, up to two persons or entities (or a person and an entity) and shall have a direct and verifiable connection to the title owner or lessee of the Listed Aircraft stored in the hangar. A named lessee may not be changed during the term of a lease.

    b. Lease Term shall be for one (1) year or less and shall be automatically renewed for additional one-year periods upon expiration provided that no lease shall automatically renew if there has been a default in payment or other breach of the lease. All leases of hangars covered by this policy shall have an expiration date of September 30th. This provision shall have a minimum thirty (30) day advanced notification requirement for early termination by either party.

    c. Initial Rental Rate shall be shown on the agreement. The rental amount may be adjusted at the time of renewal as provided by a majority vote of the Airport Authority and with an advance notification of the increase having been made to the tenant.

    d. Rental Agreements shall be for the exclusive use of a single tenant for T-Hangar Units and Tie Downs & not more than two named Lessees for Box Hangar units. No subleases or sub-uses shall be permitted. Multiple occupancy agreements applicable to Box Hangars require all parties to be "named Lessees" and to be jointly and severable liable for all lease obligations.

e. Rental Adjustments except as directed otherwise by the Authority, all T-Hangar leases shall be subject to annual CPI adjustments. The adjustments shall be provided for administratively by the Executive Director without additional action required of the Authority. Additionally, at the direction of the Authority or at increments not greater than 3 years, the Authority shall review and adjust, as necessary, all base T-hangar rates to FMRV. This adjustment shall serve as the base for all subsequent annual CPI rental adjustments.

f. Assignment. Hangar Leases are not transferable and not assignable. However, transfers/assignment to heirs of an estate shall be allowed, provided written consent is obtained by the Lessee heirs or successors from the Executive Director.

g. Consistent with other Authority Policies, all rent shall be deemed due and payable on the first day of the month, in advance of use. Late fees shall apply to all rentals received after the tenth of the month due. Any account found to be in arrears in excess of 30 days shall be subject to forcible eviction.

h. All Standard Airport Lease Clauses shall apply to rental agreements.

i. All Applicable Rules and Regulations promulgated by the Authority related to the operation of an aircraft or other vehicle on the airport, conditions of building use and conduct shall be incorporated directly or by reference in the Rental Agreement. Strict adherence to Local, State and Federal rules and regulations shall be a condition of continued rental.

j. A List of Aircraft to be stored in the hangar shall be provided to the Executive Director and shall be updated by the Tenant within 10 days of any changes of aircraft proposed for storage. Tenants may not list an Aircraft as being stored in more than one hangar.

k. Inspection and Verification of the hangar contents, specified aircraft, and maintenance needs is required to be accomplished annually by airport staff or as otherwise determined to be necessary in the interest of protecting, preserving and maintaining the Authority property.

l. Insurance may be required as a condition of rental. This requirement shall be periodically reviewed by the Authority and adjusted as necessary.

m. Indemnification of the Airport Authority, all Authority Members or Staff persons shall be required as a condition of rental. All multi-tenant lease arrangements are at a Lessee "at-risk" with regard to aircraft damage as a result of a shared leasehold. The Authority assumes no liability for hangar sharing liability or property damage risks associated with the tenancy.

n. All lease terms shall be developed using the appropriate "standard form" lease agreement generally conforming to that

found in Section 9.3.

o. All utilities, phone service and related items are the obligation of the lessee.

p. Fair Market Value determinations shall exclude sales tax in such computation.

q. All leases may be subject to sales and ad Valorem taxation as provided by the general laws of the State of Florida, which taxes shall be paid by Lessees as additional rent.

r. Guests of Lessees may use a leased hangar unit and store an aircraft in the hangar on a short-term basis of thirty (30) days or less provided the Lessee notifies the Executive Director of the Guest's use of the hangar and specifies a targeted start and end date of the use. Guest use shall be limited to one Hangar for one thirty (30) day time period during any one year, thereby preventing a Guest use from migrating to successive hangars and avoid paying rent.

s. Hangar Use shall be limited to the following aeronautical uses: 1. Storage of active aircraft. 2. Final assembly of aircraft under construction. 3. Non- commercial construction of amateur-built or kit-built aircraft. 4. Maintenance, repair, or refurbishment of aircraft, but not the indefinite storage of nonoperational aircraft. 5. Storage of aircraft handling equipment, e.g., towbars, glider tow equipment, workbenches, and tools and materials used in the servicing, maintenance, repair or outfitting of aircraft.

t. Alterations/Improvements. Tenant(s) shall not make any addition, alteration or improvement to the Premises. T-Hangar and Box Hangar standard form leases strictly prohibit alterations.

- Penalty for Unauthorized Alterations. Any unauthorized tenant alteration or improvement to the Premises shall require the Tenant to pay a $500.00 penalty as additional rent. Should the Tenant fail to pay, the lease shall automatically terminate and Tenant shall not be allowed to renew the lease. Unauthorized alterations or improvements may be approved after-the-fact by the Executive Director in his sole and exclusive discretion in accordance with the process and limitations set forth below for Authorized Improvements, including but not limited to obtaining any and all permits, inspections certificates of occupancy and engaging licensed professionals.
- Authorized Improvements. A Tenant desiring to make an authorized improvement shall pay, as additional rent, $250.00 for the administrative cost of the Executive Director and his staff reviewing the

request, analyzing the request and any related inspections. The Executive Director may approve Tenant alterations which serve as improvements to the Premises and do not impair the value of the Premises or future marketability of the leasehold and do not render the Premises unsafe in the Executive Director's discretion and judgment. Items such as additional electrical outlets, plumbing, flooring, wall coverings, temporary walls and related improvements may be considered. Any and all permits, including engineered drawings, shall be submitted to the Executive Director for review before the commencement of any work. All work shall be performed by licensed contractors or trades and absolutely no work shall be performed without the supervision of a licensed contractor or trade professional and absolutely no work shall be self-performed by the Tenant. Any and all warranties shall be issued in the name of Tenant and the Airport Authority as a third-party beneficiary. Maintaining uniformity and utility of the Premises on a consistent basis shall be a determining factor for any improvement.

- Restoration and Repair of Improvements. Regardless of whether authorized or unauthorized, the Executive Director may require the alterations or improvements to be removed and the Premises restored or repair whether at Lease expiration or sooner, in the Executive Director's sole and exclusive discretion. In connection with authorizing an improvement, the Executive Director may require the Tenant pay the Airport Authority an amount equal to the estimated cost to repair and restore the Premises, which amount may exceed the initial cost Tenant paid for the alteration or improvement. Such payment shall be nonrefundable and count as additional rent. No authorized improvement shall proceed unless and until such payment is actually made to the Airport Authority. Unauthorized improvements shall also require such a repair or restoration payment or be subject to the automatic termination of their Lease unless otherwise determined in the Executive Director's sole and exclusive discretion.
- Indemnification. In the event any alterations or improvements are made to the Premises, regardless of whether authorized or unauthorized, the same shall be made at the cost, charge and expense of the Tenant, and Tenant shall indemnify and hold harmless Airport Authority from all costs, expenses,

claims, liabilities and responsibilities of every nature whatsoever arising out or in connection with any such alterations or improvements.

- Alterations and Improvements Are Owned by Airport Authority. All such alterations or improvements, including any items attached or affixed to the Premises, shall automatically become a part of the Premises and the property of the Airport Authority upon the termination or expiration of the Lease.
- No Liens. NOTWITHSTANDING ANY CONSENT BY THE AIRPORT AUTHORITY TO THE MAKING OF ANY SUCH ALTERATIONS OR IMPROVEMENTS, AND REGARDLESS OF ANY OTHER PROVISION OF THE LEASE, THE INTEREST OF THE AIRPORT AUTHORITY IN THE PREMISES SHALL NOT BE SUBJECT TO CONSTRUCTION, MECHANIC'S, EQUITABLE OR ANY OTHER LIENS BY, FOR BENEFITS OR FILED FOR THE ACCOUNT OF, ANY PERSON, FIRM OR ENTITY FOR ANY WORK, LABOR, SERVICES OR MATERIALS CLAIMED TO HAVE BEEN PERFORMED OR FURNISHED FOR OR ON BEHALF OF TENANT, ITS CONTRACTORS, AGENTS OR EMPLOYEES, INCLUDING BUT NOT LIMITED TO LIENS FOR ALTERATIONS OR IMPROVEMENTS BY TENANT AT OR FOR THE PREMISES OR ITS ASSOCIATED GROUNDS OR PARKING AREAS, AND THE AIRPORT AUTHORITY SHALL HAVE NO OTHER LIABILITY WHATSOEVER FOR TENANTS ALTERATIONS OR IMPROVEMENTS.

5. Any lease declared in default may be, at the discretion of the Executive Director, be subject to random inspection as necessary to confirm compliance with all Airport Rules & Regulations, Policy and the Lease and, further, may be subject to eviction or other proceedings to terminate the tenancy and remove the lessee.

ADMINISTRATIVE: *Standard Form Land Lease document in Section 9.3. Additional Administrative Requirements pertaining to T-Hangar Type Leases is contained in Section 8, 8.10 and 8.11.*

7. NON-AVIATION LEASES

7.1 Federal Aviation Administration Review Requirement

It shall be the policy of the St. Augustine - St. Johns County Airport Authority that all proposed non-aviation leases of airport property shall afford an adequate review period for comments by the Federal Aviation Administration prior to Airport Authority action.

The Airport Authority's Grant Assurance obligations require that its aeronautical facilities be used or be available for use for aeronautical activities and, accordingly, the Airport Authority has adopted this policy to ensure compliance.

Implementation Procedure

1. All proposed non-aviation leases of airport property shall be transmitted to the Federal Aviation Administration, Airports District Office, Orlando, Florida, for the purposes of review and comment. At the request of the FAA, Aviation leases are not normally to be reviewed. FAA guidance in lease requirements and submittals are incorporated as Exhibits 7.1 and 7.3.

2. The Federal Aviation Administration shall have a maximum of two-weeks in which to review, comment or interpose objections to a proposed lease. In the event the FAA should need more time for review, such need will be adequately communicated to the Authority for consideration.

3. Federal Aviation Administration comments and/or objections, shall be addressed, in writing, and presented with the proposed agenda item for consideration by the St. Augustine - St. Johns County Airport Authority.

4. When the FAA does not interpose an objection(s) to a proposed lease, such confirming correspondence shall accompany the agenda item for Airport Authority action.

5. Any proposed lease condition or clause which would have the potential effect of jeopardizing any compliance item as noted by the FAA, will be clearly communicated to the Authority as a part of the agenda memorandum.

6. Airport Staff will facilitate all necessary communication with the FAA relative to lease related review requests and as necessary to gain consensus.

ADMINISTRATIVE:

Reference made to the following:

Exhibit 7.1 - FAA Document/Form - "Lease Review"
Exhibit 7.2 - FAA Letter referencing lease Requirements
Exhibit 7.3 - FAA Document - "Specific Lease Requirements"

FAA Document/Form – "Lease Review"

LEASE REVIEW

AIRPORT_____ DATE_____

LESSEE:_____

LOCATION ON AIRPORT_____

TERM:_____YEARS WITH_____OPTION(S) OF____YEARS(s)

(YES) (NO):

____ ____ CONSISTENT WITH APPROVED AIRPORT LAYOUT PLAN (APPROVED BY FAA _____(DATE)

____ ____ LEASE IS ENVIRONMENTALLY COMPATIBLE WITH AIRPORT OPERATIONS.

APPRAISAL:

1. APPRAISAL DATED _____ REFLECTS CURRENT FMV.
2. FAIR MARKET RENTAL VALUE REFLECTS _____% OF FMV.
3. RENTAL $_____ PER _____(MONTH)(YEAR)
4. OTHER (% OF SALES, ETC.)_____

MANDATORY CLAUSES:

A. _____ ESCALATION
B. _____ NON-DISCRIMINATION
C. _____ AIRPORT PROTECTION:
_____ RIGHT OF FLIGHT/NOISE
_____ FAR PART 77 HEIGHT RESTRICTIONS
_____ CREATION OF NO HAZARDS
D. _____ PROPERTY RIGHTS RESERVED
E. _____ EXCLUSIVE RIGHTS (AVIATION LEASES ONLY)

I,_____, HAVE REVIEWED THE ENCLOSED LEASE AND CERTIFY THAT THE LEASE MEETS THE REQUIREMENTS SET FORTH BY THE FEDERAL AVIATION ADMINISTRATION. I FURTHER UNDERSTAND THAT FAILURE TO SUPPORT FAIR MARKET RENTAL VALUE OR TO COMPLY WITH THE REQUIRED CLAUSES COULD JEOPARDIZE FEDERAL FUNDING.

_____
SIGNATURE

_____
PRINTED NAME

_____
TITLE

****

RECOMMENDED CLAUSES (NOT MANDATORY):

A. USE DEFINED
B. SUBORDINATION
C. TAX RESPONSIBILITY
D. MAINTENANCE & REPAIR
E. INDEMNIFICATION
F. INSURANCE REQUIREMENTS
G. SUBLEASES
H. INSPECTION OF PREMISES
I. DEFAULT
J. DELINQUENT PAYMENTS
K. SEVERABILITY
L. DAMAGE ASSESSMENT PROCEDURE
M. MEDIATION
N. OWNERSHIP OF IMPROVEMENTS
O. LESSOR'S INTEREST (NOT SUBJECT TO LESSEE'S LIENS)

Enclosure 1

Exhibit 7.1

FAA Instructional Letter

U.S. Department
of Transportation
Federal Aviation
Administration

Orlando Airports District Office
9677 Tradeport Drive, Suite 130
Orlando, Florida 32827-5397
407-648-6582

MAY 0 3 1995

Mr. Edward R. Wuellner
Acting Airport Director
Hernando County Economic Development/
Airport & Industrial Parks
16110 Aviation Loop Drive
Brooksville, FL 34609

RE: Federal Aviation Administration (FAA) Lease Requirements

Dear Mr. Wuellner:

As a result of recent legislative emphasis on rates and charges, revenue diversion, and fair market value requirements, some airport owners have become more concerned with their compliance obligations associated with non-aeronautical leases. In order to enhance awareness of those obligations, we have developed a checklist entitled "Lease Review" (Enclosure 1) and a compilation of required Standard Clauses entitled "Specific Leasing Requirements" (Enclosure 2) to facilitate development of leases in full conformance with Federal requirements.

The main issues to be considered in any agreement are assurances that the contract:

1. Does not grant or deny rights to use the airport facilities contrary to the requirements of law and applicable obligations to the U. S. Government; and

2. Does not negatively impact current or future aeronautical usage, or restrict the owner's ability to meet obligations to the U. S. Government (including fair market value requirements).

The form of the written instrument used to grant airport privileges is the sole purview of the airport owner.

We request that you submit the completed checklist/certification with any lease submitted to this office for review and that copies be retained in your files, with the associated executed lease agreement, for quick reference.

Please note: You are not required to submit aeronautical leases to this office for review and, in fact, we would request that you do so only in unusual circumstances where you need specific guidance.

Please contact us if you have any questions.

Sincerely,

Charles E. Blair
Manager

2 Enclosures

Partners in creating tomorrow's airports

Exhibit 7.2

FAA Document - "Specific Leasing Requirements"

Specific Leasing Requirements

General:

Regarding rental rates, the Federal Aviation Administration (FAA) is unilaterally opposed to excessively low (or no) rent for land which in a sense belongs to the public, regardless of whether it is considered aviation or non-aviation use land.

Public lands will not be made available for private enterprise without obtaining a fair market return. No private individual, or firm, has a right to the use of publicly funded airport land for personal gain without paying their fair share of the maintenance, development and operation of the facility. Having invested substantial public funds in the capital airport plant, the public owner and the FAA have thereby created a business opportunity for privately owned aviation services and non-aviation uses which otherwise would not exist. Therefore, the Sponsor has both a right and obligation to command a reasonable return on their investment.

Further, a no rent or excessively low rent lease (Aviation or Non-aviation) will not meet the requirement of the Sponsor's assurance contained in current grant agreements, which reads in part:

> "Sponsor will maintain a fee and rental structure consistent with assurances 22 and 23 for the facilities and services being provided the airport users which will make the airport as self-sustaining as possible under the circumstances existing at that particular airport, taking into account such factors as the volume of traffic and economy of collection."

A fair market rental value (historically 8% to 12% of fair market value) should be assessed for grounds within the leasing area. The fair market rental value of land to be leased should be determined by an acceptable market analysis, usually formal appraisals. Such leases must bring a fair market return to the airport.

As an alternative to or in addition to charging a fee for all land under lease, many airport owners are charging a percentage of the gross income of the fixed based operator (FBO). This method may result in a fair return on the land and allows the airport to grow as the FBO grows. Regardless of the rates or methods used, they must remain non-discriminatory. (This will be further addressed in the escalating clauses section.)

Enclosure 2

Exhibit 7.3

Please note, fuel flowage fees are considered a pass through actually paid by aircraft operators and, therefore, are not considered applicable to rent. A fuel flowage fee should be applied equally to all airport tenants, whether commercial or private. Further, the fee should be applied to all fuel delivered to the airport for economy of collection.

FAA approved Airport Layout Plan (ALP):

An approved ALP, required by federal statute, depicts the entire property, identifies the present facility and the plans for future development. The ALP reflects agreement between FAA and the airport owner as to the proposed allocation of areas of the airport to specific operational and support functional usage. Thus the ALP becomes the controlling instrument in both aviation and non-aviation development. As it relates to leasing, it readily identifies those areas that may be leased to conduct non-aviation enterprises.

Lease clauses required by FAA:

Nondiscrimination

The tenant for himself, his personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree that (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination, (3) that the tenant shall use the premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally assisted programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

That in the event of breach of any of the above nondiscrimination covenants, Airport Owner shall have the right to terminate the lease and to re-enter and as if said lease had never been made or issued. The provision shall not be effective until the procedures of Title 49, Code of Federal Regulations, Part 21 are followed and completed, including exercise or expiration of appeal rights.

Exhibit 7.3 (Continued)

Airport Protection

It shall be a condition of this lease, that the lessor reserves unto itself, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the real property hereinafter described, together with the right to cause in said airspace such noise as may be inherent in the operation of aircraft, now known or hereafter used, for navigation of or flight in the said airspace, and for use of said airspace for landing on, taking off from or operating on the airport.

That the Tenant expressly agrees for itself, its successors and assigns, to restrict the height of structures, objects of natural growth and other obstructions on the hereinafter described real property to such a height so as to comply with Federal Aviation Regulations, Part 77.

That the Lessee expressly agrees for itself, its successors and assigns, to prevent any use of the hereinafter described real property which would interfere with or adversely affect the operation or maintenance of the airport, or otherwise constitute an airport hazard.

Subordination

This lease and all provisions hereof are subject and subordinate to the terms and conditions of the instruments and documents under which the Airport Owner acquired the subject property from the United States of America and shall be given only such effect as will not conflict or be inconsistent with the terms and conditions contained in the lease of said lands from the Airport Owner, and any existing or subsequent amendments thereto, and are subject to any ordinances, rules or regulations which have been, or may hereafter be adopted by the Airport Owner pertaining to the _____ Airport.

Exclusive Rights (required in aviation leases only)

Notwithstanding anything herein contained that may be, or appear to be, to the contrary, it is expressly understood and agreed that the rights granted under this agreement are non-exclusive and the Lessor herein reserves the right to grant similar privileges to another Lessee or other Lessees on other parts of the airport.

Exhibit 7.3 (Continued)

Escalation Clauses

Since the annual cost of satisfactorily operating and maintaining an airport will most likely increase throughout the term of the lease, provisions should be made to insure that fair market rental value rates remain current throughout the life of the lease. Accordingly, rental rates should be adjusted at a minimum of 5 year increments. An escalating clause or other means of automatically adjusting must be incorporated into long term leases to provide for this adjustment. A local, state or federal cost of living index can be utilized as the basis for determining the increase. The following is a sample clause:

"Lessor and lessee recognize and agree that the purchasing power of the United States dollar is evidenced by the _____ (Name of appropriate index). In 199_, and every five years thereafter, the parties hereto will compare the price index for said year with the price index for (state year the lease is executed) and the annual rental payments shall be increased (or decreased) in the same proportion as said price index has increased (or decreased) with the price index for (state the year the lease is executed)."

Other Acceptable Methods of Adjusting Lease Rates

"This lease shall be subject to review and re-evaluation at the end of each _____ year period, by the airport owner and the rent may be adjusted according to their action, not to exceed the Consumer Price Index rate during the _____ month period." or

"Land less improvements will be appraised every 5 years and the adjusted rental will be based on ____ percent (normally 10-12%) of appraised value. If disputed, lessor obtains appraisal at his own expense and lessor/lessee equally share expense for review appraisal that establishes fair market value."

Consideration may be given relating to percentages of gross sales, etc. Due to escalating land values in the southeast over the previous years many leases of this nature fail to command a fair market rental rate throughout the life of the lease if the airport is located in a high growth area. Caution should be used when entering into this arrangement.

Exhibit 7.3 (Continued)

References Relating to Both Aviation and Non-aviation Leases:

FAA Advisory Circular 150/5190-1A, Minimum Standards and Commercial Aeronautical Activities on Public Airports, dated 12/16/85.

FAA Order 5190.1A, Exclusive Rights at Airports, dated 10/10/85.

FAA Order 5190.6A, Airport Compliance Requirements, dated 10/2/89.

Exhibit 7.3 (Continued)

7.2 Non-Commercial Leases

7.2.1. LAND ONLY –

It shall be the policy of the St. Augustine - St. Johns County Airport Authority that the lease of all airport land to be utilized for non-aviation, non-commercial purposes shall be done so consistent with this section.

Implementation Procedures

1. An appraisal shall be facilitated through the use of procedures described in Section 8.5 of this Policy. In the event that a specific ground lease can be valued using an "on-file" appraisal of a ground lease of comparable character, the requirement for an appraisal shall be deemed met for the purposes of this section. For the purpose of establishing value, the appraisal shall consider all Authority facilitated infrastructure improvements accessible to the site, including roads, sidewalks, stormwater management improvements, utility and communication infrastructure.

2. All lease terms shall be developed using the appropriate "standard form" lease agreement generally conforming to that found in Section 9.3.

3. "Land only" annual rental valuations – Refer to Section 8.5, Fair Market Value / Return on Investment.

4. All land leases shall be subject to an annual CPI adjustment.

5. The basic property valuation shall be subject to adjustment every five (5) years. Such revaluation shall be as established by an appraisal consistent with Section 8.5. The base lease rate shall be adjusted to reflect the revised appraisal value. Should the revised appraisal value be less than the previous period (as adjusted by annual CPI movements), the higher of the two rates shall be used and shall serve as the base for the subsequent five -year period.

6. All utilities, phone service and related items are the obligation of the lessee.

7. All leasehold improvements shall become the property of the Airport Authority upon expiration of the lease unless otherwise negotiated and approved by the Authority. Improvements which are or will be donated to the Authority or for which an agreement for maintenance has been authorized, shall be included in the determination of FMV effective upon the commencement date specified in the authorization/acceptance document(s).

8. Fair Market Value determinations shall exclude sales tax in such computation.

9. All leases shall be subject to sales and ad Valorem taxation as provided by the general laws of the State of Florida.

ADMINISTRATIVE: *Standard Form Land Lease document in Section 9.3.*

7.2.2. **BUILDINGS** (New Construction or "Build-to-Suit") -

It shall be the policy of the St. Augustine - St. Johns County Airport Authority that the lease of all newly constructed airport buildings to be utilized for non-aviation, non-commercial purposes shall be done so consistent with this section.

Implementation Procedures

1. An appraisal shall be facilitated through the use of procedures described in Section 8.5 of this Policy. In the event that a specific facility lease can be valued using an "on-file appraisal of a facility lease of comparable character, the requirement for an appraisal shall be deemed met for the purposes of this section. For the purpose of establishing value, the appraisal shall consider all Authority facilitated infrastructure improvements pertaining to the site, including roads, sidewalks, stormwater management improvements, utility and communication infrastructure.

2. All lease terms shall be developed using the appropriate "standard form" lease agreement generally conforming to that found in Section 9.3.

3. Annual rental valuations – Refer to Section 8.5, Fair Market Value / Return on Investment.

4. All leases shall be subject to an annual CPI adjustment.

5. The basic facility valuation shall be subject to adjustment every five (5) years. Such revaluation shall be as established by an appraisal consistent with Section 8.5. The base lease rate shall be adjusted to reflect the revised appraisal value. Should the revised appraisal value be less than the previous period (as adjusted by annual CPI movements), the higher of the two rates shall be used and shall serve as the base for the subsequent five -year period. Improvements made by the lessee shall not be considered in the development of follow-on appraisals.

6. All non-warranty building maintenance, janitorial and trash services, utilities and phone service, as well as, related items are the obligation of the lessee.

7. All leasehold improvements shall become the property of the Airport Authority upon expiration of the lease unless otherwise negotiated and approved by the Authority. Improvements which are or will be donated to the Authority or for which an agreement for maintenance has been authorized, shall be included in the determination of FMV effective upon the commencement date specified in the authorization/acceptance document(s).

8. Fair Market Value and Rental Rate determinations shall exclude sales tax in such computation.

9. All leases shall be subject to sales and ad Valorem taxation as provided by the general laws of the State of Florida.

ADMINISTRATIVE: *Standard Form Land Lease document to Section 9.3.*

7.2.3. **BUILDINGS** (Existing Facilities or "Re-Rental") –

It shall be the policy of the St. Augustine - St. Johns County Airport Authority that the lease of all previously constructed (existing) airport buildings to be utilized for non-aviation, non-commercial purposes shall be done so consistent with this section.

Implementation Procedures

1. An appraisal shall be facilitated through the use of procedures described in Section 8.5 of this Policy. In the event that a specific facility lease can be valued using an "on-file" appraisal of a facility lease of comparable character, the requirement for an appraisal shall be deemed met for the purposes of this section. For the purpose of establishing value, the appraisal shall consider all Authority facilitated infrastructure improvements pertaining to the site, including roads, sidewalks, stormwater management improvements, utility and communication Infrastructure.

2. All lease terms shall be developed using the appropriate "standard form" lease agreement generally conforming to that found in Section 9.3.

3. Annual rental valuations – Refer to Section 8.5, Fair Market Value / Return on Investment.

4. All leases shall be subject to an annual CPI adjustment.

5. The basic facility valuation shall be subject to adjustment every five (5) years. Such revaluation shall be as established by an appraisal consistent with Section 8.5. The base lease rate shall be adjusted to reflect the revised appraisal value. Should the revised appraisal value be less than the previous period (as adjusted by annual CPI movements), the higher of the two rates shall be used and shall serve as the base for the subsequent five -year period. Improvements made by the lessee shall not be considered in the development of follow-on appraisals.

6. All non-warranty building maintenance, janitorial services, trash service, utilities and phone service, as well as, related items are the obligation of the lessee.

7. All leasehold improvements shall become the property of the Airport Authority upon expiration of the lease unless otherwise negotiated and approved by the Authority. Improvements which are or will be donated to the Authority or for which an agreement for maintenance has been authorized, shall be included in the determination of FMV effective upon the commencement date specified in the authorization/acceptance document(s).

8. Fair Market Value and Rental Rate determinations shall exclude sales tax in such computation.

9. All leases shall be subject to sales and ad Valorem taxation as provided by the general laws of the State of Florida.

10. Additional Build-out Requirements.

    a. Approval Required - Improvements to an existing facility which are to be considered for Authority funding, shall be subject to approval by the Authority prior to the expenditure of funds.

b Return on Investment Determination Standards – Refer to Section 8.5, Fair Market Value / Return on Investment.

c. Investment by Lessee - As an incentive and "good faith" gesture, the proposed lessee shall be required to make a minimum cash or equivalent investment in the proposed build-out equaling to at least ten percent (10%) of the projected improvement cost.

ADMINISTRATIVE: *Standard Form Land Lease document in Section 9.3.*

7.3 Commercial Leases

7.3.1 PRIVILEGE FEE ASSESSMENT –

It shall be the policy of the St. Augustine - St. Johns County Airport Authority that leased airport property may be subject to fees for the provision of service(s) to lessee in excess of those Included in the base rental amount.

Implementation Procedures

1. To affect this policy, all property determined by the Airport Authority to be affected, shall be subject to collection and disbursement of fees and charges as established from time to time by the Airport Authority.

2. Assessment, if any is determined by the Airport Authority, of Commercial activities which use or access the assets of the St. Augustine Airport or use the location of the St. Augustine Airport in facilitating the individual business may be subject to assessment consistent with other airport users of similar nature and character. Examples of privilege fees are "percentage of gross sales," "airfield Impact fees or similar percentage or unit-type assessments. These fees are in addition to rent.

3. Documentation of sales information and/or audit rights will be required of lessee.

4. Established fees or charges may be adjusted as provided by the lease document or as provided by the establishing or amending action of the Airport Authority.

5. All document recording fees shall be paid by the lessee.

ADMINISTRATIVE: *None.*

7.3.2 OTHER FEE ASSESSMENT –

It shall be the policy of the St. Augustine - St. Johns County Airport Authority that leased airport property may be subject to fees for the provision of service(s) to Lessee in excess if those included in the base rental amount.

Implementation Procedure

1. To affect this policy, all property determined by the Airport Authority to be affected, shall be subject to collection and disbursement of fees and charges as established from time to time by the Airport Authority.

2. Services provided which may be subject to charges or fees include those associated with common area maintenance, fire service/protection, security, etc...

3. Documentation of actual receipt of identified charges or fees shall be included in appropriate lease files.

4. Established fees or charges may be adjusted as provided by the lease document or as provided by the establishing or amending action of the Airport Authority and are in addition to rent.

5. All document recording fees shall be paid by the Lessee.

ADMINISTRATIVE: *None.*

7.3.3 LAND ONLY -

It shall be the policy of the St. Augustine - St. Johns County Airport Authority that the lease of all airport land to be utilized for non-aviation, commercial purposes shall be done so consistent with this section.

Implementation Procedures

1. An appraisal shall be facilitated through the use of procedures described in Section 8.5 of this Policy. In the event that a specific ground lease can be valued using an "on-file" appraisal of a ground lease of comparable character, the requirement for an appraisal shall be deemed met for the purposes of this section. For the purpose of establishing value, the appraisal shall consider all Authority facilitated infrastructure improvements accessible to the site, including roads, sidewalks, storm water management improvements, utility and communication infrastructure.

2. All lease terms shall be developed using the appropriate "standard form" lease agreement generally conforming to that found in Section 9.3.

3. "Land only" annual rental valuations – Refer to Section 8.5, Fair Market Value / Return on Investment.

4. All land leases shall be subject to an annual CPI adjustment.

5. The basic property valuation shall be subject to adjustment every five (5) years. Such revaluation shall be as established by an appraisal consistent with Section 8.5. The base lease rate shall be adjusted to reflect the revised appraisal value. Should the revised appraisal value be less than the previous period (as adjusted by annual CPI movements), the higher of the two rates shall be used and shall serve as the base for the subsequent five year period.

6. All utilities, phone service and related items are the obligation of the lessee.

7. All leasehold improvements shall become the property of the Airport Authority upon expiration of the lease unless otherwise negotiated and approved by the Authority. Improvements which are or will be donated to the Authority or for which an agreement for maintenance has been authorized, shall be included in the determination of FMV effective upon the commencement date specified in the authorization/ acceptance document(s).

8. Fair Market Value determinations shall exclude sales tax in such computation.

9. All leases shall be subject to sales and ad Valorem taxation as provided by the general laws of the State of Florida.

ADMINISTRATIVE: *Standard Form Land Lease document in Section 9.3.*

7.3.4 BUILDINGS (New Construction or "Build-to-Suit") -

It shall be the policy of the St. Augustine - St. Johns County Airport Authority that the lease of all newly constructed airport buildings to be utilized for non-aviation, commercial purposes shall be done so consistent with this section.

Implementation Procedures

1. An appraisal shall be facilitated through the use of procedures described in Section 8.5 of this Policy. In the event that a specific facility lease can be valued using an "on-file" appraisal of a facility lease of comparable character, the requirement for an appraisal shall be deemed met for the purposes of this section. For the purpose of establishing value, the appraisal shall consider all Authority facilitated infrastructure improvements pertaining to the site, including roads, sidewalks, stormwater management improvements, utility and communication infrastructure.

2. All lease terms shall be developed using the appropriate "standard form" lease agreement generally conforming to that found in Section 9.3.

3. Annual rental valuations – Refer to Section 8.5, Fair Market Value / Return on Investment.

4. All leases shall be subject to an annual CPI adjustment.

5. The basic facility valuation shall be subject to adjustment every five (5) years. Such revaluation shall be as established by an appraisal consistent with Section 8.5. The base lease rate shall be adjusted to reflect the revised appraisal value. Should the revised appraisal value be less than the previous period (as adjusted by annual CPI movements), the higher of the two rates shall be used and shall serve as the base for the subsequent five -year period. Improvements made by the lessee shall not be considered in the development of follow-on appraisals.

6. All non-warranty building maintenance, janitorial services, trash service, utilities and phone service, as well as, related items are the obligation of the lessee.

7. All leasehold improvements shall become the property of the Airport Authority upon expiration of the lease unless otherwise negotiated and approved by the Authority. Improvements which are or will be donated to the Authority or for which an agreement for maintenance has been authorized, shall be included in the determination of FMV effective upon the commencement date specified in the authorization/acceptance document(s).

8. Fair Market Value and Rental Rate determinations shall exclude sales tax in such computation.

9. All leases shall be subject to sales and ad Valorem taxation as provided by the general laws of the State of Florida.

ADMINISTRATIVE: *Standard Form Land Lease document in Section 9.3.*

7.3.5 **BUILDINGS** (Existing Facilities or "Re-Rental") -

It shall be the policy of the St. Augustine - St. Johns County Airport Authority that the lease of all previously constructed (existing) airport buildings to be utilized for non-aviation, commercial purposes shall be done so consistent with this section.

Implementation procedures

1. An appraisal shall be facilitated through the use of procedures described in Section 8.5 of this Policy. In the event that a specific facility lease can be valued using an "on-file" appraisal of a facility lease of comparable character, the requirement for an appraisal shall be deemed met for the purposes of this section. For the purpose of establishing value, the appraisal shall consider all Authority facilitated infrastructure improvements pertaining to the site, including roads, sidewalks, storm water management improvements, utility and communication infrastructure.

2. All lease terms shall be developed using the appropriate "standard form" lease agreement generally conforming to that found in Section 9.3.

3. Annual rental valuations – Refer to Section 8.5, Fair Market Value / Return on Investment.

4. All leases shall be subject to an annual CPI adjustment.

5. The basic facility valuation shall be subject to adjustment every five (5) years. Such revaluation shall be as established by an appraisal consistent with Section 8.5. The base lease rate shall be adjusted to reflect the revised appraisal value. Should the revised appraisal value be less than the previous period (as adjusted by annual CPI movements), the higher of the two rates shall be used and shall serve as the base for the subsequent five -year period. Improvements made by the lessee shall not be considered in the development of follow-on appraisals.

6. All non-warranty building maintenance, janitorial services, trash service, utilities and phone service, as well as, related items are the obligation of the lessee.

7. All leasehold improvements shall become the property of the Airport Authority upon expiration of the lease unless otherwise negotiated and approved by the Authority. Improvements which are or will be donated to the Authority or for which an agreement for maintenance has been authorized, shall be included in the determination of FMV effective upon the commencement date specified in the authorization/ acceptance document(s).

8. Fair Market Value and Rental Rate determinations shall exclude sales tax in such computation.

9. All leases shall be subject to sales and ad Valorem taxation as provided by the general laws of the State of Florida.

10. Additional Build-out Requirements

a. Approval Required - Improvements to an existing facility which are to be considered for Authority funding, shall be subject to approval by the Authority prior to the expenditure of funds.

b. Return on Investment Determination Standards – Refer to Section 8.5, Fair Market Value / Return on Investment.

c. Investment by Lessee - As incentive and "good faith" gesture, the proposed lessee shall be required to make a minimum cash or equivalent investment in the proposed build-out equaling to at least ten percent (10%) of the projected improvement cost.

ADMINISTRATIVE: *Standard Form Land Lease document in Section 9.3.*

7.3.6 RENTAL HOUSES –

It shall be the policy of the St. Augustine - St. Johns County Airport Authority that all airport land proposed for lease shall be appraised for the purpose of establishing its fair market value (FMV).

Implementation Procedures

1. An appraisal shall be facilitated through the use of procedures described in Section 8.5 of this Policy. In the event that a specific facility lease can be valued using an "on-file" appraisal of a facility leased of comparable character, the requirement for an appraisal shall be deemed met for the purposes of this section. For the purpose of establishing value, the appraisal shall consider all Authority facilitated infrastructure improvements pertaining to the site, including roads, sidewalks, storm water management improvements, utility and communication infrastructure.

2. All lease terms shall be developed using the appropriate "standard form" lease agreement generally conforming to that found in Section 9.3.

3. Annual rental valuations – Refer to Section 8.5, Fair Market Value / Return on Investment.

4. All leases shall be subject to an annual CPI adjustment.

5. The basic facility valuation shall be subject to adjustment every five (5) years. Such revaluation shall be as established by an appraisal consistent with Section 8.5. The base lease rate shall be adjusted to reflect the revised appraisal value. Should the revised appraisal value be less than the previous period (as adjusted by annual CPI movements), the higher of the two rates shall be used and shall serve as the base for the subsequent five -year period. Improvements made by the lessee shall not be considered in the development of follow-on appraisals.

6. All non-warranty building maintenance, janitorial services, trash service, utilities and phone service, as well as, related items are the obligation of the lessee.

7. All leasehold improvements shall become the property of the Airport Authority upon expiration of the lease unless otherwise negotiated and approved by the Authority. Improvements which are or will be donated to the Authority or for which an agreement for maintenance has been authorized, shall be included in the determination of FMV effective upon the commencement date specified in the authorization acceptance document(s).

8. Fair Market Value and Rental Rate determinations shall exclude sales tax in such computation.

9. All leases shall be subject to sales and ad Valorem taxation as provided by the general laws of the State of Florida.

10. Additional Build-out Requirements

    a. Approval Required - Improvements to an existing facility which are to be considered for Authority funding, shall be subject to approval by the Authority prior to the expenditure of funds.

    b. Return on Investment Determination Standards – Refer to Section 8.5, Fair Market Value / Return on Investment.

    c. Investment by Lessee - As an incentive and "good faith" gesture, the proposed lessee shall be required to make a minimum cash or equivalent investment in the proposed build-out equaling to at least ten percent (10%) of the projected improvement cost.

ADMINISTRATIVE: *Standard Form Land Lease document in Section 9.3.*

8. ADMINISTRATIVE REQUIREMENTS

8.1 PROPOSAL REQUIREMENTS -

It shall be the policy of the St. Augustine - St. Johns County Airport Authority that proposed leases of airport property shall be subject to review for applicability, necessity, qualifications, insurability, financial capability, competency, and scope of services to be performed.

Implementation Procedures

1. To affect this policy, all proponents of airport property lease(s) shall submit in writing, for staff review and recommendation sufficient evidence and documentation of the following:

    i. Scope of proposed service(s)
    ii. Professional competency to perform proposed service(s)
    iii. Detail of financial investment and capability to perform.

2. Proposals shall be prepared with sufficient detail and professionalism to allow review of required documents. A proposed checklist of required items is provided in Exhibit 8.1. A business plan is the preferred document scope and format presented for review.

3. Due to the sensitivity, proprietary nature, and confidentiality of proposal information, and subject to the limitations of Florida Statutes, Chapter 288, pertaining to confidentiality, staff actions and files shall become public information only as provided by the Statute or at the request of a majority vote of the Airport Authority at the time of presentation for Airport Authority.

4. Proposed Lessees will be subject to a credit report review only when staff or the Authority has reason to believe that sufficient evidence exists to warrant further review prior to making a recommendation to the Airport Authority.

ADDITIONAL REQUIREMENTS FOR AVIATION LEASES

Proposals shall provide comply with minimum operating standards for commercial leases consistent with Section 6.2.4 of this document.

ADMINISTRATIVE: *A Proposal Checklist is provided in Exhibit 8.1.*

PROPOSAL CHECKLIST

Commercial Property Leases

St. Augustine Airport

As a minimum, the following items must be included in all proposals involving lease to Commercial enterprises of Airport Property.

Tenant Provided Information:

1. Full Description of Proposed Scope of Operation.
2. Description of Business Entity and Character
3. Evidence of Technical Competency
4. Statement of Compliance with Authority's Minimum Operating Standards for Commercial ventures
5. Evidence of Insurability
6. Description of Security Provisions associated with venture.
7. Start-up Businesses may be required to submit a "Business Plan" for Authority Review

Staff Provided Information:

1. Statement of Compliance with current Airport Master Plan
2. Description of Property to be leased and/or constructed and associated development timeline.
3. Statement of Compliance with Minimum Operating Standards
4. Airport Infrastructure and Operational Impact Statement

Exhibit 8.1

8.2 AGENDA ITEMS -

It shall be the policy of the St. Augustine - St. Johns County Airport Authority that proposed leases of property and any modifications thereto shall be subject to approval of a majority vote of the Authority.

Implementation Procedures

1. All proposed Ground and Building Leases, except as herein noted, shall be subject to Authority concurrence. Agenda items relative to approvals by the Authority shall be prepared, submitted and transmitted to the Authority at the time of normal meeting Information transmittal for action.

2. All agenda items shall include any necessary paperwork required to facilitate approval and/or incorporation into Official Authority Records.

Additional Requirements for Commercial Leases:

1. Lease proposals which anticipate a "commercial" use of airport property shall be subject to an initial Authority Review prior to sustentative negotiations being accomplished by the Executive Director.

2. Authority review shall include a determination of "public benefit" consistent with Section 6.2.1 of this document, a review of the likely impacts on existing infrastructure and operations capability, and the applicability (if any) of additional Lease related fees.

T-Hangar Exclusion:

1. The activities associated with the lease of T-Hangars, Box Hangars or Tie Downs shall be exempt from the provisions of this Section.

2. The Executive Director or designee is specifically authorized to enter into any T-Hangar type lease on behalf of the Authority without additional approval of the Authority.

Aviation Office Space Exclusion:

1. The activities associated with the lease of small aviation office space shall be exempt from the provisions of this Section.

2. The Executive Director is specifically authorized to enter into any lease of 2500 sq. ft. or smaller at prevailing market rates, on behalf of the Authority without additional approval of the Authority.

ADMINISTRATIVE: *None*

8.3 RECORDKEEPING -

It shall be the policy of the St. Augustine – St. Johns County Airport Authority that detailed records pertaining to leases of airport property shall be maintained.

Implementation Procedure

1. All leases shall have a minimum of two paper files established, as follows:

    i. Lease Documents
    ii. Accounting/ Audit

2. File specific contents are included as Exhibit 8.2

3. All Leases shall have electronic data file established which will represent the current status of the lease including, baseline information on tenant, accounts receivables, pending lease actions, development plan status, date of last entry and date of next review of lease.

4. At intervals not exceeding one month, all leases will be reviewed through use of the electronic data file for the purposes of status review.

5. On an annual basis, all paper files will be reviewed for the purposes of determining proper order of documents, status of lease, insurance, completeness and overall integrity of files.

6. File contents or records no longer deemed necessary will be disposed of in accordance with the requirements associated with state and local public records law.

7. Leases which have expired or have otherwise been terminated will be purged and dead filed for a period of not less than three (3) years at the department office. Upon expiration of the three -year period, dead file lease records may be disposed of in accordance with Florida Statutes.

8. Original signature or one-of-a-kind documents shall not be removed from the controlling office premises without approval of the Executive Director and then only when an executed control document has been provided and placed in the normal location of the removed file. The control document shall identify the file name, file contents, name and phone number of the responsible party and location of file when outside of direct Authority control.

ADMINISTRATIVE: *Reference made to "File Contents" Exhibit 8.2.*

File Contents

Property Leases

File Organization

Location of Lease Files

All Airport lease files shall be permanently located in the Airport Authority Administration Office.

Minimum File Contents

File Name: Lessee's Name & Location Name

Original Signed Lease Agreement, including any attachments and/or supporting documentation

Assignment of Lease (if any)

Lease Amendments (if any)

Current Certificate of Insurance

Invoices

Correspondence

Accounting/Audit File: Copy of the Lease Agreement and/or Lease Amendment for the current fiscal year Audit purposes.

Exhibit 8.2

8.4 LEASE DOCUMENT MODIFICATIONS -

The St. Augustine – St. Johns County Airport Authority herein acknowledges that leases of airport property shall occasionally require document modifications and the consideration of requests or approvals promulgated by both the Authority and the Lessees.

Implementation Procedure

1. To affect this policy, standard form documents approved by the Authority's Attorney shall be prepared and utilized whenever possible.

2. All Lessee requests for items such as, Lease Amendments, Sub-Lessee Approval, etc., shall be promptly processed by staff using approved standard forms and approved by the Executive Director. .

3. Lessee requests for Lease Assignments consent to Mortgage or Exercise of Options shall be processed and approved by the Executive Director.

4. When standard form documents are not utilized due to the particulars of the request or need, the document(s) shall be reviewed by the Authority's Attorney prior to action by the Airport Authority or the Executive Director and shall be subject to modification, as necessary.

5. Once action and recording efforts are completed, a single recorded copy of the document(s) shall be placed in the appropriate file.

ADMINISTRATIVE: *None.*

8.5 FAIR MARKET VALUE / RETURN ON INVESTMENT -

It shall be the policy of the St. Augustine - St. Johns County Airport Authority that all Authority owned aviation use buildings, exclusive of T-Hangar Type Buildings, proposed for lease shall have the fair market value (FMV) established. Consideration of New Facility construction shall conform to approved Airport Authority Return on Investment (ROI) requirements.

Implementation Procedures

EXISTING FACILITIES

1. Appraisals shall be facilitated through contractual arrangement utilizing a Certified Appraiser or other qualified professional. Aviation Appraisals will be made by a firm specializing or having specific experience in aviation related properties.

2. All appraisals will be developed utilizing "Member of Appraisal Institute" (MAI) techniques and will be representative of actual market-based values appropriate for the proposed use, with a minimum of three (3) comparatives utilization.

3. Improvements such as roads, utilities and other infrastructure shall be included in the determination of FMV unless such improvements are proposed to be funded or have been funded by other than airport property revenues and noted appropriately within the specific lease agreement.

4. Fair Market Rental Values experienced on Northeast Florida Regional Airport may be substituted in lieu of the conduct of an appraisal provided that utilized data is less than five years old. It is recognized that NFRA is considered a more desirable and higher demand location.

NEW FACILITIES

1. A simple form, 20-year Return on Investment analysis shall be required on all new construction proposed for lease to others. The calculated ROI shall meet the following minimums for further consideration:1. A simple form, 20-year Return on Investment analysis shall be required on all new construction proposed for lease to others. The calculated ROI shall meet the following minimums for further consideration:

   Aviation-Related Primary Uses – Minimum 3% ROI

   Non-Aviation Primary Uses – Minimum 5% ROI

2. The Airport Authority will approve and ratify all acceptable ROI levels for uses associated with this Section at least every 5 years. The Authority may review and adopt changes at intervals more frequent than 5 years as they determine in their best interest considering financial and market conditions experienced. Nonetheless, this policy does not supersede any existing lease agreements between the Airport Authority and any tenant regardless of the ROI set forth in any such agreement.

3. Improvements such as roads, utilities and other infrastructure shall be included in the determination of FMV unless such improvements are proposed to be funded or have been funded by other than airport property revenues and noted appropriately within the specific lease agreement.

4. Should prevailing market rates or the rates charged for other similar facilities at the Northeast Florida Regional Airport support a higher Return on Investment than the minimums set forth herein, the Airport Authority may impose a higher rental rate.

8.6 SURVEYS -

It shall be the policy of the St. Augustine - St. Johns County Airport Authority that proponents of all leases of non-platted airport property shall provide the Authority with a boundary and "as-built" survey on the leasehold, which shall be performed by a licensed, State of Florida registered land surveyor.

Implementation Procedure

1. All current land surveys will be made by licensed, State of Florida registered land surveyors and will bear appropriate endorsements on all documents provided.

2. Land surveys will become a part of official lease records and files appropriately for their size.

3. Surveys shall be due to the Authority upon completion of first phase construction, or at the issuance of a Certificate of Occupancy from the Authority, whichever occurs first.

ADMINISTRATIVE: *None*

8.7 IN-KIND SERVICES -

It shall be the policy of the St. Augustine – St. Johns County Airport Authority that the in-kind lease of airport property represents an income to the Airport equating to a minimum of the established Fair Market Rental Value (FMRV) of the covered property.

Implementation Procedure

1. To affect this policy, all property proposed for lease shall be appraised in advance of initial lease execution to determine the appropriate fair market value (FMV). All appraisals and related determinations shall be governed by Policies 6.0 through 8.0 described in this document.

2. The minimum rental rate – Refer to Section 8.5, Fair Market Value / Return on Investment.

3. The in-kind services proposed shall be in an appropriate unit of value, i.e., hours, units, etc… with a value per unit of service/goods established that generally equates with the average rate of charge per unit of service/goods provided. When appropriate to the unit of measurement, not less than three (3) comparable units will be used in determining the average. The minimum rental rate shall be derived and appropriately documented by dividing the FMRV by the unit(s) dollar value; the resultant number of units to be provided shall be the minimum rental units accepted.

4. In-Kind Leases shall have the net effect of benefiting the Airport.

5. Documentation of actual receipt of identified in-kind goods/services as well as the back up documents showing calculation of in-kind value shall be included in appropriate lease files.

6. Long term leases shall include provisions for periodic review in increments not to exceed five (5) years for the purposes of re-establishing FMV and corresponding FMRV established in accordance with Section 8.5 of this document.

7. All revenues/goods/services derived as a result of this policy shall inure to the benefit of the Airport.

ADMINISTRATIVE: *None.*

8.8 RENTAL ADJUSTMENTS DURING LEASE TERM -

It shall be the policy of the St. Augustine - St. Johns County Airport Authority that leases shall be revenue producing at Fair Market Value.

Implementation Procedure

1. To affect this policy, all aviation property shall be appraised in advance of initial lease execution to determine the appropriate Fair Market Value (FMV). All appraisals and related determinations shall be governed by Section 8.5 described in this document.

2. The minimum rental rate for land shall equate to the appropriate FMRV as described in Sections 6 through 8 of this document.

3. Minimum rental rates may be derived through the combination of the actual ground lease, building lease and appropriate privilege fees established for the Lease provided that the lease language reflects the method employed.

4. All revenues derived as a result of this policy shall inure to the benefit of the Airport.

5. Documentation of actual receipt of identified rentals and/or fees shall be included in appropriate lease flies.

6. Long Term Leases shall include provisions for periodic review in increments not to exceed five (5) years for the purposes of re-establishing FMV and corresponding FMRV established in accordance with Section 8.5 of this document.

ADMINISTRATIVE: *None.*

8.9 DEVELOPMENT & OPERATING RULES AND REGULATIONS -

It shall be the policy of the St. Augustine - St. Johns County Airport Authority that proposed leases shall be subject to rules and regulations deemed necessary and prudent in the administration of leases and airport property. Such rules and regulations may be amended from time to time by the St. Augustine – St. Johns County Airport Authority and shall be adequately communicated to effected parties.

Implementation Procedure

1. To affect this policy, rules and regulations pursuant to the development of leasehold and necessary operating requirements shall be presented to the St. Augustine - St. Johns County Airport Authority for approval.

2. All amended rules and regulations will be provided to tenants via hand delivery to St. Augustine - St. Johns County Airport Authority, all amendments to rules and regulations shall take effect on the date adopted by the Authority and in the manner prescribed.

3. Proposed Lessees will reference the most current set of rules and regulations in affect.

ADMINISTRATIVE: *None at this time.*

8.10 LATE FEES AND EVICTIONS – T-HANGARS –

It shall be the Policy of the St. Augustine – St. Johns County Airport Authority that a uniform policy regarding the collection of late fees and the termination of individual hangar lease agreements and month-to-month arrangements shall be effectuated.

Implementation Procedure

1. LATE PAYMENT OF RENTAL FEES – It shall be the Policy if the St. Augustine – St. Johns County Airport Authority to impose a Late Fee of $50.00 per month to be applicable to all accounts held in arrears and otherwise remaining unpaid on the 10th Day of the Month the Rental or Lease Amount is due. This Policy shall be applied to all Rentals and Leases of T-Hangars, Box Hangars and all other Short-term arrangements for Hangar Space. Long-term lease arrangements are excluded from this Policy as these agreements are covered by the individual terms of the specific document covering the rental.

2. EVICTION OF TENANTS FOR NONPAYMENT – It shall be the Policy of the St. Augustine – St. Johns County Airport Authority that following a period of thirty (30) days during which a tenant account is found to be in arrears, said tenant may be evicted and the premises reclaimed by the Authority for the purposes of immediate re-rental. Any such eviction for nonpayment of rental and/or late fees may be made forcibly and without available recourse to the tenant so evicted.

3. Any tenant evicted due to rental or fee delinquency shall not be eligible to rent hangar space from the Authority for a period not less than one (1) year after the date of issuance of an eviction order by the Authority or their designated representatives.

ADMINISTRATIVE: *None at this time.*

8.11 T-HANGAR LOCK SYSTEM -

It shall be the policy of the St. Augustine - St. Johns County Airport Authority to provide a uniform method of security for all non-conventional hangars owned and operated by the Authority which affects a program of reasonable security, key control, emergency and maintenance access, inspection, and implementation.

Implementation Procedure

1. All T-hangars and Box Hangars shall utilize a lock which is consistent with the stated purpose of this Policy. A single, master keyed, pass key, pad lock or door lock selected by the Executive Director shall be the sole method of securing Authority owned and operated non-conventional type hangar facilities at the St. Augustine Airport.

2. The Executive Director shall develop procedures for the control of all "master" keys pertaining to the implementation of this Policy.

3. Lease agreements shall be subject to a one-time lock acquisition charge approximating the actual retail cost of the lock. Such charge shall be deemed payable at the time of initial hangar occupancy.

4. Any person willfully destroying or rendering inoperable a lock provided and required herein shall immediately replace such lock with another Authority provided unit. The replacement cost associated with such replacement shall be borne entirely by the tenant at a rate of two-times the retail lock cost. The refusal to place and/or pay for a replacement lock shall be grounds for immediate lease termination or non-renewal without additional appeal or recourse. Further, the cost of a replacement lock shall be deducted from the next applicable hangar lease payment prior to the crediting of the lease payment.

ADMINISTRATIVE: *None at this time.*

8.12 PERSONAL GUARANTIES –

To prevent overdue or past due rents from becoming potentially unrecoverable and to assist in the potential collection of related damages, the Authority adopts the following method of requiring personal guaranties in connection with all leases.

Implementation Procedure

1. All leases executed after the effective date of this policy shall be required to execute a personal guarantee or like statement which guarantees the initial term of the lease, as a prerequisite for Authority approval.

2. Leases executed as an individual or on behalf of a sole proprietorship business shall be excluded from this requirement.

3. At the time of any lease renewal, leases shall be brought into conformance with this requirement.

4. Subject to Authority ratification, the Executive Director may recommend waiver of this requirement for businesses deemed financially capable or otherwise having established a satisfactory lease history or investment with the Authority.

ADMINISTRATIVE: *None*

8.13 APPEAL OF ADMINISTRATIVE DECISIONS -

To provide a uniform method of appeal for any aggrieved party relative to administrative decisions pursuant to this policy, the Authority adopts the following policy.

Implementation Procedure

1. An person or entity adversely affected of any final decision of the Executive Director, or his designee, may request to be heard as an agenda item before the Authority by submitting a Written Appeal Statement within thirty (30) days of the Executive Director's decision.

2. The Written Appeal Statement shall set forth the following: the background facts, issue in dispute or nature of the dispute, the decision of the Executive Director, the date of the Executive Director's decision, the relief requested, and the facts and circumstances warranting the relief requested and/or supporting a reversal of the Executive Director's decision. Every Written Appeal Statement shall include as attachments any and all documents (i.e., letters, contracts, etc.) related to the matter to be appealed.

3. Upon receipt of a completed Written Appeal Statement the Executive Director shall add the issue to the next reasonably available Authority regular meeting. Should any Written Appeal Statement be incomplete, the Executive Director shall notify the appellant in writing.

4. At a regular meeting of the Authority whereupon a Written Appeal Statement is an agenda item, the Authority shall first review the Written Appeal Statement and determine whether to hear the appeal. If there is no affirmative vote to hear the appeal, the appeal and Written Appeal Statement shall be deemed denied and the decision of the Executive Director shall stand. Should the Authority hear an appeal, the Authority shall retain all rights to grant or deny any appeal even after hearing further evidence or argument in support of the appeal.

ADMINISTRATIVE: *None at this time.*

9. APPENDICES

9.1 GRANT ASSURANCES

ASSURANCES

AIRPORT SPONSORS

A. General.

1. These assurances shall be complied with in the performance of grant agreements for airport development, airport planning, and noise compatibility program grants for airport sponsors.
2. These assurances are required to be submitted as part of the project application by sponsors requesting funds under the provisions of Title 49, U.S.C., subtitle VII, as amended. As used herein, the term "public agency sponsor" means a public agency with control of a public-use airport; the term "private sponsor" means a private owner of a public-use airport; and the term "sponsor" includes both public agency sponsors and private sponsors.
3. Upon acceptance of this grant offer by the sponsor, these assurances are incorporated in and become part of this grant agreement.

B. Duration and Applicability.

1. **Airport development or Noise Compatibility Program Projects Undertaken by a Public Agency Sponsor.**

The terms, conditions and assurances of this grant agreement shall remain in full force and effect throughout the useful life of the facilities developed or equipment acquired for an airport development or noise compatibility program project, or throughout the useful life of the project items installed within a facility under a noise compatibility program project, but in any event not to exceed twenty (20) years from the date of acceptance of a grant offer of Federal funds for the project. However, there shall be no limit on the duration of the assurances regarding Exclusive Rights and Airport Revenue so long as the airport is used as an airport. There shall be no limit on the duration of the terms, conditions, and assurances with respect to real property acquired with federal funds. Furthermore, the duration of the Civil Rights assurance shall be specified in the assurances.

2. **Airport Development or Noise Compatibility Projects Undertaken by a Private Sponsor.**

The preceding paragraph 1 also applies to a private sponsor except that the useful life of project items installed within a facility or the useful life of the facilities developed or equipment acquired under an airport development or noise compatibility program project shall be no less than ten (10) years from the date of acceptance of Federal aid for the project.

3. **Airport Planning Undertaken by a Sponsor.**

Unless otherwise specified in this grant agreement, only Assurances 1, 2, 3, 5, 6, 13, 18, 25, 30, 32, 33, and 34 in Section C apply to planning projects. The terms, conditions, and assurances of this grant agreement shall remain in full force and effect during the life of the project; there shall be no limit on the duration of the assurances regarding Exclusive Rights and Airport Revenue so long as the airport is used as an airport.

C. Sponsor Certification.

The sponsor hereby assures and certifies, with respect to this grant that:

1. **General Federal Requirements.**

It will comply with all applicable Federal laws, regulations, executive orders, policies, guidelines, and requirements as they relate to the application, acceptance and use of Federal funds for this project including but not limited to the following:

a. Title 49, U.S.C., subtitle VII, as amended.

b. Davis-Bacon Act - 40 U.S.C. 276(a), et seq.[1]

c. Federal Fair Labor Standards Act - 29 U.S.C. 201, et seq.

d. Hatch Act – 5 U.S.C. 1501, et seq.[2]

e. Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 Title 42 U.S.C. 4601, et seq.[1 2]

f. National Historic Preservation Act of 1966 - Section 106 - 16 U.S.C. 470(f).[1]

g. Archeological and Historic Preservation Act of 1974 - 16 U.S.C. 469 through 469c.[1]

h. Native Americans Grave Repatriation Act - 25 U.S.C. Section 3001, et seq.

i. Clean Air Act, P.L. 90-148, as amended.

j. Coastal Zone Management Act, P.L. 93-205, as amended.

k. Flood Disaster Protection Act of 1973 - Section 102(a) - 42 U.S.C. 4012a.[1]

l. Title 49, U.S.C., Section 303, (formerly known as Section 4(f))

m. Rehabilitation Act of 1973 - 29 U.S.C. 794.

n. Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq., 78 stat. 252) (prohibits discrimination on the basis of race, color, national origin);

o. Americans with Disabilities Act of 1990, as amended, (42 U.S.C. § 12101 et seq.), prohibits discrimination on the basis of disability).

p. Age Discrimination Act of 1975 - 42 U.S.C. 6101, et seq.

q. American Indian Religious Freedom Act, P.L. 95-341, as amended.

r. Architectural Barriers Act of 1968 -42 U.S.C. 4151, et seq.[1]

s. Power plant and Industrial Fuel Use Act of 1978 - Section 403- 2 U.S.C. 8373.[1]

t. Contract Work Hours and Safety Standards Act - 40 U.S.C. 327, et seq.[1]

u. Copeland Anti-kickback Act - 18 U.S.C. 874.1

v. National Environmental Policy Act of 1969 - 42 U.S.C. 4321, et seq.[1]

w. Wild and Scenic Rivers Act, P.L. 90-542, as amended.

x. Single Audit Act of 1984 - 31 U.S.C. 7501, et seq.[2]

y. Drug-Free Workplace Act of 1988 - 41 U.S.C. 702 through 706.

z. The Federal Funding Accountability and Transparency Act of 2006, as amended (Pub. L. 109-282, as amended by section 6202 of Pub. L. 110-252).

EXECUTIVE ORDERS

a. Executive Order 11246 - Equal Employment Opportunity[1]

b. Executive Order 11990 - Protection of Wetlands

c. Executive Order 11998 –Flood Plain Management

d. Executive Order 12372 - Intergovernmental Review of Federal Programs

e. Executive Order 12699 - Seismic Safety of Federal and Federally Assisted New Building Construction[1]

f. Executive Order 12898 - Environmental Justice

g. Executive Order 13788 - Buy American and Hire American

h. Executive Order 13858 – Strengthening Buy-American Preferences for Infrastructure Projects

FEDERAL REGULATIONS

a. 2 CFR Part180 – OMB Guidelines to Agencies on Government-wide Debarment and Suspension (Non-procurement).

b. 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. [OMB Circular A-87 Cost Principles Applicable to Grants and Contracts with State and Local Governments, and OMB Circular A-133 - Audits of States, Local Governments, and Non-Profit Organizations].[4, 5, 6]

c. 2 CFR Part 1200 – Non-procurement Suspension and Debarment

d. 14 CFR Part 13 - Investigative and Enforcement Procedures14 CFR Part 16 - Rules of Practice For Federally Assisted Airport Enforcement Proceedings.

e. 14 CFR Part 150 - Airport noise compatibility planning.

f. 28 CFR Part 35- Discrimination on the Basis of Disability in State and Local Government Services.

g. 28 CFR § 50.3 - U.S. Department of Justice Guidelines for Enforcement of Title VI of the Civil Rights Act of 1964.

h. 29 CFR Part 1 - Procedures for predetermination of wage rates.[1]

i. 29 CFR Part 3 - Contractors and subcontractors on public building or public work financed in whole or part by loans or grants from the United States.[1]

j. 29 CFR Part 5 - Labor standards provisions applicable to contracts covering federally financed and assisted construction (also labor standards provisions applicable to non-construction contracts subject to the Contract Work Hours and Safety Standards Act).[1]

k. 41 CFR Part 60 - Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor (Federal and federally assisted contracting requirements).[1]

l. 49 CFR Part 18 - Uniform administrative requirements for grants and cooperative agreements to state and local governments.[3]

m. 49 CFR Part 20 - New restrictions on lobbying.

n. 49 CFR Part 21 – Nondiscrimination in federally-assisted programs of the Department of Transportation - effectuation of Title VI of the Civil Rights Act of 1964.

o. 49 CFR Part 23 - Participation by Disadvantage Business Enterprise in Airport Concessions.

p. 49 CFR Part 24 – Uniform Relocation Assistance and Real Property Acquisition for Federal and Federally Assisted Programs.[1] [2]

q. 49 CFR Part 26 – Participation by Disadvantaged Business Enterprises in Department of Transportation Programs.

r. 49 CFR Part 27 – Nondiscrimination on the Basis of Handicap in Programs and Activities Receiving or Benefiting from Federal Financial Assistance.[1]

s. 49 CFR Part 28 –Enforcement of Nondiscrimination on the Basis of Handicap in Programs or Activities conducted by the Department of Transportation.

t. 49 CFR Part 30 - Denial of public works contracts to suppliers of goods and services of countries that deny procurement market access to U.S. contractors.

u. 49 CFR Part 32 –Government-wide Requirements for Drug-Free Workplace (Financial Assistance)

v. 49 CFR Part 37 –Transportation Services for Individuals with Disabilities (ADA).

w. 49 CFR Part 41 - Seismic safety of Federal and federally assisted or regulated new building construction.

SPECIFIC ASSURANCES

Specific assurances required to be included in grant agreements by any of the above laws, regulations or circulars are incorporated by reference in this grant agreement.

FOOTNOTES TO ASSURANCE C.1.

[1] These laws do not apply to airport planning sponsors.

[2] These laws do not apply to private sponsors.

[3] 49 CFR Part 18 and 2 CFR Part 200 contain requirements for State and Local Governments receiving Federal assistance. Any requirement levied upon State and Local Governments by this regulation and circular shall also be applicable to private sponsors receiving Federal assistance under Title 49, United States Code.

[4] On December 26, 2013 at 78 FR 78590, the Office of Management and Budget (OMB) issued the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards in 2 CFR Part 200. 2 CFR Part 200 replaces and combines the former Uniform Administrative Requirements for Grants (OMB Circular A-102 and Circular A-110 or 2 CFR Part 215 or Circular) as well as the Cost Principles (Circulars A-21 or 2 CFR part 220; Circular A-87 or 2 CFR part 225; and A-122, 2 CFR part 230). Additionally it replaces Circular A-133 guidance on the Single Annual Audit. In accordance with 2 CFR section 200.110, the standards set forth in Part 200 which affect administration of Federal awards issued by Federal agencies become effective once implemented by Federal agencies or when any future amendment to this Part becomes final. Federal agencies, including the Department of Transportation, must implement the policies and procedures applicable to Federal awards by promulgating a regulation to be effective by December 26, 2014 unless different provisions are required by statute or approved by OMB.

[5] Cost principles established in 2 CFR part 200 subpart E must be used as guidelines for determining the eligibility of specific types of expenses.

[6] Audit requirements established in 2 CFR part 200 subpart F are the guidelines for audits.

2. **Responsibility and Authority of the Sponsor.**

    a. Public Agency Sponsor:

It has legal authority to apply for this grant, and to finance and carry out the proposed project; that a resolution, motion or similar action has been duly adopted or passed as an official act of the applicant's governing body authorizing the filing of the application, including all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of the applicant to act in connection with the application and to provide such additional information as may be required.

    b. Private Sponsor:

It has legal authority to apply for this grant and to finance and carry out the proposed project and comply with all terms, conditions, and assurances of this grant agreement. It shall designate an official representative and shall in writing direct and authorize that person to file this application, including all understandings and assurances contained therein; to act in connection with this application; and to provide such additional information as may be required.

3. **Sponsor Fund Availability.**

It has sufficient funds available for that portion of the project costs which are not to be paid by the United States. It has sufficient funds available to assure operation and maintenance of items funded under this grant agreement which it will own or control.

4. **Good Title.**

    a. It, a public agency or the Federal government, holds good title, satisfactory to the Secretary, to the landing area of the airport or site thereof, or will give assurance satisfactory to the Secretary that good title will be acquired.

    b. For noise compatibility program projects to be carried out on the property of the sponsor, it holds good title satisfactory to the Secretary to that portion of the property upon which Federal funds will be expended or will give assurance to the Secretary that good title will be obtained.

5. **Preserving Rights and Powers.**

    a. It will not take or permit any action which would operate to deprive it of any of the rights and powers necessary to perform any or all of the terms, conditions, and assurances in this grant agreement without the written approval of the Secretary, and will act promptly to acquire, extinguish or modify any outstanding rights or claims of right of others which would interfere with such performance by the sponsor. This shall be done in a manner acceptable to the Secretary.

    b. Subject to the FAA Act of 2018, Public Law 115-254, Section 163, it will not sell, lease, encumber, or otherwise transfer or dispose of any part of its title or other interests in the property shown on Exhibit A to this application or, for a noise compatibility program project, that portion of the property upon which Federal funds have been expended, for the duration of the terms, conditions, and assurances in this grant agreement without approval by the

Secretary. If the transferee is found by the Secretary to be eligible under Title 49, United States Code, to assume the obligations of this grant agreement and to have the power, authority, and financial resources to carry out all such obligations, the sponsor shall insert in the contract or document transferring or disposing of the sponsor's interest, and make binding upon the transferee all of the terms, conditions, and assurances contained in this grant agreement.

c. For all noise compatibility program projects which are to be carried out by another unit of local government or are on property owned by a unit of local government other than the sponsor, it will enter into an agreement with that government. Except as otherwise specified by the Secretary, that agreement shall obligate that government to the same terms, conditions, and assurances that would be applicable to it if it applied directly to the FAA for a grant to undertake the noise compatibility program project. That agreement and changes thereto must be satisfactory to the Secretary. It will take steps to enforce this agreement against the local government if there is substantial non-compliance with the terms of the agreement.

d. For noise compatibility program projects to be carried out on privately owned property, it will enter into an agreement with the owner of that property which includes provisions specified by the Secretary. It will take steps to enforce this agreement against the property owner whenever there is substantial non-compliance with the terms of the agreement.

e. If the sponsor is a private sponsor, it will take steps satisfactory to the Secretary to ensure that the airport will continue to function as a public-use airport in accordance with these assurances for the duration of these assurances.

f. If an arrangement is made for management and operation of the airport by any agency or person other than the sponsor or an employee of the sponsor, the sponsor will reserve sufficient rights and authority to insure that the airport will be operated and maintained in accordance Title 49, United States Code, the regulations and the terms, conditions and assurances in this grant agreement and shall insure that such arrangement also requires compliance therewith.

g. Sponsors of commercial service airports will not permit or enter into any arrangement that results in permission for the owner or tenant of a property used as a residence, or zoned for residential use, to taxi an aircraft between that property and any location on airport. Sponsors of general aviation airports entering into any arrangement that results in permission for the owner of residential real property adjacent to or near the airport must comply with the requirements of Sec. 136 of Public Law 112-95 and the sponsor assurances.

6. **Consistency with Local Plans.**

The project is reasonably consistent with plans (existing at the time of submission of this application) of public agencies that are authorized by the State in which the project is located to plan for the development of the area surrounding the airport.

7. **Consideration of Local Interest.**

It has given fair consideration to the interest of communities in or near where the project may be located.

8. **Consultation with Users.**

In making a decision to undertake any airport development project under Title 49, United States Code, it has undertaken reasonable consultations with affected parties using the airport at which project is proposed.

9. **Public Hearings.**

In projects involving the location of an airport, an airport runway, or a major runway extension, it has afforded the opportunity for public hearings for the purpose of considering the economic, social, and environmental effects of the airport or runway location and its consistency with goals and objectives of such planning as has been carried out by the community and it shall, when requested by the Secretary, submit a copy of the transcript of such hearings to the Secretary.
Further, for such projects, it has on its management board either voting representation from the communities where the project is located or has advised the communities that they have the right to petition the Secretary concerning a proposed project.

10. **Metropolitan Planning Organization.**

In projects involving the location of an airport, an airport runway, or a major runway extension at a medium or large hub airport, the sponsor has made available to and has provided upon request to the metropolitan planning organization in the area in which the airport is located, if any, a copy of the proposed amendment to the airport layout plan to depict the project and a copy of any airport master plan in which the project is described or depicted.

11. **Pavement Preventive Maintenance.**

With respect to a project approved after January 1, 1995, for the replacement or reconstruction of pavement at the airport, it assures or certifies that it has implemented an effective airport pavement maintenance-management program and it assures that it will use such program for the useful life of any pavement constructed, reconstructed or repaired with Federal financial assistance at the airport. It will provide such reports on pavement condition and pavement management programs as the Secretary determines may be useful.

12. **Terminal Development Prerequisites.**

For projects which include terminal development at a public use airport, as defined in Title 49, it has, on the date of submittal of the project grant application, all the safety equipment required for certification of such airport under section 44706 of Title 49, United States Code, and all the security equipment required by rule or regulation, and has provided for access to the passenger enplaning and deplaning area of such airport to passengers enplaning and deplaning from aircraft other than air carrier aircraft.

13. **Accounting System, Audit, and Record Keeping Requirements.**

    a. It shall keep all project accounts and records which fully disclose the amount and disposition by the recipient of the proceeds of this grant, the total cost of the project in connection with which this grant is given or used, and the amount or nature of that portion of the cost of the project supplied by other sources, and such other financial records pertinent to the project. The accounts and records shall be kept in accordance with an accounting system that will facilitate an effective audit in accordance with the Single Audit Act of 1984.

    b. It shall make available to the Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, for the purpose of audit and examination, any books, documents, papers, and records of the recipient that are pertinent to this grant. The Secretary may require that an appropriate audit be conducted by a recipient. In any case in which an independent audit is made of the accounts of a sponsor relating to the disposition of the proceeds of a grant or relating to the project in connection with which this grant was given or used, it shall file a certified copy of such audit with the Comptroller General of the United States not later than six (6) months following the close of the fiscal year for which the audit was made.

14. **Minimum Wage Rates.**

It shall include, in all contracts in excess of $2,000 for work on any projects funded under this grant agreement which involve labor, provisions establishing minimum rates of wages, to be predetermined by the Secretary of Labor, in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a-276a-5), which contractors shall pay to skilled and unskilled labor, and such minimum rates shall be stated in the invitation for bids and shall be included in proposals or bids for the work.

15. **Veteran's Preference.**

It shall include in all contracts for work on any project funded under this grant agreement which involve labor, such provisions as are necessary to insure that, in the employment of labor (except in executive, administrative, and supervisory positions), preference shall be given to Vietnam era veterans, Persian Gulf veterans, Afghanistan-Iraq war veterans, disabled veterans, and small business concerns owned and controlled by disabled veterans as defined in Section 47112 of Title 49, United States Code. However, this preference shall apply only where the individuals are available and qualified to perform the work to which the employment relates.

16. **Conformity to Plans and Specifications.**

It will execute the project subject to plans, specifications, and schedules approved by the Secretary. Such plans, specifications, and schedules shall be submitted to the Secretary prior to commencement of site preparation, construction, or other performance under this grant agreement, and, upon approval of the Secretary, shall be incorporated into this grant agreement. Any modification to the approved plans, specifications, and schedules shall also be subject to approval of the Secretary, and incorporated into this grant agreement.

17. **Construction Inspection and Approval.**

It will provide and maintain competent technical supervision at the construction site throughout the project to assure that the work conforms to the plans, specifications, and schedules approved by the Secretary for the project. It shall subject the construction work on any project contained in an approved project application to inspection and approval by the Secretary and such work shall be in accordance with regulations and procedures prescribed by the Secretary. Such regulations and procedures shall require such cost and progress reporting by the sponsor or sponsors of such project as the Secretary shall deem necessary.

18. **Planning Projects.**

In carrying out planning projects:

a. It will execute the project in accordance with the approved program narrative contained in the project application or with the modifications similarly approved.

b. It will furnish the Secretary with such periodic reports as required pertaining to the planning project and planning work activities.

c. It will include in all published material prepared in connection with the planning project a notice that the material was prepared under a grant provided by the United States.

d. It will make such material available for examination by the public, and agrees that no material prepared with funds under this project shall be subject to copyright in the United States or any other country.

e. It will give the Secretary unrestricted authority to publish, disclose, distribute, and otherwise use any of the material prepared in connection with this grant.

f. It will grant the Secretary the right to disapprove the sponsor's employment of specific consultants and their subcontractors to do all or any part of this project as well as the right to disapprove the proposed scope and cost of professional services.

g. It will grant the Secretary the right to disapprove the use of the sponsor's employees to do all or any part of the project.

h. It understands and agrees that the Secretary's approval of this project grant or the Secretary's approval of any planning material developed as part of this grant does not constitute or imply any assurance or commitment on the part of the Secretary to approve any pending or future application for a Federal airport grant.

19. **Operation and Maintenance.**

a. The airport and all facilities which are necessary to serve the aeronautical users of the airport, other than facilities owned or controlled by the United States, shall be operated at all times in a safe and serviceable condition and in accordance with the minimum standards as may be required or prescribed by applicable Federal, state and local agencies for maintenance and operation. It will not cause or permit any activity or action thereon which would interfere with its use for airport purposes. It will suitably operate and maintain the airport and all facilities thereon or connected therewith, with due regard to climatic and flood conditions. Any proposal to temporarily close the airport for non-aeronautical purposes must first be approved by the Secretary. In furtherance of this assurance, the sponsor will have in effect arrangements for-

1) Operating the airport's aeronautical facilities whenever required;

2) Promptly marking and lighting hazards resulting from airport conditions, including temporary conditions; and

3) Promptly notifying airmen of any condition affecting aeronautical use of the airport. Nothing contained herein shall be construed to require that the airport be operated for aeronautical use during temporary periods when snow, flood or other climatic conditions interfere with such operation and maintenance. Further, nothing herein shall be construed as requiring the maintenance, repair, restoration, or replacement of any structure or facility which is substantially damaged or destroyed due to an act of God or other condition or circumstance beyond the control of the sponsor.

b. It will suitably operate and maintain noise compatibility program items that it owns or controls upon which Federal funds have been expended.

20. **Hazard Removal and Mitigation.**

It will take appropriate action to assure that such terminal airspace as is required to protect instrument and visual operations to the airport (including established minimum flight altitudes) will be adequately cleared and protected by removing, lowering, relocating, marking, or lighting or otherwise mitigating existing airport hazards and by preventing the establishment or creation of future airport hazards.

21. **Compatible Land Use.**

It will take appropriate action, to the extent reasonable, including the adoption of zoning laws, to restrict the use of land adjacent to or in the immediate vicinity of the airport to activities and purposes compatible with normal airport operations, including landing and takeoff of aircraft. In addition, if the project is for noise compatibility program implementation, it will not cause or permit any change in land use, within its jurisdiction, that will reduce its compatibility, with

respect to the airport, of the noise compatibility program measures upon which Federal funds have been expended.

22. **Economic Nondiscrimination.**

    a. It will make the airport available as an airport for public use on reasonable terms and without unjust discrimination to all types, kinds and classes of aeronautical activities, including commercial aeronautical activities offering services to the public at the airport.

    b. In any agreement, contract, lease, or other arrangement under which a right or privilege at the airport is granted to any person, firm, or corporation to conduct or to engage in any aeronautical activity for furnishing services to the public at the airport, the sponsor will insert and enforce provisions requiring the contractor to-

        1) furnish said services on a reasonable, and not unjustly discriminatory, basis to all users thereof, and

        2) charge reasonable, and not unjustly discriminatory, prices for each unit or service, provided that the contractor may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.

    c. Each fixed-based operator at the airport shall be subject to the same rates, fees, rentals, and other charges as are uniformly applicable to all other fixed-based operators making the same or similar uses of such airport and utilizing the same or similar facilities.

    d. Each air carrier using such airport shall have the right to service itself or to use any fixed-based operator that is authorized or permitted by the airport to serve any air carrier at such airport.

    e. Each air carrier using such airport (whether as a tenant, non-tenant, or subtenant of another air carrier tenant) shall be subject to such nondiscriminatory and substantially comparable rules, regulations, conditions, rates, fees, rentals, and other charges with respect to facilities directly and substantially related to providing air transportation as are applicable to all such air carriers which make similar use of such airport and utilize similar facilities, subject to reasonable classifications such as tenants or non-tenants and signatory carriers and non-signatory carriers. Classification or status as tenant or signatory shall not be unreasonably withheld by any airport provided an air carrier assumes obligations substantially similar to those already imposed on air carriers in such classification or status.

    f. It will not exercise or grant any right or privilege which operates to prevent any person, firm, or corporation operating aircraft on the airport from performing any services on its own aircraft with its own employees [including, but not limited to maintenance, repair, and fueling] that it may choose to perform.

    g. In the event the sponsor itself exercises any of the rights and privileges referred to in this assurance, the services involved will be provided on the same conditions as would apply to the furnishing of such services by commercial aeronautical service providers authorized by the sponsor under these provisions.

    h. The sponsor may establish such reasonable, and not unjustly discriminatory, conditions to be met by all users of the airport as may be necessary for the safe and efficient operation of the airport.

i. The sponsor may prohibit or limit any given type, kind or class of aeronautical use of the airport if such action is necessary for the safe operation of the airport or necessary to serve the civil aviation needs of the public.

23. **Exclusive Rights.**

It will permit no exclusive right for the use of the airport by any person providing, or intending to provide, aeronautical services to the public. For purposes of this paragraph, the providing of the services at an airport by a single fixed-based operator shall not be construed as an exclusive right if both of the following apply:

a. It would be unreasonably costly, burdensome, or impractical for more than one fixed-based operator to provide such services, and

b. If allowing more than one fixed-based operator to provide such services would require the reduction of space leased pursuant to an existing agreement between such single fixed-based operator and such airport. It further agrees that it will not, either directly or indirectly, grant or permit any person, firm, or corporation, the exclusive right at the airport to conduct any aeronautical activities, including, but not limited to charter flights, pilot training, aircraft rental and sightseeing, aerial photography, crop dusting, aerial advertising and surveying, air carrier operations, aircraft sales and services, sale of aviation petroleum products whether or not conducted in conjunction with other aeronautical activity, repair and maintenance of aircraft, sale of aircraft parts, and any other activities which because of their direct relationship to the operation of aircraft can be regarded as an aeronautical activity, and that it will terminate any exclusive right to conduct an aeronautical activity now existing at such an airport before the grant of any assistance under Title 49, United States Code.

24. **Fee and Rental Structure.**

It will maintain a fee and rental structure for the facilities and services at the airport which will make the airport as self-sustaining as possible under the circumstances existing at the particular airport, taking into account such factors as the volume of traffic and economy of collection. No part of the Federal share of an airport development, airport planning or noise compatibility project for which a grant is made under Title 49, United States Code, the Airport and Airway Improvement Act of 1982, the Federal Airport Act or the Airport and Airway Development Act of 1970 shall be included in the rate basis in establishing fees, rates, and charges for users of that airport.

25. **Airport Revenues.**

a. All revenues generated by the airport and any local taxes on aviation fuel established after December 30, 1987, will be expended by it for the capital or operating costs of the airport; the local airport system; or other local facilities which are owned or operated by the owner or operator of the airport and which are directly and substantially related to the actual air transportation of passengers or property; or for noise mitigation purposes on or off the airport. The following exceptions apply to this paragraph:

1) If covenants or assurances in debt obligations issued before September 3, 1982, by the owner or operator of the airport, or provisions enacted before September 3, 1982, in governing statutes controlling the owner or operator's financing, provide for the use of the revenues from any of the airport owner or operator's facilities, including the airport, to support not only the airport but also the airport owner or operator's general debt obligations or other facilities, then this limitation on the use of all revenues generated

by the airport (and, in the case of a public airport, local taxes on aviation fuel) shall not apply.

2) If the Secretary approves the sale of a privately owned airport to a public sponsor and provides funding for any portion of the public sponsor's acquisition of land, this limitation on the use of all revenues generated by the sale shall not apply to certain proceeds from the sale. This is conditioned on repayment to the Secretary by the private owner of an amount equal to the remaining unamortized portion (amortized over a 20-year period) of any airport improvement grant made to the private owner for any purpose other than land acquisition on or after October 1, 1996, plus an amount equal to the federal share of the current fair market value of any land acquired with an airport improvement grant made to that airport on or after October 1, 1996.

3) Certain revenue derived from or generated by mineral extraction, production, lease, or other means at a general aviation airport (as defined at Section 47102 of title 49 United States Code), if the FAA determines the airport sponsor meets the requirements set forth in Sec. 813 of Public Law 112-95.

b. As part of the annual audit required under the Single Audit Act of 1984, the sponsor will direct that the audit will review, and the resulting audit report will provide an opinion concerning, the use of airport revenue and taxes in paragraph (a), and indicating whether funds paid or transferred to the owner or operator are paid or transferred in a manner consistent with Title 49, United States Code and any other applicable provision of law, including any regulation promulgated by the Secretary or Administrator.

c. Any civil penalties or other sanctions will be imposed for violation of this assurance in accordance with the provisions of Section 47107 of Title 49, United States Code.

26. **Reports and Inspections.**

It will:

a. submit to the Secretary such annual or special financial and operations reports as the Secretary may reasonably request and make such reports available to the public; make available to the public at reasonable times and places a report of the airport budget in a format prescribed by the Secretary;

b. for airport development projects, make the airport and all airport records and documents affecting the airport, including deeds, leases, operation and use agreements, regulations and other instruments, available for inspection by any duly authorized agent of the Secretary upon reasonable request;

c. for noise compatibility program projects, make records and documents relating to the project and continued compliance with the terms, conditions, and assurances of this grant agreement including deeds, leases, agreements, regulations, and other instruments, available for inspection by any duly authorized agent of the Secretary upon reasonable request; and

d. in a format and time prescribed by the Secretary, provide to the Secretary and make available to the public following each of its fiscal years, an annual report listing in detail:
   1) all amounts paid by the airport to any other unit of government and the purposes for which each such payment was made; and
   2) all services and property provided by the airport to other units of government and the amount of compensation received for provision of each such service and property.

27. **Use by Government Aircraft.**

It will make available all of the facilities of the airport developed with Federal financial assistance and all those usable for landing and takeoff of aircraft to the United States for use by Government aircraft in common with other aircraft at all times without charge, except, if the use by Government aircraft is substantial, charge may be made for a reasonable share, proportional to such use, for the cost of operating and maintaining the facilities used. Unless otherwise determined by the Secretary, or otherwise agreed to by the sponsor and the using agency, substantial use of an airport by Government aircraft will be considered to exist when operations of such aircraft are in excess of those which, in the opinion of the Secretary, would unduly interfere with use of the landing areas by other authorized aircraft, or during any calendar month that –

a. Five (5) or more Government aircraft are regularly based at the airport or on land adjacent thereto; or

b. The total number of movements (counting each landing as a movement) of Government aircraft is 300 or more, or the gross accumulative weight of Government aircraft using the airport (the total movement of Government aircraft multiplied by gross weights of such aircraft) is in excess of five million pounds.

28. **Land for Federal Facilities.**

It will furnish without cost to the Federal Government for use in connection with any air traffic control or air navigation activities, or weather-reporting and communication activities related to air traffic control, any areas of land or water, or estate therein, or rights in buildings of the sponsor as the Secretary considers necessary or desirable for construction, operation, and maintenance at Federal expense of space or facilities for such purposes. Such areas or any portion thereof will be made available as provided herein within four months after receipt of a written request from the Secretary.

29. **Airport Layout Plan.**

a. Subject to the FAA Reauthorization Act of 2018, Public Law 115-254, Section 163, it will keep up to date at all times an airport layout plan of the airport showing:

1) boundaries of the airport and all proposed additions thereto, together with the boundaries of all offsite areas owned or controlled by the sponsor for airport purposes and proposed additions thereto;

2) the location and nature of all existing and proposed airport facilities and structures (such as runways, taxiways, aprons, terminal buildings, hangars and roads), including all proposed extensions and reductions of existing airport facilities;

3) the location of all existing and proposed non-aviation areas and of all existing improvements thereon; and

4) all proposed and existing access points used to taxi aircraft across the airport's property boundary. Such airport layout plans and each amendment, revision, or modification thereof, shall be subject to the approval of the Secretary which approval shall be evidenced by the signature of a duly authorized representative of the Secretary on the face of the airport layout plan. The sponsor will not make or permit any changes or alterations in the airport or any of its facilities which are not in conformity

with the airport layout plan as approved by the Secretary and which might, in the opinion of the Secretary, adversely affect the safety, utility or efficiency of the airport.

b. Subject to the FAA Reauthorization Act of 2018, Public Law 115-254, Section 163, if a change or alteration in the airport or the facilities is made which the Secretary determines adversely affects the safety, utility, or efficiency of any federally owned, leased, or funded property on or off the airport and which is not in conformity with the airport layout plan as approved by the Secretary, the owner or operator will, if requested, by the Secretary (1) eliminate such adverse effect in a manner approved by the Secretary; or (2) bear all costs of relocating such property (or replacement thereof) to a site acceptable to the Secretary and all costs of restoring such property (or replacement thereof) to the level of safety, utility, efficiency, and cost of operation existing before the unapproved change in the airport or its facilities except in the case of a relocation or replacement of an existing airport facility due to a change in the Secretary's design standards beyond the control of the airport sponsor.

30. **Civil Rights.**

It will promptly take any measures necessary to ensure that no person in the United States shall, on the grounds of race, creed, color, national origin, sex, age, or disability be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination in any activity conducted with, or benefiting from, funds received from this grant.

a. Using the definitions of activity, facility and program as found and defined in §§ 21.23 (b) and 21.23 (e) of 49 CFR § 21, the sponsor will facilitate all programs, operate all facilities, or conduct all programs in compliance with all non-discrimination requirements imposed by, or pursuant to these assurances.

b. Applicability

1) Programs and Activities. If the sponsor has received a grant (or other federal assistance) for any of the sponsor's program or activities, these requirements extend to all of the sponsor's programs and activities.

2) Facilities. Where it receives a grant or other federal financial assistance to construct, expand, renovate, remodel, alter or acquire a facility, or part of a facility, the assurance extends to the entire facility and facilities operated in connection therewith.

3) Real Property. Where the sponsor receives a grant or other Federal financial assistance in the form of, or for the acquisition of real property or an interest in real property, the assurance will extend to rights to space on, over, or under such property.

c. Duration.

The sponsor agrees that it is obligated to this assurance for the period during which Federal financial assistance is extended to the program, except where the Federal financial assistance is to provide, or is in the form of, personal property, or real property, or interest therein, or structures or improvements thereon, in which case the assurance obligates the sponsor, or any transferee for the longer of the following periods:

1) So long as the airport is used as an airport, or for another purpose involving the provision of similar services or benefits; or

2) So long as the sponsor retains ownership or possession of the property.

d. Required Solicitation Language. It will include the following notification in all solicitations for bids, Requests For Proposals for work, or material under this grant agreement and in all proposals for agreements, including airport concessions, regardless of funding source:

"The **(Name of Sponsor)**, in accordance with the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252, 42 U.S.C. §§ 2000d to 2000d-4) and the Regulations, hereby notifies all bidders that it will affirmatively ensure that any contract entered into pursuant to this advertisement, disadvantaged business enterprises and airport concession disadvantaged business enterprises will be afforded full and fair opportunity to submit bids in response to this invitation and will not be discriminated against on the grounds of race, color, or national origin in consideration for an award."

e. Required Contract Provisions.

1) It will insert the non-discrimination contract clauses requiring compliance with the acts and regulations relative to non-discrimination in Federally-assisted programs of the DOT, and incorporating the acts and regulations into the contracts by reference in every contract or agreement subject to the non-discrimination in Federally-assisted programs of the DOT acts and regulations.

2) It will include a list of the pertinent non-discrimination authorities in every contract that is subject to the non-discrimination acts and regulations.

3) It will insert non-discrimination contract clauses as a covenant running with the land, in any deed from the United States effecting or recording a transfer of real property, structures, use, or improvements thereon or interest therein to a sponsor.

4) It will insert non-discrimination contract clauses prohibiting discrimination on the basis of race, color, national origin, creed, sex, age, or handicap as a covenant running with the land, in any future deeds, leases, license, permits, or similar instruments entered into by the sponsor with other parties:

a. For the subsequent transfer of real property acquired or improved under the applicable activity, project, or program; and

b. For the construction or use of, or access to, space on, over, or under real property acquired or improved under the applicable activity, project, or program.

f. It will provide for such methods of administration for the program as are found by the Secretary to give reasonable guarantee that it, other recipients, sub-recipients, sub-grantees, contractors, subcontractors, consultants, transferees, successors in interest, and other participants of Federal financial assistance under such program will comply with all requirements imposed or pursuant to the acts, the regulations, and this assurance.

g. It agrees that the United States has a right to seek judicial enforcement with regard to any matter arising under the acts, the regulations, and this assurance.

31. **Disposal of Land.**

a. For land purchased under a grant for airport noise compatibility purposes, including land serving as a noise buffer, it will dispose of the land, when the land is no longer needed for such purposes, at fair market value, at the earliest practicable time. That portion of the proceeds of such disposition which is proportionate to the United States' share of acquisition of such land will be, at the discretion of the Secretary, (1) reinvested in another project at the airport, or (2) transferred to another eligible airport as prescribed by the Secretary. The Secretary shall give preference to the following, in descending order, (1)

reinvestment in an approved noise compatibility project, (2) reinvestment in an approved project that is eligible for grant funding under Section 47117(e) of title 49 United States Code, (3) reinvestment in an approved airport development project that is eligible for grant funding under Sections 47114, 47115, or 47117 of title 49 United States Code, (4) transferred to an eligible sponsor of another public airport to be reinvested in an approved noise compatibility project at that airport, and (5) paid to the Secretary for deposit in the Airport and Airway Trust Fund. If land acquired under a grant for noise compatibility purposes is leased at fair market value and consistent with noise buffering purposes, the lease will not be considered a disposal of the land. Revenues derived from such a lease may be used for an approved airport development project that would otherwise be eligible for grant funding or any permitted use of airport revenue.

b. For land purchased under a grant for airport development purposes (other than noise compatibility), it will, when the land is no longer needed for airport purposes, dispose of such land at fair market value or make available to the Secretary an amount equal to the United States' proportionate share of the fair market value of the land. That portion of the proceeds of such disposition which is proportionate to the United States' share of the cost of acquisition of such land will, (1) upon application to the Secretary, be reinvested or transferred to another eligible airport as prescribed by the Secretary. The Secretary shall give preference to the following, in descending order: (1) reinvestment in an approved noise compatibility project, (2) reinvestment in an approved project that is eligible for grant funding under Section 47117(e) of title 49 United States Code, (3) reinvestment in an approved airport development project that is eligible for grant funding under Sections 47114, 47115, or 47117 of title 49 United States Code, (4) transferred to an eligible sponsor of another public airport to be reinvested in an approved noise compatibility project at that airport, and (5) paid to the Secretary for deposit in the Airport and Airway Trust Fund.

c. Land shall be considered to be needed for airport purposes under this assurance if (1) it may be needed for aeronautical purposes (including runway protection zones) or serve as noise buffer land, and (2) the revenue from interim uses of such land contributes to the financial self-sufficiency of the airport. Further, land purchased with a grant received by an airport operator or owner before December 31, 1987, will be considered to be needed for airport purposes if the Secretary or Federal agency making such grant before December 31, 1987, was notified by the operator or owner of the uses of such land, did not object to such use, and the land continues to be used for that purpose, such use having commenced no later than December 15, 1989.

d. Disposition of such land under (a) (b) or (c) will be subject to the retention or reservation of any interest or right therein necessary to ensure that such land will only be used for purposes which are compatible with noise levels associated with operation of the airport.

32. **Engineering and Design Services.**

Engineering and Design Services. If any phase of such project has received Federal funds under Chapter 471 subchapter 1 of Title 49 U.S.C., it will award each contract, or sub-contract for program management, construction management, planning studies, feasibility studies, architectural services, preliminary engineering, design, engineering, surveying, mapping or related services in the same manner as a contract for architectural and engineering services is negotiated under Chapter 11 of Title 40 U. S. C., or an equivalent qualifications-based requirement prescribed for or by the sponsor of the airport.

33. **Foreign Market Restrictions.**

It will not allow funds provided under this grant to be used to fund any project which uses any product or service of a foreign country during the period in which such foreign country is listed by the United States Trade Representative as denying fair and equitable market opportunities for products and suppliers of the United States in procurement and construction.

34. **Policies, Standards, and Specifications.**

It will carry out the project in accordance with policies, standards, and specifications approved by the Secretary including, but not limited to, the advisory circulars listed in the Current FAA Advisory Circulars for AIP projects, dated , and included in this grant, and in accordance with applicable state policies, standards, and specifications approved by the Secretary.

35. **Relocation and Real Property Acquisition.**

a. It will be guided in acquiring real property, to the greatest extent practicable under State law, by the land acquisition policies in Subpart B of 49 CFR Part 24 and will pay or reimburse property owners for necessary expenses as specified in Subpart B.

b. It will provide a relocation assistance program offering the services described in Subpart C and fair and reasonable relocation payments and assistance to displaced persons as required in Subpart D and E of 49 CFR Part 24.

c. It will make available within a reasonable period of time prior to displacement, comparable replacement dwellings to displaced persons in accordance with Subpart E of 49 CFR Part 24.

36. **Access By Intercity Buses.**

The airport owner or operator will permit, to the maximum extent practicable, intercity buses or other modes of transportation to have access to the airport; however, it has no obligation to fund special facilities for intercity buses or for other modes of transportation.

37. **Disadvantaged Business Enterprises.**

The sponsor shall not discriminate on the basis of race, color, national origin or sex in the award and performance of any DOT-assisted contract covered by 49 CFR Part 26, or in the award and performance of any concession activity contract covered by 49 CFR Part 23. In addition, the sponsor shall not discriminate on the basis of race, color, national origin or sex in the administration of its Disadvantaged Business Enterprise (DBE) and Airport Concessions Disadvantaged Business Enterprise (ACDBE) programs or the requirements of 49 CFR Parts 23 and 26. The sponsor shall take all necessary and reasonable steps under 49 CFR Parts 23 and 26 to ensure nondiscrimination in the award and administration of DOT-assisted contracts, and/or concession contracts. The sponsor's DBE and ACDBE programs, as required by 49 CFR Parts 26 and 23, and as approved by DOT, are incorporated by reference in this agreement. Implementation of these programs is a legal obligation and failure to carry out its terms shall be treated as a violation of this agreement. Upon notification to the sponsor of its failure to carry out its approved program, the Department may impose sanctions as provided for under Parts 26 and 23 and may, in appropriate cases, refer the matter for enforcement under 18 U.S.C. 1001 and/or the Program Fraud Civil Remedies Act of 1936 (31 U.S.C. 3801).

38. **Hangar Construction.**

If the airport owner or operator and a person who owns an aircraft agree that a hangar is to be constructed at the airport for the aircraft at the aircraft owner's expense, the airport owner or

operator will grant to the aircraft owner for the hangar a long term lease that is subject to such terms and conditions on the hangar as the airport owner or operator may impose.

39. **Competitive Access.**

    a. If the airport owner or operator of a medium or large hub airport (as defined in section 47102 of title 49, U.S.C.) has been unable to accommodate one or more requests by an air carrier for access to gates or other facilities at that airport in order to allow the air carrier to provide service to the airport or to expand service at the airport, the airport owner or operator shall transmit a report to the Secretary that-

        1) Describes the requests;

        2) Provides an explanation as to why the requests could not be accommodated; and

        3) Provides a time frame within which, if any, the airport will be able to accommodate the requests.

    b. Such report shall be due on either February 1 or August 1 of each year if the airport has been unable to accommodate the request(s) in the six month period prior to the applicable due date.

9.2 NORTHEAST FLORIDA REGIONAL AIRPORT MINIMUM COMMERCIAL AVIATION OPERATING STANDARDS

PART I - PREAMBLE AND SCOPE

The responsibility for the operation and administration of the Northeast Florida Regional Airport ("Airport") is with the St. Augustine – St. Johns County Airport Authority ("Authority") through the Executive Director ("Director").

These Minimum Commercial Aviation Operating Standards are applicable to all Persons providing commercial aeronautical or aviation related activities or services to the public at the Airport and were developed taking into consideration the aviation role of the Airport, currently existing Airport facilities and services, planned development for the Airport, and promotion of fair and uniform competition taking into account existing providers of services and commodities so as to avoid conferring any unfair advantage. All persons desiring to conduct commercial aeronautical or aviation related activities or services at the Northeast Florida Regional Airport are required to have in place a written operating agreement or a composite lease/operating agreement detailing their respective compliance with this document and policy direction.

An important exclusion to these standards surrounds the provision of "scheduled" commercial airline service conducted under FAR Part 135 or Part 121. Airline agreements are presumed to be negotiated separately from other commercial operating standards.

These Minimum Operating Standards are intended to be the threshold requirements for those desiring to provide commercial aeronautical or aviation related services to the public at the Airport in accordance with the rules and regulations of the Federal Aviation Administration ("FAA"), including FAA Advisory Circular No. 150/5190-7, restrictions of public record, and other Policies of the Authority.[1]

Aeronautical activities may be proposed that do not fall within the categories designated in these Operating Minimum Standards. In such case, appropriate Minimum Operating Standards will be established by the Executive Director on a case-by-case basis for such activity and incorporated into the Person's written agreement.

PART II - DEFINITIONS

"Aeronautical Activity" or "Aeronautical Service" shall refer to any activity or service conducted at the Airport that involves, makes possible, or is required for the operation of Aircraft, or which contributes to or is required for the safety of such operations. These activities include, but are not limited to, Air Taxi and Charter operations, Aircraft fueling, Aircraft storage, Flight Training, Aircraft Rental, Aircraft Sales, Aircraft repair and maintenance, sightseeing, aerial photography, crop dusting, aerial advertising, aerial surveying, air carrier operations, sale of Aircraft parts, sale and maintenance of Aircraft accessories, radio, communication and navigational equipment, Flying Clubs and any other aeronautical or aviation related activity.

"Agreement" shall refer to the written agreement between the Authority and an Operator specifying the terms and conditions under which the Operator may conduct any Aeronautical Activity or perform any Aeronautical Service. Such Agreement shall recite the terms and conditions under which the activity or service will be conducted at the Airport including, but not limed to, term of the Agreement, rents, fees and charges to be paid, and the rights and obligations of the respective parties.

"Aircraft". The term Aircraft shall be construed broadly to include any device used or designed for navigation or flight in the air, regardless of FAA registration or licensure, including, but not limited to, airplanes, gliders, helicopters, gyrocopters, ultralights, balloons, and blimps.

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[1] These Standards are subject to change by the Authority pursuant to notice and public meeting.

"Air Charter" or "Air Taxi" shall refer to the operation of providing air transportation of person(s) and/or property for hire thru either a charter or air taxi operator in accordance with Federal Aviation Regulations contained at 14 CFR Part 121 or 135.

"Aircraft Fuel" shall refer to all flammable liquids composed of a mixture of hydrocarbons expressly manufactured or blended for the purpose of operating an internal combustion, jet or turbine engine.

"Aircraft Operation" shall refer to the movement of any Aircraft on Airport property and including, without limitation, the landing, take-off, and taxing of Aircraft at the Airport.

"Aircraft Owner" shall refer to the person(s) and/or entity(ies) holding legal title to an Aircraft and including person(s) and/or entity(ies) having exclusive and lawful possession of an Aircraft.

"Aircraft Rental" or "Aircraft Leasing" shall refer to the operation of renting or leasing Aircraft to the public.

"Aircraft Sales" shall refer to the sale of new or used Aircraft through brokerage, ownership, franchise, distributorship or dealership.

"Aircraft Storage" shall refer to the temporary or long-term parking or storage of Aircraft and as further confined to within those areas of the Airport depicted on the Airport Layout Plan or as expressly permitted by the Director in writing and subject to all terms and conditions imposed thereon.

"Airfield Operations Areas" or "AOA" shall refer to any area of the Airport used or intended to be used for landing, takeoff, or the surface maneuvering of Aircraft.

"Airframe and Power Plant Maintenance" shall refer to the commercial operation of providing airframe and power plant services, which include the service, repair, maintenance, inspection, construction or making modifications or alterations to Aircraft engines, propellers and appliances including the removal of engines for major overhaul as defined in 14 CFR Part 43, and further includes the sales of Aircraft parts.

"Airframe and Power Plant Mechanic" or "A&P" shall refer to any Person who holds an Aircraft mechanic certificate with both airframe and power plant ratings as authorized and described in 14 CFR Part 65.

"Airport" shall refer to Northeast Florida Regional Airport (SGJ) and includes all Authority owned or leased real or personal property, buildings, facilities and improvements within the boundaries of said Airport, as it presently exists or as it may exist when it is hereafter modified, expanded or developed, and which also includes all of its facilities as shown on the most current Airport Layout Plan.

"Airport Director" or "Executive Director" shall refer to the individual appointed and authorized by the Authority to administer and manage all operations of the Airport and Airport facilities, and to supervise all Airport projects.

"Airport Security" shall mean any security rules, regulations or program set forth by the Authority, including any such rules of the FAA, TSA or Department of Homeland Security.

"Airport Layout Plan" or "ALP" shall refer to the most recently approved plan or drawing depicting the physical layout of the Airport and identifying the location and configuration of current runways, taxiways, buildings, roadways, utilities, NAVAIDS, etc. The ALP is a component of the Airport's Master Plan.

"Aircraft Management Services Operator" shall refer to any Person(s) or Entity performing services for compensation pursuant to an Aircraft Management Services Agreement for an aircraft to be operated exclusively under FAR Part 91 on behalf of the aircraft owner. Aircraft management does not include the

control of or operation of the aircraft under FAR Part 135.

"Authority" shall refer to the St. Augustine – St. Johns County Airport Authority.

"Avionics Sales and Maintenance" shall refer to the operation of providing for the repair and service, or installation of Aircraft radios, instruments, and related accessories, and which operations may include the sale of new or used Aircraft radios, instruments, and related accessories.

"Based Aircraft" shall refer to any Aircraft which the Aircraft Owner physically locates or stores at the Airport, and whenever absent from the Airport, its owner intends to return the Aircraft to the Airport for storage. Any aircraft that is located at the Airport or as a result of any oral or written agreement with a airport tenant, provides for the indoor or outdoor storage of an aircraft for 180 days or more in a 365 day period is presumed to be a Based Aircraft.

"Building" shall refer to any existing or planned facility, hangar, or other structure of steel, concrete, concrete block, or substantial metal construction on a concrete foundation or with concrete footings, affixed to land within the Airport, and at such location as has been duly approved by the Authority. The erection, construction or expansion of any Building after adoption of these Standards shall be pursuant to all applicable zoning regulations and building codes.

"Commercial Operator" or "Operator" shall refer to any Person involved in any Aeronautical Activity or providing any Aeronautical Service within the Airport, or which contributes to, or is required for the safe conduct and utility of Aircraft Operations, the purpose of such activity being to generate or secure earnings, income, compensation, services, goods, like-kind exchange, or profit of any kind, whether or not such results are accomplished.

"County" shall refer to St. Johns County, Florida.

"Exclusive Right" shall refer to any power, privilege or other right excluding or debarring another from enjoying or exercising a like power, privilege or right. An Exclusive Right can be conferred either by express agreement, contract, license, lease, permit, the imposition of unreasonable standards or requirements or by any other means as set forth in FAA rules, regulations or governing law.

"FAA" shall refer to the Federal Aviation Administration, a federal agency within the Unites States Department of Transportation which has primary responsibility over air travel and transportation within the United States.

"FAR" shall refer to the Federal Aviation Regulations of the Federal Aviation Administration of the United States Department of Transportation.

"Fixed Base Operator" or "FBO" shall refer to any full service commercial aeronautical service provider that engages in a minimum of two (2) SASO activities, which two (2) activities must be of a substantial nature, meaning engaged in full-time, open to the public for such service(s) and a primary source of revenue, and as further defined in these Minimum Operating Standards. There are two (2) types of FBO's at the Airport distinguished by whether or not fuel sales are authorized, as set forth herein.

"Flight Training" shall refer to the commercial operation of instructing pilots in dual and solo flight, in fixed or rotary wing Aircraft, and related ground school instruction as necessary to complete a FAA written pilot's examination and flight check ride for various categories of pilots licenses and ratings, and shall also include any portion of a flight between two or more airports or other destinations where the primary purpose is to increase or maintain pilot or crew member proficiency.

"Flying Club" shall refer to any non-commercial and non-profit entity organized for the purpose of providing its members with Aircraft for their personal use and enjoyment. Aircraft must be vested in the name of the Flying Club's owners, on a pro-rata share, and the club may not derive greater revenue from the use of the Aircraft than the cost to operate, maintain and replace the Aircraft.

"Fueling" or "Fuel Handling" shall refer to the transportation, sale, delivery, dispensing, storage or draining of Fuel or fuel waste products to or from any Aircraft, vehicles or equipment.

"Fuel Storage Area" shall refer to any portion of the Airport designated temporarily or permanently by the Director as an area in which aviation, motor vehicle gasoline or any other type of fuel or fuel additive may be stored or loaded.

"General Aviation" shall refer to all phases of aviation other than military aviation and scheduled or commercial air carrier operations.

"Hazardous Material" shall refer to any substance, waste or material which is toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic or otherwise hazardous, and is or becomes regulated as a hazardous material by any governmental authority, agency, department, commission, board or agency.

"Independent Contractor" or "Independent Operator" shall refer to any Person or operator offering a 'single' Aeronautical Service, but without an established place of business on the Airport. Such services may include, without limitation, washing and detailing, prop balancing, maintenance and inspection. Independent Contractors (as this term is used interchangeably with "Independent Operators" for purposes of these Rules) shall be duly licensed or certificated as required for all work performed, maintain the required insurance, and fully comply with these Standards, including having an approved operating agreement with the Authority.

"Lease" shall refer to the written contract between the Airport and an Operator (Lessee) specifying the terms and conditions under which an Operator may occupy or operate from certain designated Airport facilities and/or property.

"Lessee" shall refer to any person(s) or entity(ies) who has entered into a Lease directly with the Airport regarding property located within the Airport.

"Master Plan" shall refer to the current master plan report and the scaled dimensional layout of the entire Airport, indicating current and proposed usage for each identifiable segment as approved by the Authority and the FAA.

"Minimum Operating Standards" or "Standards" shall refer to these qualifications, criteria, and standards established by the Authority as the minimum requirements that shall be met by all Commercial Operators within the Airport.

"Non-aeronautical Lease" shall refer to any Lease of Airport property that does not have access to the AOA and does not need to be close to the flight line in order to operate.

"Permit" shall refer to any administrative approval issued by the Director to any Person to conduct any Aeronautical Activity or provide any Aeronautical Service, on a temporary basis, and under such terms, conditions and duration as may be imposed and strictly limited to such location or locations as authorized.

"Person" as used in these Standards shall refer to any individual or individuals, corporation, firm, partnership, association, organization and any other group acting as an entity, or combination thereof, and further includes any trustee, receiver, assignee or similar representative thereof.

"Preventive Aircraft Maintenance" shall refer to any maintenance that is not considered a major Aircraft alteration or repair and does not involve complex assembly operations as listed in 14 CFR Part 43, except for Item 22 in the Regulation (Item 22 involves the replacement of prefabricated fuel lines, and shall, for the purposes of these regulations shall not be considered as preventative

"Privilege Fee/Commercial Activity Privilege Fee" shall refer to a compensation requirement by the Airport associated with an administrative approval issued by the Director to any Person to conduct any Aeronautical Activity or provide any Aeronautical Service, on a temporary basis, and under such terms, conditions and duration as may be imposed and strictly limited to such location or locations as authorized.

"Roadway" shall refer to any street or road, whether improved or unimproved, within the boundaries of the Airport and designated for use by ground vehicles.

"Rules and Regulations" or "Rules" shall refer to the rules and regulations approved by the Authority and as such Rules may be amended from time to time. The Rules shall apply to all Persons operating under or pursuant to these Standards.

"Self-Service" shall refer to the refueling, repair, preventive maintenance, towing, adjustment, cleaning and/or other general services of any Aircraft performed by an Aircraft Owner, or by such direct employee(s) of an Aircraft Owner with resources supplied by the Aircraft Owner. Self-Service cannot be contracted out to another party by the Aircraft Owner.

"Self-Fueling" is fueling of private aircraft exclusively by the owner or operator of the aircraft using his or her own employees and equipment and are, therefore, not commercial activities.

"Self-Service Commercial Fueling Facility" shall mean the Authority's exclusive fueling facility on the Airport that allows pilots to fuel their aircraft. The fueling facility is unattended and has been established by the Authority as an exclusive right of the Authority.

"Specialized Aviation Service Operation" or "SASO" shall refer to any aeronautical or aviation related business that offers a single or limited Aeronautical Service that does not include fueling. Examples of a SASO include, but are not limited to, Flight Training, Aircraft maintenance, Air charter, Air Taxi, Aircraft Sales, Aircraft Rental, Air Ambulance, Avionics Sales and Maintenance, avionics, instrument or propeller services, Aircraft Storage, sale of pilot supplies, or other specialized commercial flight support businesses. SASO's are not allowed to have fuel sales.

"Sublease" shall refer to any written agreement, approved by the Authority stating the terms and conditions under which a third party Operator leases space from a Lessee for the purpose of providing Aeronautical Activities or Services at or within the Airport.

"Taxilane" shall refer to those portions of the Airport apron area, or any other area, used for access between taxiways and Aircraft parking or storage areas.

"Taxiway" shall refer to those defined paths established for the taxiing of Aircraft from one part of the Airport to another.

"Through the Fence" shall refer to any Person offering commercial goods or services, other than passenger or cargo transportation by aircraft, to customers on the Airport, but who does not maintain their primary place of business at the Airport.

"UNICOM" shall refer to any two-way communication system that provides Airport advisory information.

"Variance" shall refer to any approved deviation from the requirements of these Minimum Operating Standards as provided herein.

"Vehicle Parking Area" shall refer to any portion of the Airport designated and made available temporarily or permanently by the Director for the parking of vehicles.

PART III – QUALIFICATIONS AND REQUIREMENTS FOR OPERATORS

1. Any Person desiring to conduct to do business as an Operator within the Airport, unless exempted hereunder, shall make written application to the Director.

2. The Applicant (prospective Operator) shall provide in connection with the Application, at a minimum, the following:

a. A detailed description of the scope of the proposed operation, a detailed description of the means and methods to be employed to accomplish the intended operation, and a proposed date for commencement of said activities or services.

b. The amount of land or building space desired to be used or occupied.

c. Preliminary plans, specifications and dates for any improvements that the Applicant intends to make on the Airport as part of the activity for which approval is sought.

d. A listing of current or proposed assets that will be used in the business on the Airport.

e. Periods (days and hours) of proposed operation.

f. The current financial statement, together with financial projection for the first three years of operation, as prepared or certified by a Certified Public Accountant.

g. The name, address, telephone number and e-mail address of the Applicant.

- If the Applicant is a corporation, include the names, addresses and telephone numbers of the corporation's officers and directors and the names and addresses of all shareholders having a ten (10%) percent or greater ownership interest in the Applicant.
- If the Applicant is a partnership, include the names, addresses and telephone numbers of all general or limited partners having a ten (10%) percent or greater ownership interest in the Applicant.

h. The name address and telephone number of any person who holds a controlling interest, directly or indirectly, in the entity which is making Application.

- Applicants shall also disclose if any officer, director, partner or individual holding a controlling interest in the entity making Application is also an officer, director, partner or person holding a controlling interest in any activity presently located or operating within the Airport.

I. A sample signature must be provided for all parties whose names will appear on any lease, operating agreement, license, and/or permit.

j. The total number of persons to be employed by the proposed operation.

k. A current credit report for each party owning or having ten (10%) percent or more financial interest in the business and a credit report on the business itself covering all geographical areas in which it has done business in the ten-year period immediately prior to such application.

l. Copies of all licenses, certifications and permits processed by the Applicant and its key employees to be based at the leased premises that are necessary or required to perform the proposed services.

m. An agreement to provide bond or suitable guarantee of adequate funds to Airport to be used to defray any expenses and fees normally paid by the Operator between the estimated time the Operator may default and a new lease is executed and another Operator takes over.

n. A written authorization for the FAA, any aviation or aeronautics commissions, administrators and departments of all states in which the Applicant has engaged in aviation business to release information in their files relating to the Applicant or its operation [the Applicant will execute such forms, releases or releases as may be required by those agencies].

o. Copy(ies) of insurance company letter of intent of liability coverage for the business operation, flight operations, itinerant Aircraft and operators and premises insurance.

p. Amenities and methods used to attract new business. A fully executed operating agreement or lease/operating agreement with the Authority shall be required of all based commercial users.

q. Any other information the Director may reasonably required to evaluate the application.

r. All Commercial Operators are encouraged to exceed the minimums; none will be allowed to operate under conditions below the minimum. These Minimum Operating Standards are not intended to be all-inclusive, as the Operator of a commercial venture which is based on the Airport will be subject additionally to all applicable Federal, State and local laws, orders, codes, ordinances and other similar regulatory measures, including any Airport rules and regulations promulgated by the Authority.

s. "Through the Fence" operators are discouraged by the Authority. While the Authority may, at times, enter into an agreement (i.e. access agreement or operating agreement) that permits access to the Airport by independent operators offering an aeronautical activity or to owners of aircraft based on land adjacent to, but not a part of, the Airport property, such "through-the-fence" Persons could undermine the Airport's minimum standards unless precautions are taken to ensure compliance with these minimum standards and to ensure the Authority's ability to meet all of its Federal obligations. No "through the fence" activity is permitted without a written agreement.

t. Each Person shall comply with Airport Security and the Authority's rules on Pedestrian/Vehicle Gate Access.

3. The following additional qualifications and requirements shall apply to all Persons desiring to operate an FBO at the Northeast Florida Regional Airport:

a. The prospective FBO shall lease from the Authority no less than the minimum acreage within the Airport, a hangar of not less than the minimum square feet, provide for and maintain not less than the minimum square feet of ramp area, provide for and maintain not less than the minimum square feet of floor space for

office, customer lounge, permanent rest rooms, public telephone facilities for customer use and telephone service connections to the Flight Service Station and/or the United States Weather Bureau as set forth in detail herein.

b. Leases for any prospective FBO shall be for such term and duration as mutually agreed upon between the parties with due consideration for similar operations at the Airport, the financial investment of the prospective FBO, amortization of that investment, the Airport's Master Plan and ALP, governing FAA regulations and deed restrictions, and with due consideration that the prospective FBO is not provided any unfair competitive advantage over the existing FBO Operator or Operators.

c. The Person operating the prospective FBO shall have such business background and shall have demonstrated such business capability to the satisfaction of the Director. Such Person shall further demonstrate that they have adequate resources to realize the business objectives agreed to by the Director and the Applicant.

PART IV - APPLICATION PROCESS

1. All Applications will be reviewed and acted upon by the Director within ninety (90) days of receipt of the application.

2. Applications may be denied for one or more of the following reasons:

a. The Applicant does not fully meet qualifications, standards and requirements established by these Minimum Operating Standards.

b. The Applicant's proposed operation or construction would create a safety hazard on the Airport.

c. The granting of the application will require the expenditure of local funds, labor or materials on the facilities described in or related to the application, or the operation will result in a financial loss to the Airport.

d. There is no appropriate or adequate available space or building on the Airport to accommodate the entire activity of the Applicant at the time of application.

e. The proposed operation, Airport development or construction does not comply with the any Land Use Ordinance, Airport Master Plan or Airport Layout Plan.

f. The development or use of the area requested will result in a congestion of Aircraft or buildings, the overstress of existing facilities, or will result in unduly interfering with the operations of any present FBO on the Airport, such as problems in preventing free access and egress to the existing FBO area, or will result in depriving, without the proper economic study, an existing FBO of portions of its leased area in which it is operating.

g. Any party applying, or interested in the business, has supplied false information, or has misrepresented any material fact in the application or in supporting documents, or has failed to make full disclosure on the application.

h. Any party applying, or having an interest in the business, has a record of violating the Rules and Regulations of any other Airport, Civil Air Regulations, Federal Aviation Regulations or any other Rules and Regulations applicable to this or any

other Airport.

l. Any party applying, or having an interest in the business, has defaulted in the performance of any lease or other agreement with the Airport or any lease or other agreement at any other Airport.

j. Any party applying, or having an interest in the business, is not sufficiently credit worthy and responsible in the judgment of the Director to provide and maintain the business to which the application relates and to promptly pay amounts due under the Lease.

k. The Applicant does not have the finances necessary to conduct the proposed operation for a minimum period of six (6) months.

l. The Applicant has failed to make full disclosure in the application or supporting documents or has made a false or misleading disclosure.

m. The Applicant has committed a crime or violated a local ordinance, rule or regulation, which adversely reflects on its ability to conduct the Commercial Operation for which application is made.

PART V - APPEALS AND VARIANCES

1. This Part V only applies to pre-leasing or proposal activity. For appeals of decisions related to an existing lease, the reader is referred to the Administrative Appeal process in the Authority's Lease Policy, Section 8.2. The Authority shall hear appeals when it is alleged that there is an error in any order, requirement, decision or determination made by the Director in the interpretation or enforcement of these Minimum Operating Standards or of any other applicable rule or regulation. The Authority may, upon timely and proper application for appeal and following hearing, determine the decision be reversed or affirmed, wholly or partly, or recommend modifying the order, requirement, decision or determination made by the administrative official in the enforcement of this policy. The Authority shall have the final authority as to the disposition of any appeal.

2. Additionally, the Authority may, upon proper application for variance and following hearing, determine that a variance from the terms of this policy will not be contrary to the public interest when, due to special conditions, a literal enforcement of the provisions of the policy would result in an unnecessary and undue hardship. In order to authorize any variance from the terms of the policy, the Authority must find:

a. That special conditions and circumstances exist which are peculiar to the land, structure or building involved and which are not applicable to other lands, structures or buildings of the same aviation use;

b. That the special conditions and circumstances were not caused by or result from the actions of the Applicant;

c. That granting the variance requested will not give the Applicant any special privilege that is denied by this policy to other lands, buildings or structures of the same aviation use;

d. That literal interpretation of the provisions of the policy would deprive the Applicant of rights commonly enjoyed by other properties of the same aviation use under the terms of the policy and would result in an unnecessary and undue hardship on the Applicant;

e. That the variance granted is the minimum variance that will make possible the reasonable use of the land, building or structure; and

f. That the granting of the variance will be in harmony with the general intent and purpose of the Minimum Operating Standards or Lease Policy and that such variance will not be injurious to the area involved or otherwise detrimental to public welfare.

3. The Authority may prescribe appropriate conditions and safeguards in conformity with the aviation use regulations. Violation of such conditions and safeguards, when made a part of the terms under which the variance is granted, shall be deemed a violation of the policy.

4. The Authority may prescribe a reasonable time limit within which the action for which the variance is required shall be started, completed or both.

5. No variance shall be granted to allow a use that would not otherwise be permitted.

6. Procedure for appeals and variances:

a. Hearings - Appeals to the Authority for a hearing may be taken by any Person aggrieved by any decision or ruling of the Director or of the Airport which directly affects such Person. Said aggrieved Person must complete and file with the Director an application for appeal within thirty (30) days of such decision or ruling. Failure to file an appeal with the Director within said 30 day time period shall constitute a full waiver of such Person's right to appeal and, consequently, such decision or ruling shall become final and non-appealable. The Hearing shall be conducted under such rules and procedure as may be adopted by the Authority, from time to time.

b. Application for an Appeal or Variance - The application (in such form or forms as prescribed) for an appeal or variance shall be completed, duly signed, and filed with the Director. Any Person requesting an appeal or variance shall submit any additional data pertinent to their request with their application filed with the Director. The Authority shall hear requests for variances in the same manner as appeals.

c. Final Action by Authority – The Authority may affirm, reverse, or modify, in whole or part, the decision of the Director. The action and written decision of the Authority shall constitute final agency action for purposes of any judicial appeal.

7. Required notice for appeals and variances: The Director shall send notice setting forth the time, place and purpose of the hearing to the interested parties. Notice shall be sent by facsimile or certified mail to the owner's facsimile number or address of record maintained by the Director no later than seven (7) days prior to the scheduled hearing date. The Director shall maintain a copy of the facsimile confirmation or mailing certification as evidence of compliance with this section.

PART VI - MINIMUM OPERATING STANDARDS

SUBPART A - Fixed Based Operators

1. Purpose/Objective:

To establish minimum operating standards for all Fixed Based Operators within the Airport. There shall be two types of Fixed Based Operators at the Airport, one type having fuel sales and the other type not having fuel sales. FBO's with fuel sales are considered by the Airport to be more significant to Airport operations and more likely to impact the Airport facilities and, therefore, justify different and additional operating standards. In order for an FBO to dispense fuel, it must demonstrate a significant commitment to capital facilities, infrastructure and personnel so that it has the resources to properly manage commercial fuel sales and service.

2. Minimum Operating Standards for Fixed Based Operators With Fuel Sales:

a. Each FBO shall have its premises open and services available 7:00 a.m. to 10:00 p.m., 7 days a week, and shall make provision for at least one qualified and trained individual to be in attendance in the office at all times during the required operating hours. Emergency "on call" service will be provided during off duty hours.

b. Each FBO shall conduct its operations on no less than three (3) acres, provide for not less than 10,000 square feet of hangar space, provide for not less than 80,000 square feet of ramp area space, and provide for no less than 2,000 square feet of floor space for office, customer lounge, and permanent rest rooms.

c. Each FBO shall provide public telephone facilities for customer use and telephone service connections to the Flight Service Station and/or the United States Weather Bureau.

d. Each FBO shall ensure that the piling and storage of crates, boxes, barrels and other containers will not be permitted within the leased premises.

e. Each FBO shall provide, directly or by approved subcontractor, the following:

I. Aircraft guidance on the ramp
ii. Aircraft parking and tie-down services
iii. Retail aviation fuel sales
iv. Aircraft Charters
v. Aircraft Maintenance services
vi. Basic Flight Training
iv. Ground support equipment including Aircraft tugs, air compressor, battery chargers, energizers and starters, ground power units and an adequate supply of properly maintained and appropriately located fire extinguishers.
v. Flight planning and flight service facilities
vi. Public amenities

f. Each FBO shall assure the following:

i. All employees regularly scheduled to duty on airside portions of the FBO leasehold are uniformly attired to allow for immediate recognition.
ii. All employees are screened and badged for security purposes consistent with Authority requirements.
iii. All airside vehicles are marked and identified in a manner that provides for

ready identification of the FBO.

iv. A “follow-me” vehicle is available for use that identifies the specific FBO.

g. Each FBO shall facilitate an adequate quantity of paved parking for customers and employees in accordance with all applicable airport rules, local zoning regulations and building codes.

h. Each FBO shall maintain, continuously in effect at all times while operating within the Airport, at its sole expense, insurance with total limits in an amount not less than the amounts prescribed by the Authority and listing the Authority as additional insured; further, broad form contractual liability will be included (see APPENDIX 1 hereto). Each FBO shall make its own analysis to determine if more insurance is needed.

i. Additional Minimum Standards for FBO’s Dispensing Aircraft Fuel:

I. Each FBO with Fuel shall comply with FAA Advisory Circular No. 150/5230-4A – Aircraft Fuel Storage, Handling, and Dispensing on Airports, FAA Advisory Circular No. 150/5230-4B - Aircraft Fuel Storage, Handling, Training, and Dispensing on Airports, Addendum for Advisory Circular 150/5230-4B, dated June 25, 2017, as may be amended or updated.

II. No part of FBO fueling can be subcontracted to another Person by the FBO and the FBO shall be directly responsible for any actions or inactions taken in connection with fueling activity by the FBO.

III. Each FBO shall secure and maintain all licenses and permits required by Federal State and County laws, rules and regulations for the transporting and dispensing of fuel.

IV. Each FBO shall have and maintain at least one metered and filter-equipped Aircraft Fuel dispenser, as approved by all governmental authorities having jurisdiction, for dispensing 100-octane or greater Aviation Fuel (AvGas) from an approved above-ground storage tanks having a minimum capacity of 15,000 gallons. Further, each FBO shall have and maintain at least one metered and filter-equipped Aircraft Fuel dispenser, as approved by all governmental authorities having jurisdiction, for dispensing Jet A or greater Aviation Fuel from an approved above-ground storage tanks having a minimum capacity of 25,000 gallons.

V. Mobile dispensing equipment shall be of an approved ASTM or ATA specification and have a total capacity of at least 500 gallons for AvGas and 1,000 gallons of Jet fuel.

VI. Each FBO shall ensure that maintenance of pumping equipment meets all applicable safety and other regulatory requirements and have reliable metering, filtering and grounding devices subject to independent inspection.

VII. Each FBO shall maintain an adequate supply of fuel at all times; further, each FBO shall secure and maintain an on-going contract with a bona fide, branded fuel supplier to ensure that there will be a continuous supply of appropriate Aircraft Fuel with at least $50 million in extended product liability coverage is afforded.

VIII. Each FBO shall maintain an adequate inventory of generally accepted grades of aviation engine oil and lubricants.

IX. Each FBO shall ensure the lawful and sanitary handling and timely disposal, away from the Airport, of all solid waste, regulated waste and other materials including, but not limited to, used oil, solvents and other regulated waste.

X. Each FBO shall provide for, on a regular and ongoing basis, appropriate training programs for all personnel involved in the transport and/or dispensing of fuel in strict compliance with FAA Part 139 requirements.

XI. Each FBO with Fuel shall have an on-site manager with a minimum of five (5) years of applicable industry experience and approved by the Airport Director. The Authority shall be notified of change in FBO on-site management.

XII. Each FBO with Fuel shall comply with the Authority's additional insurance requirements covering fuel related operations.

3. Minimum Operating Standards for Fixed Based Operators Without Fuel Sales:

a. Each FBO shall have its premises open and services available 9:00 a.m. to 5:00 p.m., 5 days a week, and shall make provision for at least one qualified and trained individual to be in attendance in the office at all times during the required operating hours. Emergency "on call" service will be provided during off duty hours.

b. Each FBO shall provide for not less than 5,000 square feet of hangar space, provide for not less than 2,000 square feet of ramp area space, and provide for no less than 750 square feet of floor space for office, customer lounge, and permanent rest rooms.

c. Each FBO shall provide public telephone facilities for customer use and telephone service connections to the Flight Service Station and/or the United States Weather Bureau.

d. Each FBO shall ensure that the piling and storage of crates, boxes, barrels and other containers will not be permitted within the leased premises.

e. Each FBO shall provide the following:

I. Aircraft guidance on the ramp
vii. Aircraft parking and tie-down services
viii. Aircraft Maintenance services
vii. Ground support equipment including Aircraft tugs, air compressor, battery chargers, energizers and starters, ground power units and an adequate supply of properly maintained and appropriately located fire extinguishers.
viii. Flight planning and flight service facilities
ix. Public amenities

f. Each FBO shall assure the following:

v. All employees regularly scheduled to duty on airside portions of the FBO leasehold are uniformly attired to allow for immediate recognition.

vi. All employees are screened and badged for security purposes consistent with Authority requirements.

vii. All airside vehicles are marked and identified in a manner that provides for ready identification of the FBO.

viii. A “follow-me” vehicle is available for use that identifies the specific FBO.

g. Each FBO shall facilitate an adequate quantity of paved parking for customers and employees in accordance with all applicable airport rules, local zoning regulations and building codes.

h. Each FBO shall maintain, continuously in effect at all times while operating within the Airport, at its sole expense, insurance with total limits in an amount not less than the amounts prescribed by the Authority and listing the Authority as additional insured; further, broad form contractual liability will be included (see APPENDIX 1 hereto). Each FBO shall make its own analysis to determine if more insurance is needed.

FAA Advisory Circular No. 150/5190-7, allows for SASO’s to be special FBO’s and subject to FBO minimum requirements when bundling services. However, fuel sales are only allowed for a full-service FBO.

SUBPART B - Aircraft Sales

1. Purpose/Objective:

To establish minimum operating standards for any Person engaging in Aircraft Sales or Brokerage Services within the Airport.

2. Minimum Operating Standards for Aircraft Sales:

a. Each Person engaging in Aircraft Sales shall:

i. If engaged in the sale or brokerage of new aircraft, maintain a stock of representative products and/or catalogs for the line of Aircraft they sell.

ii. Provide for the necessary and satisfactory repair and servicing of Aircraft (but only for the duration of any sales guarantee or warranty period and shall provide an adequate inventory of spare parts for the type of new Aircraft for which sales privileges are granted).

iii. Conduct its operations on a leasehold area that provides for not less than 3,000 square feet of combined office and hangar space and provides for ramp space capable of supporting its inventory needs.

b. Each Person engaging in Aircraft Sales shall employ a responsible and qualified person possessing required certification to supervise the operations in the leased area with the authorization to represent and act for and on the behalf of the firm during all normal work hours. Such Person shall further employ sufficient trained personnel to meet Minimum Standards in an efficient manner during scheduled working hours.

c. Each Person engaging in Aircraft Sales shall facilitate an adequate quantity of paved parking for customers and employees in accordance with all applicable airport rules, local zoning regulations and building codes

d. Each Person engaging in Aircraft Sales shall maintain, continuously in effect at all times while operating within the Airport, at its sole expense, insurance with total limits in an amount not less than the amounts prescribed by the Authority and listing the Authority as additional insured; further, Broad form contractual liability will be included (see APPENDIX 1 hereto).

SUBPART C - Aircraft Airframe, Engine or Accessory Maintenance and Repair

1. Purpose/Objective:

To establish minimum operating standards for any Person engaging in Aircraft Airframe, Engine or Accessory Maintenance and Repair within the Airport.

2. Minimum Operating Standards for Aircraft Airframe, Engine or Accessory Maintenance and Repair:

a. Each Person providing services hereunder shall conduct normal and reasonable business hours. Normal and reasonable business hours for purposes herein shall mean remaining open and providing service to the public as specified in the lease agreement.

b. Each Person providing services hereunder shall provide sufficient equipment supplies, manuals and availability of parts and shall meet the requirements of all applicable FARs and amendments thereto and other applicable rules and regulations.

c. Each Person providing services hereunder shall conduct its operations on a leasehold area that provides for not less than 3,000 square feet of combined office and hangar space, and provides for ramp space capable of supporting its needs.

d. Each Person providing services hereunder shall have in its employ, and on duty during the appropriate business hours, trained and certified personnel in such numbers as are required to meet the required operating agreement set forth in this category of services in an efficient manner, but never less than one person currently certificated by the FAA with ratings appropriate to the work being performed and who holds an airframe, power plant or an Aircraft inspector rating.

e. Each Person providing services hereunder shall facilitate an adequate quantity of paved parking for customers and employees in accordance with all applicable airport rules, local zoning regulations and building codes

f. Each Person providing services hereunder shall maintain, continuously in effect at all times while operating within the Airport, at its sole expense, insurance with total limits in an amount not less than the amounts prescribed by the Authority and listing the Authority as additional insured; further, Broad form contractual liability will be included (see APPENDIX 1 hereto).

SUBPART D - Specialized Equipment Sales and Maintenance

1. Purpose/Objective:

To establish minimum operating standards for any Person engaging in Specialized Equipment Sales and Maintenance within the Airport. For purposes herein, Specialized Equipment refers to avionics, instruments or propellers, and the sales of maintenance of said equipment. This category shall also include the sale of Aircraft parts and accessories.

2. Minimum Operating Standards for Specialized Equipment Sales and Maintenance:

a. Each Person providing services hereunder shall conduct normal and reasonable business hours. Normal and reasonable business hours for purposes herein shall mean remaining open and providing service to the public as specified in the lease agreement as specified in the lease agreement.

b. Each Person providing services hereunder shall have in its employ and on duty during the appropriate business hours, trained and certified personnel in such numbers as are required to meet the terms of the required operating agreement in an efficient manner. All work requiring such, shall require FAA-rated for each and every specialization which such Person is engaged (*i.e*. avionics, instruments, propellers or any combination thereof).

c. Each Person providing services hereunder shall conduct its operations on a leasehold area that provides for not less than 3,000 square feet of combined office and hangar space, and provides for ramp space capable of supporting its business needs.

d. All parts and accessories sold or resold shall be approved for use by the FAA in aircraft.

e. Each Person providing services hereunder shall facilitate an adequate quantity of paved parking for customers and employees in accordance with all applicable airport rules, local zoning regulations and building codes

f. Each Person providing services hereunder shall maintain, continuously in effect at all times while operating within the Airport, at its sole expense, insurance with total limits in an amount not less than the amounts prescribed by the Authority and listing the Authority as additional insured; further, Broad form contractual liability will be included (see APPENDIX 1 hereto).

SUBPART E - Aircraft Leasing and Rental

1. Purpose/Objective:

To establish minimum operating standards for any Person engaging in Aircraft Leasing and Rental within the Airport.

2. Minimum Operating Standards for Aircraft Leasing and Rental:

a. Each Person providing services hereunder shall have available for rental, either owned or under written lease to the company, at least two properly certificated Aircraft, one of which must be a four-place Aircraft equipped for and capable of flight under instrument weather conditions.

b. Each Person providing services hereunder shall have available at least one flight instructor who has been properly certificated by the FAA to provide pilot check out in the Aircraft offered for lease or rent. Additional Flight Instruction under this category is not authorized.

c. Each Person providing services hereunder shall conduct its operations on a leasehold area that provides for not less than 3,000 square feet of combined office and hangar space, and provides for ramp space capable of supporting its business needs.

d. Each Person providing services hereunder shall facilitate an adequate quantity of paved parking for customers and employees in accordance with all applicable airport rules, local zoning regulations and building codes

e. Each Person providing services hereunder shall maintain, continuously in effect at all times while operating within the Airport, at its sole expense, insurance with total limits in an amount not less than the amounts prescribed by the Authority and listing the Authority as additional insured; further, Broad form contractual liability will be included (see APPENDIX 1 hereto).

SUBPART F - Flight Training Facility

1. Purpose/Objective:

To establish minimum operating standards for any Person providing a Flight Training Facility on the Airport.

2. Minimum Operating Standards for Flight Training Facility:

a. Each Person providing a Flight Training Facility shall have at least two properly certificated Aircraft available for use in flight training, one of which must be a four place Aircraft, and one of which must be equipped for and capable of use in instrument flight instructions.

b. Each Person providing a Flight Training Facility shall have at least one full-time flight instructor who has been properly certificated by the FAA to provide the type(s) of training offered.

c. Each Person providing a Flight Training Facility shall conduct its operations on a leasehold area that provides for not less than 4,000 square feet of combined office and hangar space and provides for ramp space capable of supporting its business needs.

d. Each Person providing Flight Training shall facilitate an adequate quantity of paved parking for customers and employees in accordance with all applicable airport rules, local zoning regulations and building codes

e. Each Person providing Flight Training shall maintain, continuously in effect at all times while operating within the Airport, at its sole expense, insurance with total limits in an amount not less than the amounts prescribed by the Authority and listing the Authority as additional insured; further, Broad form contractual liability will be included (see APPENDIX 1 hereto).

SUBPART G - Aircraft Charter and Air Taxi

1. Purpose/Objective:

To establish minimum operating standards for any Person engaging in FAR Part 135 Aircraft Charter and Air Taxi operations within the Airport.

2. Minimum Operating Standards for Aircraft Charter and Air Taxi:

a. No commercial activity shall be conducted from any T-Hangar or T-Hangar-type hangar or facility.

b. Each Person providing services hereunder shall provide the type, class, size and number of Aircraft to perform the intended operation and shall be certificated under FAR Part 135. There shall be at least one Aircraft to meet the requirements of the air taxi commercial certificate held by said Person.

c. Each Person providing services hereunder shall employ and have on duty during the appropriate business hours as specified in the Lease Agreement, adequately trained personnel in sufficient numbers to meet the Minimum Operating Standards, but never less than one (1) person who is an FAA certified commercial pilot and otherwise appropriately rated to permit the offered flight activity.

d. Each Person providing services hereunder shall conduct its operations on a leasehold area that provides for not less than 3,000 square feet of combined office and hangar space, and provides for ramp space capable of supporting its business needs.

e. Each Person providing services hereunder shall facilitate an adequate quantity of paved parking for customers and employees in accordance with all applicable airport rules, local zoning regulations and building codes

f. Each Person providing services hereunder shall maintain, continuously in effect at all times while operating within the Airport, at its sole expense, insurance with total limits in an amount not less than the amounts prescribed by the Authority and listing the Authority as additional insured; further, Broad form contractual liability will be included (see APPENDIX 1 hereto).

SUBPART H - Aircraft Storage

1. Purpose/Objective:

To establish minimum operating standards for any Person engaging in Aircraft Storage within the Airport.

2. Minimum Operating Standards for Aircraft Storage:

a. Each Person providing Aircraft Storage hereunder shall have its facilities available for the tenants' Aircraft storage and removal on a continuous basis as specified in the Lease Agreement.

b. Each Person providing Aircraft Storage hereunder shall demonstrate that it can provide sufficient personnel trained to meet all requirements for the storage of Aircraft with appropriate equipment.

c. Each Person providing Aircraft Storage hereunder shall conduct its operations on no less one (1) acre of land, provide for not less than 10,000 square feet of combined office and hangar space, and provide for not less than 15,000 square feet of ramp space.

d. Each Person providing services hereunder shall provide, within the leased area, paved parking for its customers and employees in accordance with applicable zoning regulations and building codes.

e. Each Person providing services hereunder shall maintain, continuously in effect at all times while operating within the Airport, at its sole expense, insurance with total limits in an amount not less than the amounts prescribed by the Authority and listing the Authority as additional insured; further, broad form contractual liability will be included (see APPENDIX 1 hereto).

SUBPART I - Specialized Commercial Flight Services

1. Purpose/Objective:

To establish minimum operating standards for any Person engaging in Specialized Commercial Flight Services within the Airport. This category includes the following aviation related services for hire: a) Sightseeing flights that begin and end at the Airport; b) Crop dusting, seeding and spraying; c) Aerial photography and survey; d) Power line or pipeline patrol; e) Firefighting; f) Glider/Sailplane operations; g) Any other operations not specifically regulated under FAR Parts 43, 119, 121, 135, 141, or 142 of the Federal Aviation Regulations.

2. Minimum Operating Standards for Specialized Commercial Flight Services:

a. Each Person providing services hereunder shall conduct its operations in a leased or constructed building sufficient to accommodate all of its proposed activities and operations proposed or in the case of short-term need, shall arrange for space satisfactory to the Director and consistent with the scope of the proposed operation.

b. Further, each Person specifically providing any form of crop-dusting, aerial application, or aerial spraying of any chemical shall make suitable arrangements and have such space available in its proposed area for the safe loading, unloading, storage and containment of chemical materials. Such Person shall further prepare a written emergency plan for the handling of hazardous materials and which plan shall be filed with the Director prior to commencement of operations and shall be reviewed and updated on a periodic basis. Any and all spills must be immediately reported to the Director. Additionally, each Person hereunder shall demonstrate that they have a sufficient number of Aircraft that are suitably equipped and certified for the particular type of operation they intend to perform.

c. Each Person providing services hereunder shall have on duty, a sufficient number of trained personnel in order to efficiently meet and carry out these Standards.

d. Each Person providing services hereunder shall provide a point of contact for those desiring to use the services provided. An emergency contact name and phone number must be provided to the Director or its designee.

e. Each Person providing services hereunder shall facilitate an adequate quantity of paved parking for customers and employees in accordance with all applicable airport rules, local zoning regulations and building codes

f. Each Person providing services hereunder shall maintain, continuously in effect at all times while operating within the Airport, at its sole expense, insurance with total limits in an amount not less than the amounts prescribed by the Authority and listing the Authority as additional insured; further, broad form contractual liability will be included (see APPENDIX 1 hereto).

SUBPART J - Multiple Services

1. Purpose/Objective:

To establish minimum standards for those instances where a person, business or FBO engages in two or more of the aeronautical services for which Minimum Operating Standards have been herein provided.

2. Minimum Operating Standards for Multiple Services:

a. Each Person providing Multiple Services hereunder shall comply with the Aircraft requirements, including the equipment thereon for each aeronautical service to be performed except that multiple uses can be made of all Aircraft owned or under lease by the operator except aircraft used for aerial application of chemicals. The firm must have individuals trained and certified to provide all offered services.

b. Each Person providing Multiple Services hereunder shall provide the facilities, equipment and services required to meet the Minimum Operating Standards as herein provided for all aeronautical services that they perform.

c. Each Person providing Multiple Services hereunder shall employ and have on hand enough sufficiently trained personnel to meet these Minimum Operating Standards for each aeronautical service performed in an efficient manner. Multiple responsibilities may be assigned to meet the personnel requirements for each aeronautical service being performed.

d. Each Person providing Multiple Services hereunder shall facilitate an adequate quantity of paved parking for customers and employees in accordance with all applicable airport rules, local zoning regulations and building codes

e. Each Person providing Multiple Services hereunder shall maintain, continuously in effect at all times while operating within the Airport, at its sole expense, insurance with total limits in an amount not less than the amounts prescribed by the Authority and listing the Authority as additional insured; further, Broad form contractual liability will be included (see APPENDIX 1 hereto).

SUBPART K - Independent Operators

1. Purpose/Objective:

To establish minimum operating standards for all Independent Operators (as used interchangeably with "Independent Contractors') on the Airport. All operations under this part require a written operating agreement be in place with the Airport Authority.

2. Minimum Operating Standards for Independent Operators:

a. Each Person providing any service hereunder shall be currently certificated by the FAA with ratings appropriate to the work being performed (unless such service is not regulated or certificated by the FAA such as detailing or Aircraft washing).

b. Each operating agreement in this category shall be limited to annual agreements the extension of which shall be subject to review by the Director, not less than annually, for proper classification within this policy.

c. Each Person providing any service hereunder shall have on hand sufficient equipment supplies, manuals and availability of parts related to the service being offered (*see, e.g.*, FAR Parts 43 and 91 and amendments thereto).

d. T-Hangar-type units may not be utilized for business operations under this section.

e. Each Person providing any service hereunder shall make application with the Airport and shall pay the Airport such permit fee as reasonably established by the Airport Director and shall comply with all rules and regulations as adopted by the Airport Authority.

f. Each Person providing any service hereunder shall agree to be bound by the Airport's Rules and Regulations as if such person has an established place of business or leasehold on the Airport.

g. Each Person providing any service hereunder shall maintain, continuously in effect at all times while operating within the Airport, at its sole expense, insurance with total limits in an amount not less than the amounts prescribed by the Authority and listing the Authority as additional insured; further, broad form contractual liability will be included (see APPENDIX 1 hereto).

h. At such time any Person has signed a bona fide lease or letter of intent with the Authority for the purpose of establishing either a Specialized Aviation Service Operation or a second Fixed Based Operator at the Airport, then the Authority shall promptly review this Subpart K as appropriate.

i. A fully executed "hold harmless" agreement in a form approved by the Authority shall be required for Independent Operators as well as their respective customers. A copy of said agreements shall be available for inspection and copy by the Authority as from time-to-time requested.

j. An independent operator may not advertise or otherwise affiliate their respective business with the Northeast Florida Regional Airport or other business located on airport property.

k. An independent operator may not have more than two (2) projects active on the airport at any one time without prior permission.

SUBPART L - Flying Clubs

1. Purpose/Objective:

To encourage and allow the creation of local Flying Clubs and to establish minimum standards in order to protect the public at-large.

2. Minimum Operating Standards for Flying Clubs:

a. Each Flying Club operating at the Airport shall have in place with the Airport Authority a written operating agreement detailing the scope of operation.

b. Prior to commencement of aeronautical activities at the Airport, each club must obtain written approval from the Director to operate such club. The land (acreage) requirement, office size, ramp size, and hours of operation shall be specified in the lease agreement.

c. Each Flying Club shall facilitate an adequate quantity of paved parking for customers and employees in accordance with all applicable airport rules, local zoning regulations and building codes

d. Each Flying Club, prior to and during the term of its Lease or Agreement to operate, shall submit sufficient documentation to the Director in order establish ownership, financial status and technical ability.

e. Each club must be registered as a non-profit corporation or partnership in the State of Florida.

f. Each member of a Flying Club must be a bona fide owner of the Aircraft or stockholder in the corporation, in accordance with that member's pro-rata share.

g. Each Flying Club will provide the Director or its designee an emergency contact person and phone number,and shall update such information immediately upon any change.

h. No Flying Club may derive greater revenue from the use of its Aircraft other than the amount necessary for the actual operation, maintenance and replacement of its Aircraft.

I. Each Flying Club will file and keep current with the Authority, a complete list of the club's members and the investment share or ownership percentage held by each member.

j. The Flying Club's Aircraft will not be used by other than bona fide members for rental and will not be used by anyone for commercial operations.

k. Student instruction can be given in the Flying Club's Aircraft to club members, provided such instruction is given by a certified flight instructor who is not receiving remuneration in any manner for such service, or is offered by flight instructor who is duly based at the Airport and is authorized to perform this service under these Standards.

l. Aircraft maintenance performed by the Flying Club's members or staff shall be limited to only that maintenance that does not require a certificated mechanic. All other maintenance must be provided by either a certificated mechanic based at the Airport who provides such service or an off-Airport repair facility. If the Flying Club desires to employ a mechanic to perform maintenance of club-owned Aircraft, then the Flying Club shall be required to lease or construct a hangar suitable for Aircraft maintenance. However, in no instance shall any periodic or annual inspections be performed in any T-Hangar-type hangar.

m. Each Flying Club shall maintain, continuously in effect at all times while operating within the Airport, at its sole expense, insurance with total limits in an amount not less than the amounts prescribed by the Authority and listing the Authority as additional insured; further, Broad form contractual liability will be included (see APPENDIX 1 hereto).

SUBPART M – Aircraft Management Services

3. Purpose/Objective:

To establish minimum operating standards for any Person providing Aircraft Management Services on the Airport. All operations under this part require a written operating agreement be in place with the Airport Authority.

4. Minimum Operating Standards for Aircraft Management Services:

a. Each Person providing services hereunder shall be currently licensed or certificated by the FAA with ratings appropriate to the work being performed and must provide a copy of each license or certificate held to the Authority.

b. Each Person providing services hereunder shall conduct only the aeronautical activities permitted under FAR Part 91 and shall not conduct aeronautical activities exclusively permitted under FAR Part 135, without having an agreement with the Airport which expressly permits FAR Part 135 aeronautical activities.

c. Each Person providing services hereunder shall conduct its operations on a leased area that provides not less than 3,000 square feet of combined office and hangar space and provides for ramp space capable of supporting its business needs.

d. Each Person providing services hereunder shall facilitate an adequate quantity of paved parking for customers and employees in accordance with all applicable airport rules, local zoning regulations and building codes.

e. T-Hangars or T-Hangar-type facilities may not be used for Aircraft Management Services.

f. Aircraft maintenance performed hereunder shall be limited to preventive maintenance that does not require a certificated mechanic. All other maintenance must be provided by either a certificated mechanic based at the Airport who is in possession of a valid lease or operating agreement with the Authority. Aircraft Management Services providers may not employ a mechanic to perform maintenance of their managed aircraft.

g. Each Person providing services hereunder shall have in its employ, and on duty during the appropriate business hours, trained and certificated personnel in such numbers as are required to meet the minimum operating standards set forth in this category of services in an efficient manner, but never less than one person currently licensed or certificated by the FAA with ratings appropriate to the work being performed.

h. Each Person providing services hereunder shall provide a copy of the management services agreement and the FAA certificate of registration for each aircraft under management.

i. Each Person providing services hereunder shall make application with the Airport and shall pay the Airport such monthly or annual privilege fees as reasonably established by the Airport Director and shall comply with all rules and regulations as adopted by the Authority.

j. Each operating agreement in this category shall be limited to annual agreements, the extension of which shall be subject to review by the Director, not less than annually, for proper classification within this policy.

k. Each Person providing services hereunder shall maintain, continuously in effect at all time while operating within the Airport, at its sole expense, insurance with total limits in an amount not less than the amounts prescribed by the Authority and listing the Authority as additional insured; further, Broad form contractual liability will be included (see Appendix 1 hereto).

PART VII - SUBLEASES AND ASSIGNMENTS

No Person engaging in any Aeronautical Activity or providing any Aeronautical Service governed hereunder may sublease or assign such activity or service, in whole or any part thereof, without the prior written approval of the Director, and which consent may be withheld based upon the sound judgment of the Director. Any prospective sub-lessee or assignee shall fully comply with the Minimum Operating Standards herein. Any Person aggrieved by virtue of having a proposed sublease or assignment denied by the Director may appeal as provided for herein.

PART VIII - ENVIRONMENTAL

Any Person engaging in any Aeronautical Activity or providing any Aeronautical Service governed hereunder shall comply with all federal, state and local environmental requirements as they exist and may be amended from time-to-time.
Mandatory compliance is required of all commercial operators with the Authority's Stormwater Pollution and Prevention Plan (SWPP) and Spill Prevention and Containment and control plan (SPCC), as applicable.

PART IX - INTERPRETATION; SEVERANCE

In interpreting these Standards, should any conflict occur between or among provisions herein or with any duly promulgated rule, procedure or directive of the Airport, then the Director, in the Director's sole discretion, shall determine which provision or provisions shall control. Interpretation decisions of the Director may be appealed to the Authority as provided in Part V herein.

If any term or provision of these Standards or the application thereof to any person or circumstance shall, to any extent, be declared invalid or deemed unenforceable by a court of competent jurisdiction or superseding law, the remainder of these Standards, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of these Standards shall be valid and enforced to the fullest extent permitted by law notwithstanding the invalidity of any other term or provision hereof.

PART X - ENFORCEMENT

The Director is empowered to enforce these Minimum Operating Standards against any violator and utilizing any and all appropriate means.

PART XI – WAIVER

The Authority may, in its sole discretion, waive all or any portion of these Minimum Operating Standards set forth herein for the benefit of any government or governmental agency performing non-profit public services to the aircraft industry, or performing public services to the aircraft industry, or performing emergency medical or rescue services to the public by means of aircraft, or performing fire prevention or firefighting operations. The Authority may further temporarily waive any of the Minimum Operating Standards for non-governmental Operators where the Authority, in its sole discretion, deems such waiver to be in the best interest or welfare of the Airport's operation.

APPENDIX 1

Minimum Insurance Policy Limits

Type of Insurance	***Minimum Limits****	***When Needed / Requirements***
Workmen's Compensation	Statutory	Statutory
Aircraft Liability	Risk Analysis	General and Aircraft Liability required for all owned or leased Aircraft
Non-owned Aircraft	Risk Analysis	Flying non-owned Aircraft (such as dual flight instruction, maintenance flights, ferry flights, pilot service, sales demo.)
Airport premises liability	Risk Analysis	Airport premises are owned or leased by tenant
Products and completed operations	Risk Analysis	Aircraft repair or maintenance services, fuel and oil sales, Aircraft sales, avionics repair, Aircraft parts and manufacturing
Builders Risk	Risk Analysis	All construction projects
Contractual Liability	Risk Analysis	Hold Harmless and Indemnification Provisions required in all Agreements and Leases
Property Insurance	Replacement value	Covers physical damage of leasehold Premises leased from the Airport
Automobile Liability	Statutory	Owned and non-owned licensed vehicles that are driven on Airport premises
Chemical Liability	Statutory	Aerial applicators and fire bombers
Environmental	Risk Analysis	Airport premises are owned or leased by tenant
Hangarkeepers Liability	Risk Analysis	Airport premises are owned or leased by tenant
Garagekeepers Liability	Risk Analysis	Airport premises are owned or leased by tenant

[* Minimum Limits for liability coverage shall be no less than $1,000,000 unless, after Risk Analysis, a higher limit is required by the Authority].

APPENDIX 1 FOOTNOTES

1. All policies shall contain a clause providing that in the event of cancellation of the policy, written notice of the cancellation will be sent, setting forth the date such cancellation shall become effective. No such notice shall become effective until at least thirty (30) days after receipt of such notice except with respect to cancellation for non-payment or cancellation of war risk coverage in which case such period shall be ten (10) days and seven (7) days, respectively.

2. All policies, except Workers Compensation, required to be obtained by Tenant shall name St. Augustine – St. Johns County Airport Authority as additional insured. **Additional Insured should be stated as: St. Augustine – St. Johns County Airport Authority, and their respective directors, officers, employees, agents, and assigns of each.**

3. All policies shall contain a waiver of subrogation by Tenant's insurer for the benefit of the Landlord.

COVERAGE DEFINITIONS

Commercial General Liability: Insurance issued to business organizations to protect them against 3rd party liability claims for bodily injury and property damage arising out of their business operations.

Products and Completed Operations: Coverage for bodily injury or property damage arising out of the named insured's products or business operations conducted away from the Insured's premises once those operations have been completed or abandoned.

Hangarkeepers Legal Liability: Covers insured's liability for loss or damage to aircraft which are the property of others and in the custody of the insured for storage, repair or servicing while in or on the described premises.

Aircraft Liability: Provides coverage for legal liability arising out of the operation of aircraft.

Automobile Liability: Provides coverage for your legal liability for Bodily Injury and Property Damage caused by the use of an automobile.

Workers Compensation: Provides bodily injury, including death by accident or disease to your employees, subject to the Florida Workers Compensation Statute.

Property Policy: Insurance for physical loss or damage to tenant improvements/betterments and your business personal property.

Environmental Impairment: Provides coverage for the discharge, dispersal, release, seepage, migration, or escape of pollutants into or upon covered locations and the expenses incurred to investigate, contain, treat or neutralize such a pollution condition as required by Federal, State, Local or Provincial Laws, Regulations, Statutes or Mold Matter Remediation Standards.

STAUGUS 7/14

Appendix 1: Minimum Insurance Policy Limits

Appendix 1 Minimum Commercial Operating Standards	Commercial General Liability	Products and Completed Operations	Hangarkeepers	Aircraft Legal Liability Including Passengers	Automobile Liability	Workers Compensation	Property Policy	Environmental Impairment
Fixed Base Operators (FBOs) Subpart A	$5,000,000	$5,000,000	$5,000,000	$1,000,000 / $100,000 Per Passenger if Business Operates Aircraft	$1,000,000	Statutory Limits	100% of Replacement Cost	$1,000,000 Per Incident / $2,000,000 Aggregate
Aircraft Sales Subpart B	$1,000,000	$1,000,000	$1,000,000	$1,000,000 / $100,000 Per Passenger	$1,000,000	Statutory Limits	100% of Replacement Cost	---------
Aircraft Airframe, Engine and Accessory Maintenance and Repair Subpart C	$1,000,000	$1,000,000	$1,000,000	$1,000,000 / $100,000 Per Passenger if Business Operates Aircraft	$1,000,000	Statutory Limits	100% of Replacement Cost	$1,000,000 Per Incident / $2,000,000 Aggregate
Specialized Equipment Sales and Maintenance Subpart D	$1,000,000	$1,000,000	$1,000,000	$1,000,000 / $100,000 Per Passenger if Business Operates Aircraft	$1,000,000	Statutory Limits	100% of Replacement Cost	$1,000,000 Per Incident / $2,000,000 Aggregate
Aircraft Leasing and Rental Subpart E	$1,000,000	---------	---------	$1,000,000 / $100,000 Per Passenger	$1,000,000	Statutory Limits	100% of Replacement Cost	---------
Flight Training Subpart F	$1,000,000	---------	---------	$1,000,000 / $100,000 Per Passenger	$1,000,000	Statutory Limits	100% of Replacement Cost	---------
Aircraft Charter and Air Taxi Subpart G	$5,000,000	---------	---------	$5,000,000	$1,000,000	Statutory Limits	100% of Replacement Cost	---------
Aircraft Storage Subpart H	$1,000,000	---------	$1,000,000	---------	$1,000,000	Statutory Limits	100% of Replacement Cost	---------
Specialized Commercial Flight Services Subpart I	$1,000,000	---------	---------	$1,000,000 / $100,000 Per Passenger	$1,000,000	Statutory Limits	100% of Replacement Cost	---------
Multiple Services Subpart J	$1,000,000	$1,000,000	$1,000,000	$1,000,000 / $100,000 Per Passenger	$1,000,000	Statutory Limits	100% of Replacement Cost	$1,000,000 Per Incident / $2,000,000 Aggregate
Independent Operators Subpart K	$1,000,000	---------	---------	$1,000,000 / $100,000 Per Passenger if Business Operates Aircraft	$1,000,000	Statutory Limits	---------	---------
Flying Clubs Subpart L	$1,000,000	---------	---------	$1,000,000 / $100,000 Per Passenger	$1,000,000	Statutory Limits	100% of Replacement Cost	---------
Aircraft Management Services Subpart M	$5,000,000	---------	---------	$5,000,000	$1,000,000	Statutory Limits	100% of Replacement Cost	---------

Approved by St. Augustine – St. Johns County Airport Authority, 09/09/19.

9.3 Sample Standard Form Lease Documents

TERMINAL COUNTER SPACE LEASE

THIS LEASE entered into this _____ day of _____, _____, between St. Augustine - St. Johns County Airport Authority, hereinafter referred to as "**LESSOR**", and _____., hereinafter referred to as "**LESSEE**".

WITNESSETH:

1. That the **LESSOR**, for and in consideration of the rental reserved herein, and the covenants and agreements hereinafter made to be kept and performed by **LESSEE**, have demised and leased and does by these presents demise and lease unto **LESSEE** space in the St. Augustine Airport General Aviation Facility (**The FACILITY**), those certain premises known and described as follows:

> *Terminal Counter Space located on the western end of the counter area which consists of approximately __ square feet. This area is shown on Exhibit "A" attached and labeled "Counter Space."*

To have and to hold the above premises to be used and occupied by **LESSEE** for the purpose of operating a _____Counter, for a term of sixty (60) months commencing on _____ _____, 200X, and ending on _____, 200X.

2. **RENTAL:**

LESSEE shall pay as and for rent of the premises for the initial term the sum of $__.00 per square foot, per year ($__.00 X 00 SF = 00.00 /YR.). All rent shall be payable monthly, in advance, on the first day of each month without demand with initial monthly payments equaling $0.00. In addition to said rental **LESSEE** shall pay any taxes due, including sales tax and personal property tax. In addition, the **LESSEE** shall pay an airport use fee of $0.00 per vehicle delivered for rental using the Facility. Such fee shall be cumulative and shall be payable based on the total use in a month and will be invoiced by the **LESSOR** on a monthly basis on information provided by the **LESSEE** and consistent with other payment terms contained in this document.

The rental shall be subject to an annual adjustment consistent with the change in the U.S. Consumer Price Index (all urban consumers) for the prior twelve (12) month period. Such adjustment in the annual rental rate shall not apply to the wash rack use fees.

3. **ABATEMENT OF RENT:**

If all or part of premises are restricted from use or damaged by events or occurrences not caused by the fault or neglect of **LESSEE** and **LESSEE**'S ability to use the

damaged section(s) is affected, then the **LESSOR** shall take actions as necessary to allow resumption of use and occupancy of the premises and the rent due hereunder shall be proportionately reduced to reflect both the time and the extent of the deprivation. This paragraph shall not apply to any temporary closing of the airport as a result of normal weather conditions, or closings for Airport sponsored activities, such as air shows, which may require closing of the Airport for less than 24 hours, or properly executed NOTAM closings for properly authorized purposes of the Federal Aviation Administration or the **LESSOR**.

4. **OPTION TO RENEW:**

This lease shall be renewable for additional periods of one (1) year each for a maximum cumulative term of five-years. The rent for the option periods shall be the fair market value as negotiated between the parties, or an amount equal to the previous period rental rate plus the percentage increase in the U.S. Consumer Price Index (all urban consumers) for the prior twelve (12) month period, whichever is greater.

The option not to renew shall be exercised by the **LESSEE** by giving written notice to the **LESSOR**, in accordance with the Notice requirements of Paragraph 17, not less than 60 days before the end of the current lease term or any renewal thereof. Upon receipt of the notice of the **LESSEE**'S intention not to exercise the option to renew the lease, the **LESSEE** shall be given ten (10) days to vacate the leased premises beginning with the end of the expiring lease term.

5. **RIGHT OF FIRST REFUSAL:**

LESSEE acknowledges that the premises would normally include the adjacent office space and that the lease of the counter space would normally represent additional income to the **LESSOR**. As such, the **LESSOR** reserves the right to solicit tenants which would lease the entire premises, including the counter space attached.

In consideration for this continuing right, the **LESSOR** and **LESSEE** have agreed to a "Right of First Refusal" covering the counter and associated office space. The provisions of such right of first refusal shall allow the **LESSEE** the right, when the **LESSOR** is presented with a viable lease proposal from another party, the first right to continue leasing the premises with the addition of the associated office space at the then current market rental value. **LESSOR** agrees to provide written notification to the **LESSEE** of any lease proposal covered by the agreement and **LESSEE** agrees to provide a response as to the option within seventy-two (72) hours of receipt of **LESSOR**'S notification.

The **LESSEE** acknowledges the **LESSOR**'s plans relative to a multi-modal transportation facility at a separate location. **LESSEE** further understands that the development of such a facility may require the relocation and/or closure of the premises covered by this agreement. In any event the **LESSOR** and **LESSEE** agree to facilitate the transition into such a facility consistent with the terms of this agreement, should the **LESSOR** require.

6. **COMMON AREAS:**

In addition to leased space, **LESSEE** shall have use of the common areas of the St. Augustine Airport General Aviation Facility in conjunction with others. In the use of the common areas **LESSEE** shall not place any articles in such areas which will interfere or impede others' use of the common areas.

7. **UTILITIES AND MAINTENANCE OF COMMON AREAS IN TERMINAL:**

LESSOR shall be responsible for electrical utilities and maintenance on the leased premises and in common areas associated with the first floor of the FACILITY. Should the **LESSEE** not desire the janitorial services provided herein, the **LESSEE** shall not be entitled to any abatement of rent. It is specifically agreed that the **LESSEE** shall be responsible for the installation, maintenance and cost of service related to phone and/or data services, and provide for build-out of any other utilities used in the premises. It is agreed that maintenance of the common areas is provided to the **LESSEE** by the **LESSOR** as a part of this agreement, unless such use would otherwise not be considered ***Reasonable and Ordinary*.**

8. **MAINTENANCE OF PREMISES:**

LESSOR shall be responsible for the Reasonable and Ordinary repair, maintenance and upkeep of the leased premises. The **LESSOR**'S obligation in this regard shall exempt all proprietary fixtures or appurtenances provided or facilitated by the **LESSEE**.

9. **ASSIGNMENTS AND SUBLETS:**

LESSEE shall not assign this lease or any right hereunder, nor let or sublet the Premises, or any part thereof, nor suffer or permit any other person or corporation to use any part of said premises.

10. **SIGNS:**

LESSEE may erect signs identifying their business as approved in writing by the **LESSOR**. **LESSEE** shall develop and implement a signage plan that clearly identifies the location of approved areas for the "drop-off," "pickup," and "customer parking" related to this lease.

It is agreed that the **LESSEE** shall provide adequate written instructions to rental customers who will be returning vehicles to the premises covering the proper return, parking and process, or other matters which may materially affect the flow of pedestrian or vehicular traffic in the terminal and parking areas. The **LESSOR** shall review and concur inn the developed document and any subsequent revisions.

11. **PARKING AND COMMON AREA:**

In addition to the premises, **LESSEE** shall have the non-exclusive use, in common with the **LESSOR**, other tenants, their guests, employees and invitees' of long-term automobile parking areas, driveways and footways, as may be designated from time to time by the **LESSOR**, subject to the terms and conditions of this lease and to reasonable rules and regulations for the use thereof as prescribed from tinge: to time by the **LESSOR**, but in no way shall such rules and regulations unreasonably impede, or unduly restrict, customers or employees of **LESSEE** from access to the leased premises.

The common area shall be subject to the exclusive control and management of the **LESSOR** and the **LESSOR** shall have the right to establish, modify, change and enforce rules and regulations with respect to the common areas so long as such rules are not discriminatory against **LESSEE**, and shall not impede or restrict **LESSEE**'S business activities or access to the Premises. It is understood that the main terminal parking spaces are for the immediate, short term use (3 - hour duration) of the **LESSEE**'S customers and are not to be used for any other purpose.

12. **INSURANCE AND INDEMNITY:**

LESSEE agrees to indemnify and hold harmless the **LESSOR** from and against any and all loss, damage, claim, demand, liability or expense by reason of any damage or injury to person, including loss of life or property which may arise or be claimed to have arisen as a result of or in connection with the occupancy or use of said Premises by **LESSEE**. Neither **LESSOR** or **LESSEE** shall be liable to the other, nor to any insurer of the other party, claiming by way of subrogation a claim with respect to any loss, damage, etc. to the extent that either party shall be reimbursed, or has the right to be reimbursed by its own insurance carrier with respect to such loss.

LESSEE shall, at its own expense, provide and maintain in force during the entire term of this lease, public liability insurance with minimum coverage of 1,000,000 for property damage or loss from any one accident and not less than $5,000,000 for personal injury from any one accident, and not less than $1,000,000 for injury to any one person from any one accident. Each policy of such insurance shall name as the insured hereunder the **LESSEE** and **LESSOR**.

13. **DEFAULT AND REMEDIES:**

In the event **LESSEE** shall fail (a) to make any rental or other payments due hereunder within five (5) days of the due date, (b) be adjudged bankrupt, (c) make any assignment for the benefit of creditors, (d) have its leasehold estate taken on execution against **LESSEE**, (e) abandon the leased premises during the term hereof, or (f) breach or fail to perform any obligations herein (other than the agreement to pay rent) and shall fail to cure such fault within thirty (30) days of receiving written notice from **LESSOR**, then **LESSOR**, in any such event, shall have the option to:

(a) **TERMINATE THIS LEASE**, resume possession of the Premises for its own account and recover immediately from **LESSEE** the rent provided for in this Lease for the remainder of the lease term, reduced to present worth, together with any other damage caused by or resulting from the abandonment or breach or default other than a default in payment of rent; or

(b) **RESUME POSSESSION** of the Premises without accounting to **LESSEE**, and the **LESSOR** shall have the right to bring action to recover all unpaid rentals during any term
of the lease.

The remedies provided in this Paragraph 13 shall) not be exclusive. In addition, the **LESSOR** may pursue such other remedies as are provided by law in the event of any breach, default or abandonment by **LESSEE**. In any event, and irrespective of any option exercised, **LESSEE** agrees to pay and the **LESSOR** shall, be entitled to recover, all costs and expenses incurred by the **LESSOR** including reasonable attorney's fees, in connection with collection of rental or damage or enforcing other rights of the **LESSOR** in the event of any breach or default or abandonment by **LESSEE**, irrespective of whether **LESSOR** elects to terminate this Lease by reason of such breach, default or abandonment. **LESSEE** hereby expressly waives any and all right of redemption, if any, granted by or under any present or future laws in the event **LESSEE** shall be evicted or dispossessed for any cause, or in the event **LESSEE** shall obtain possession of the premises by virtue of the provisions of this lease, or otherwise.

LESSOR agrees to respect **LESSEE**'S right of quiet enjoyment of leased space without hindrance from **LESSOR**.

14. **HOLDOVER SPACE:**

If **LESSEE** remains on premises after lease term expires, either primary term or optional term, **LESSEE** shall be deemed a tenant of the Premises from month to month at 150% of the then current rental rate and subject to all other terms and conditions of this or the then current lease agreement.

15. **SUBORDINATION AND ATTORNMENT:**

LESSOR or **LANDLORD** shall have the right to lease the **FACILITY**, but as long as **LESSEE** has not defaulted under this lease, then this Lease shall remain in full force and effect.

16. **ENTIRE CONTRACT:**

LESSEE agrees that the **LESSOR** has not made any statement, promise or agreement, or taken upon itself any engagements whatever, verbally or in writing, in conflict with the term of this Lease, or that in any way modifies, varies, alerts, enlarges or

invalidates any of its provisions, and that no obligations of **LESSOR** shall be implied in addition to the obligations herein expressed.

17. **NOTICE TO EACH OTHER:**

All notices required or contemplated by this Lease shall be in writing. Where given to **LESSEE** they shall be given by personal delivery to **LESSEE** or by mailing same by USPS certified mail, addressed to **LESSEE** at:

Name
Address
City, State ZIP

Where given to the **LESSOR** they shall be given by personal delivery to the **LESSOR** or by mailing same by United States registered or certified mail, addressed to the **LESSOR** at:

Executive Director
St. Augustine-St. Johns County Airport Authority
4796 US Highway 1, North
St. Augustine, Florida 32095

By giving at least five (5) days' notice in writing to the other party, given in accordance herein, either party may change his address for notices hereunder to be mailed thereafter.

THE COVENANTS AND AGREEMENTS herein contained shall bind and the benefits and advantages hereof shall inure to the respective heirs, legal representatives, successors and assigns of the parties hereto. This lease constitutes a contract of the State of Florida and shall be construed accordingly to the laws of the State of Florida.

IN WITNESS WHEREOF, this Lease has been duly executed by the parties hereto as of the day and year first above written.

SIGNED, SEALED AND DELIVERED IN THE PRESENCE OF:

LESSOR: **ST. AUGUSTINE-ST. JOHNS COUNTY AIRPORT AUTHORITY**

BY:_____
Courtney K. Pittman, MBA.
Executive Director

_____
Witness as to LESSOR

_____
Witness as to LESSOR

LESSEE: **COMPANY NAME**

BY:_____

_____
Witness as to LESSEE

_____
Witness as to LESSEE

Exhibit "A"
"Counter Space"

HANGAR LEASE

This HANGAR LEASE entered into this _____ day of _____, 2019, between St. Augustine - St. Johns County Airport Authority, hereinafter referred to as "Landlord", and _____, hereinafter referred to as "Tenant".

1. LEASE OF HANGAR.

In consideration of the Rent (as defined at Section 5) and the provisions of this Lease, Landlord leases to Tenant and Tenant leases from Landlord the Hangar as described in Section 2. The Hangar is located within the Airport described in Section 2. Tenant shall have the non-exclusive right (unless otherwise provided herein) in common with Landlord, other tenants, subtenants and invitees, to use that portion of the Common Areas necessary for ingress and egress to the Hangar.

2. DEFINITIONS.

As used in this Lease, the following terms shall have the following meanings:

a. *Base Rent:* _____ per year with adjustments per Section 5.

b. *Monthly Base Rent:* _____ per month plus taxes, utilities, etc., as set forth herein.

c. *Rent Deferral Period:* Rent shall not be deferred, making the first monthly rent payment due on 1st of the Month.

d. *Security Deposit (Section 7):* _____.

e. *Commencement Date:* _____

f. *Expiration Date*: _____ unless otherwise sooner terminated in accordance with the provisions of this Lease.

g. 1st *Renewal Option:* Tenant may renew this Lease for an additional 1 year term by providing Landlord written notice 90 days in advance of the Expiration Date in which event the Expiration Date shall become _____.

h. 2nd *Renewal Option:* Provided Tenant exercised the 1st Renewal Option, Tenant may renew this Lease for an additional 1 year term by providing Landlord written notice 90 days in advance of the Expiration Date of the 1st Renewal in which event the Expiration Date shall become _____.

i. N/A.

j. *Mailing Addresses:*

TENANT:

LANDLORD:
Executive Director
St. Augustine-St. Johns County Airport Authority
4796 US Highway 1, North
St. Augustine, Florida 32095

k. *Vehicular Parking:* Tenant shall be permitted to park cars on a non-exclusive basis in the area(s) designated by Landlord for parking, provided parking is available and not reserved or dedicated for other use in Landlord's sole discretion. Tenant shall abide by any and all parking regulations and rules established from time to time by Landlord or Landlord's parking operator. Landlord reserves the right to separately charge for parking.

l. *Hangar/Premises:* The leased Hangar/Premises is the hangar unit located within space in the St. Augustine Airport General Aviation Facility, those certain premises known and described are as follows:

Hangar Unit Number: _____ (the "Hangar")

Hangar Address: _____

Unless otherwise specified, this Hangar Lease, leases only the specific unit and not the real property surrounding the unit.

m. *Airport:* The St. Augustine Airport owned, operated and under the jurisdiction of Landlord.

n. *Common Areas:* the building lobby, common corridors and hallways, parking areas, stairway, elevator and other generally understood public or common areas necessary for ingress and egress of the Hangar. Landlord shall have the absolute right to regulate or restrict the use of the Common Areas.

o. *Broker(s)*

Landlords: N/A

Tenant's: N/A

p. *State:* the State of Florida.

q. *Tenant's **First Adjustment Date** (Section 5.2):* the first day of the calendar month following the Commencement Date plus **36** months.

r. *Tenant's Proportionate Share:* ____%. Such share is a fraction, the numerator of which is the Rentable Area of the Building containing the Hangar, and the denominator of which is the Rentable Area of the Hangar, as determined by Landlord from time to time.

s. *Tenant's Use Clause (Article 8):*

t. *Term:* the period commencing on the Commencement Date and expiring at midnight on the Expiration Date. The term is subject to renewal options as defined in subsections (g) and (h). Early termination rights are described in Section 36.

3. EXHIBITS AND ADDENDA. The exhibits and addenda listed below (unless lined out) are incorporated by reference in this Lease:

Sketch of Hangar/Premises Exhibit "A"

4. DELIVERY OF POSSESSION.

If for any reason Landlord does not deliver possession of the Hangar to Tenant on the Commencement Date, Landlord shall not be subject to any liability for such failure, the Expiration Date shall not change and the validity of this Lease shall not be impaired, but Rent shall be abated until delivery of possession unless such delayed possession extends for more than 20 days, whereupon Tenant may terminate this Lease and be entitled to the return of any and all deposits and rents paid or pre-paid. "Delivery of possession" shall be deemed to occur on the date Landlord tenders delivery of keys to Tenant. If Landlord permits Tenant to enter into possession of the Hangar before the Commencement Date, such possession shall be subject to the provisions of this Lease, including, without limitation, the payment of Rent prorated on a per diem basis.

5. RENT.

a. *Payment of Base Rent.* Tenant agrees to pay the Base Rent for the Hangar. Monthly Installments of Base Rent shall be payable in advance on the first day of each calendar month of the Term. If the Term begins (or ends) on other than the first (or last) day of a calendar month, the Base Rent for the partial month shall be prorated on a per diem basis. Tenant shall pay Landlord the first Monthly Installment of Base Rent when Tenant executes the Lease. All rent shall be paid to Landlord in lawful money of the United States of America, which shall be legal tender at the time of payment, at the office of Landlord or to such other person or at such other place as Landlord may from time to time designate in writing.

b. *Adjusted Base Rent.*

a. The Base Rent (and the corresponding Monthly Installments of Base Rent) set forth at Section 2a shall be adjusted annually (the "Adjustment Date"), commencing on Tenant's First Adjustment Date (See Section 2.q. hereinabove.)

Adjustments in rent shall be increased annually in proportion to the increase in the United States Consumer Price Index ("CPI") as maintained by the U. S. Department of Labor (Urban Index-All Consumers, All Items). In addition to said Base Rent, Tenant agrees to pay the amount of the rental adjustments as and when hereinafter provided in this Lease.

c. *Definition of Rent.* All costs and expenses which Tenant assumes or agrees to pay to Landlord under this Lease shall be deemed additional rent (which, together with the Base Rent is sometimes referred to as the "Rent"). The Rent shall be paid to the Landlord (or other person) and at such place, as Landlord may from time to time designate in writing, without any prior demand therefor and without deduction or offset, in lawful money of the United States of America.

d. *Taxes Payable by Tenant.* In addition to the Rent and any other charges to be paid by Tenant hereunder, Tenant shall reimburse Landlord for any and all taxes payable by Landlord which are not otherwise reimbursable under this Lease, whether or not now customary or within the contemplation of the parties, where such taxes are upon, measured by or reasonably attributable to (a) the cost or value of Tenant's equipment, furniture, fixtures and other personal property located in the Hangar, or the cost or value of any leasehold improvements made in or to the Hangar by or for Tenant, other than Hangar Standard Work made by Landlord, regardless of whether title to such improvements is held by Tenant or Landlord; (b) the gross or net Rent payable under this Lease, including, without limitation, any rental or gross receipts tax levied by any taxing authority with respect to the receipt of the Rent hereunder; (c) the possession, leasing, operation, management, maintenance, alteration, repair, use or occupancy by Tenant of the Hangar or any portion thereof; or (d) this transaction or any document to which Tenant is a party creating or transferring an interest or an estate in the Hangar. If it becomes unlawful for Tenant to reimburse Landlord for any costs as required under this Lease, the Base Rent shall be revised to net Landlord the same net Rent after imposition of any tax or other charge upon Landlord as would have been payable to Landlord but for the reimbursement being unlawful.

Payment of taxes herein shall specifically include all sales taxes related to this Lease, all personal property taxes and all real property taxes on the Hangar, as may be increased from time to time by local, state and federal governments.

Sales Taxes: Shall be made monthly with the payment of Base Rent.

Ad Valorem Taxes: In the event that real and/or personal property taxes are levied against Landlord for some or all of the value of the Land and the Improvements to be constructed thereon, Tenant shall pay to Landlord each month as additional rent a sum equal to 1/12th of the annual taxes attributable to the Land and Improvements as reasonably estimated by Landlord. In the event of a difference between the exact amount of taxes paid and the estimate by Landlord, the excess or deficiency shall be computed in Landlord's calculation of the ensuing year's estimate or, in the event of the last year of the lease term, refunded by Landlord or paid by Tenant within 30 days of the due date of the taxes.

6. INTEREST AND LATE CHARGES.

If Tenant fails to pay when due any Rent or other amounts or charges which Tenant is obligated to pay under the terms of this Lease, the unpaid amounts shall bear interest at the maximum rate then allowed by law. Tenant acknowledges that the late payment of any Monthly Installment of Base Rent will cause Landlord to lose the use of that money and incur costs and expenses not contemplated under this Lease, including without limitation, administrative and collection costs and processing and accounting expenses, the exact amount of which is extremely difficult to ascertain. Therefore, in addition to interest, if any such installment is not received by Landlord within ten (10) days from the date it is due, Tenant shall pay Landlord a late charge equal to ten percent (10%) of such installment. Landlord and Tenant agree that this late charge represents a reasonable estimate of such costs and expenses and is fair compensation to Landlord for the loss suffered from such nonpayment by Tenant. Acceptance of any interest or late charge shall not constitute a waiver of Tenant's default with respect

to such nonpayment by Tenant nor prevent Landlord from exercising any other rights or remedies available to Landlord under this Lease.

7. SECURITY DEPOSIT.

a. Tenant agrees to deposit with Landlord the Security Deposit set forth at Section 2.0 upon execution of this Lease, as security for Tenant's faithful performance of its obligations under this Lease. Landlord and Tenant agree that the Security Deposit may be commingled with funds of Landlord and Landlord shall have no obligation or liability for payment of interest on such deposit. Tenant shall not mortgage, assign, transfer or encumber the Security Deposit without the prior written consent of Landlord, which may be withheld for any or no reason, and any attempt by Tenant to do so shall be void, without force or effect and shall not be binding upon Landlord.

b. If Tenant fails to pay any Rent or other amount when due and payable under this Lease, or fails to perform any of the terms hereof, Landlord may appropriate and apply or use all or any portion of the Security Deposit for Rent payments or any other amount then due and unpaid, for payment of any amount for which Landlord has become obligated as a result of Tenant's default or breach, and for any loss or damage sustained by Landlord as a result of Tenant's default or breach, and Landlord may so apply or use this deposit without prejudice to any other remedy Landlord may have by reason of Tenant's default or breach. If Landlord so uses any of the Security Deposit, Tenant shall, within ten (10) days after written demand therefore, restore the Security Deposit to the full amount originally deposited; Tenant's failure to do so shall constitute an act of default hereunder and Landlord shall have the right to exercise any remedy provided for at Article 27 hereof. Within fifteen (15) days after the Term (or any extension thereof) has expired or Tenant has vacated the Hangar, whichever shall last occur, and provided Tenant is not then in default on any of its obligations hereunder, Landlord shall return the Security Deposit to Tenant, or, if Tenant has assigned its interest under this Lease, to the last assignee of Tenant. If Landlord sells its interest in the Hangar, Landlord may deliver this deposit to the purchaser of Landlord's interest and thereupon be relieved of any further liability or obligation with respect to the Security Deposit.

8. TENANT'S USE OF THE HANGAR.

a.. Tenant’s use of the Hangar shall be limited to the following aeronautical uses:

i. **Storage of active aircraft;**
ii. **Final assembly of aircraft under construction;**
iii. **Non-commercial construction of amateur-built or kit-built aircraft;**
iv. **Maintenance, repair, or refurbishment of aircraft, but not the indefinite storage of nonoperational aircraft;**
v. **Storage of aircraft handling equipment, e.g., towbars, glider tow equipment, workbenches, and tools and materials used in the servicing, maintenance, repair or outfitting of aircraft.**

b. No other use is permitted. No commercial aviation activity shall be conducted utilizing Premises. Tenant shall promptly provide Landlord with a copy of the title or lease demonstrating Tenant’s ownership or rights as a Tenant of any aircraft stored at the Premises at the time the aircraft is located on the Premises.

c. Tenant shall use the Hangar solely and only for the purposes set forth in Tenant's Use Clause. Tenant shall not use or occupy the Hangar in violation of law or any covenant, condition or restriction affecting the Hangar or Airport or the certificate of occupancy issued for the Hangar or Building which the Hangar is a part, and shall, upon notice from Landlord, immediately discontinue any use of the Hangar which is declared by any governmental authority having jurisdiction to be a violation of law or the certificate of occupancy. Tenant, at Tenant's own cost and expense, shall comply with all laws, ordinances, regulations, rules and/or any directions of any governmental agencies or authorities having jurisdiction which shall, by reason of the nature of Tenant's use or occupancy of the Hangar, impose any duty upon Tenant or Landlord with respect to the Hangar or its use or occupation. A judgment of any court of competent jurisdiction or the admission by Tenant in any action or proceeding against Tenant that Tenant has violated any such laws, ordinances, regulations, rules and/or directions in the use of the Hangar shall be deemed to be a conclusive determination of that fact as between Landlord and Tenant. Tenant shall not do or permit to be done anything which will invalidate or increase the cost of any fire, extended coverage or other insurance policy covering the Hangar, the Building which the Hangar is a part, or the Airport and/or property located therein, and shall comply with all rules, orders, regulations, requirements and recommendations of the Insurance Services Office or any other

organization performing a similar function. Tenant shall promptly upon demand reimburse Landlord for any additional premium charged for such policy by reason of Tenant's failure to comply with the provisions of this Article. Tenant shall not do or permit anything to be done in or about the Hangar for any improper, immoral, unlawful or objectionable purpose, nor shall Tenant cause, maintain or permit any nuisance in, on or about the Hangar. Tenant shall not commit or suffer to be committed any waste in or upon the Hangar.

d. Tenant shall not store hazardous or toxic materials at the Hangar or on any of the Common Area, the related premises or the Airport. This provision does not refer to aircraft fuel and lubricants stored within an aircraft. The storage of fuel in portable containers, regardless of type, shall not be permitted on any of the related premises.

9. SERVICES AND UTILITIES.

a. Tenant shall be responsible for the payment of all services and utilities in connection with the Hangar. Landlord shall not be in default hereunder or be liable for any damages directly or indirectly resulting from, nor shall the Rent be abated by reason of (i) the installation, use or interruption of use of any of the services or utilities, (ii) failure to furnish or delay in furnishing any such services or utilities, or by the making of necessary repairs or improvements to the Hangar or Airport, or (iii) the limitation, curtailment or rationing of, or restrictions on, use of water, electricity, gas or any other form of energy serving the Hangar or Airport. Landlord shall not be liable under any circumstances for a loss of or injury to property or business, however occurring, through or in connection with or incidental to any such services or utilities. If Tenant uses heat generating machines or equipment in the Hangar which affect the temperature otherwise maintained by the HVAC system, Tenant shall be responsible for installing supplementary air conditioning units in the Hangar and the cost thereof, including the cost of installation, operation and maintenance thereof, shall be paid by Tenant to Landlord.

b. Tenant shall not, without the written consent of Landlord, use any apparatus or device in the Hangar, using in excess of 120 volts, which consumes more electricity than is usually furnished or supplied for the use of Hangar, as determined by Landlord. Tenant shall not connect any apparatus with electric, water, gas or other utility except through existing electrical outlets, faucets, valves or as otherwise existing in the Hangar without first procuring the written consent of Landlord, which Landlord may refuse.

c. Landlord shall not be responsible for furnishing any services or utilities to the Hangar other than the Common Areas, including the elevator.

10. CONDITION OF THE HANGAR.

a. Tenant taking possession of the Hangar shall be deemed conclusive evidence that as of the date of taking possession the Hangar are in good order and satisfactory condition, except for such matters as to which Tenant gave Landlord written notice before the Commencement Date and which Landlord agreed in writing to correct. No promise of Landlord to alter, remodel, repair or improve the Hangar or the Common Areas or Airport and no representation, express or implied, respecting any matter or thing relating to the Hangar or this Lease (including, without limitation, the condition of the Hangar) have been made to Tenant by Landlord or its Broker or Sales Agent, if any, other than as may be contained herein or in a separate exhibit or addendum signed by Landlord and Tenant.

b. Tenant has examined the leased Hangar before entering into this lease and does not rely upon any representation by Landlord as to the condition of the leased Hangar or its suitability for Tenant’s purposes.

11. CONSTRUCTION, REPAIRS AND MAINTENANCE.

a. *Landlord's Obligations.* Landlord shall maintain in good order, condition and repair the roof and structural components of the Hangar, as wll as the Common Areas of the Hangar. If such maintenance and repairs are necessitated in part or whole by the act, neglect, fault or omission of any duty by Tenant, its agents, servants, employees or visitors, Tenant shall pay to Landlord upon demand the reasonable cost (or portion thereof equitably allocated to Tenant) of such maintenance and repairs

b. *Tenant's Obligations.*

(1) Tenant at Tenant's sole expense shall maintain the Hangar in good order, condition and repair, including the interior surfaces of the ceilings, walls and floors, all doors, automatic door systems, all interior windows, all plumbing,

fire sprinkler systems, mechanical components, HVAC, pipes and fixtures, electrical wiring, switches and fixtures, Hangar furnishings and special items and equipment installed by or at the expense of Tenant.

(2) Tenant shall be responsible for all repairs and alterations in and to the Premises and Hangar and the facilities and systems thereof, the need for which arises out of (i) Tenant's use or occupancy of the Hangar, (ii) the installation, removal, use or operation of Tenant's Property (as defined in Article 13) in the Hangar, (iii) the moving of Tenant's Property into or out of the Hangar, or (iv) the act, omission, misuse or negligence of Tenant, its agents, contractors, employees or invitees.

(3) If Tenant fails to maintain the Hangar in good order, condition and repair, Landlord shall give Tenant notice to do such acts as are reasonably required to so maintain the Hangar. If Tenant fails to promptly commence such work and diligently prosecute it to completion, then Landlord shall have the right to do such acts and expend such funds at the expense of Tenant as are reasonably required to perform such work. Any amount so expended by Landlord shall be paid by Tenant promptly after demand with interest at the prime commercial rate then being charged by Bank of America NT & SA plus two percent (2%) per annum, from the date of such work, but not to exceed the maximum rate then allowed by law. Landlord shall have no liability to Tenant for any damage, inconvenience, or interference with the use of the Hangar by Tenant as a result of performing any such work.

c. *Tenant's Operating Obligations:*

(1) Tenant shall only use the Hangar for storage of aircraft and activities in support of aircraft storage.

(2) Tenant shall continually abide by any companion agreements related to this Lease, including any FBO Lease or Fuel Farm Lease and a breach of any such agreement shall also be a material breach of this Lease.

(3) Tenant agrees to abide by the Airport's Minimum Operating Standards as may be amended from time to time.

(4) Tenant agrees that operations at the Airport are under the control of Landlord and/or the FAA and Tenant shall abide by and not interfere with any directions or instructions given concerning the Airport.

(5) Tenant must operate the facility under the direct management and supervision of Tenant at all times.

(6) Tenant may not have live music and amplified music at the Hangar and shall not violate the St. Johns County noise ordinance.

(7) Tenant is responsible for the disposal of solid waste and refuse during Lease term. Tenant must comply with system of disposal used on the Airport and must comply with local and state government requirements, including compliance with Airport recycling programs.

(8) Tenant shall not make any improvements to the Hangar unless authorized in writing by Landlord in accordance with this Lease.

(9) The Tenant agrees that: (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that the Tenant, shall use the premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation Effectuation of Title VI of the Civil Rights Act of 1964, and as said regulations may be amended.

d. *Compliance with Law.* Landlord and Tenant shall each do all acts required to comply with all applicable laws, ordinances, and rules of any public authority relating to their respective maintenance obligations as set forth herein. This Lease shall be governed by the laws of the state of Florida. This lease is subordinate to the provisions of any existing agreement between the Landlord and the United States of America, the State of Florida or their agencies, relative to the operation of maintenance of the St. Augustine-St. Johns County Airport and specifically subject to all rules and regulations of the Federal Aviation

Administration and the state of Florida, the St. Augustine-St. Johns County Airport Authority, including the Minimum Operating Standards.

e. *Waiver by Tenant.* Tenant expressly waives the benefits of any statute now or hereafter in effect which would otherwise afford the Tenant the right to make repairs at Landlord's expense or to terminate this Lease because of Landlord's failure to keep the Hangar in good order, condition and repair.

f. *Load and Equipment Limits.* Tenant shall not place a load upon any floor or other structural element of the Hangar which exceeds the load per square foot which such floor or element was designed to carry, as determined by Landlord or Landlord's structural engineer. The cost of any such determination made by Landlord's structural engineer shall be paid for by Tenant. Tenant shall not install equipment or machines without complying with this Section. Nor, shall Tenant store an aircraft with unusual structure demands.

g. *Landlord's Hangar Improvements and Maintenance.* Except as otherwise expressly provided in this Lease, Landlord shall have no liability to Tenant nor shall Tenant's obligations under this Lease be reduced or abated in any manner whatsoever by reason of any inconvenience, annoyance, interruption or injury to business arising from Landlord's making any repairs, upgrades, renovations or changes which Landlord is required or permitted by this Lease or required by law to make in or to any portion of the Hangar or the Premises. Landlord shall nevertheless use reasonable efforts to minimize any interference with Tenant's use of the Hangar.

h. *Notice to Landlord of Tenant Repairs*. Tenant shall give Landlord prompt notice of any damage to or defective condition in any part or appurtenance of the Hangar's mechanical, electrical, plumbing, HVAC or other systems serving, located in, or passing through the Hangar so that Landlord is kept fully informed of Tenant's repairs of such items.

i. *Broom Clean.* Upon the expiration or earlier termination of this Lease, Tenant shall return the Hangar to Landlord clean and in the same condition as on the date Tenant took possession, except for normal wear and tear, and in a broom clean condition. Any damage to the Hangar, including any structural damage, resulting from Tenant's use or from the removal of Tenant's fixtures, furnishings and equipment pursuant to Section 13 shall be repaired by Tenant at Tenant's expense.

12. ALTERATIONS AND ADDITIONS.

a. Tenant shall not make any additions, alterations or improvements to the Hangar without obtaining the prior written consent of Landlord. Landlord's consent may be conditioned on Tenant's removing any such additions, alterations or improvements upon the expiration of the Term and restoring the Hangar to the same condition as on the date Tenant took possession. All work with respect to any addition, alteration or improvement shall be done in a good and workmanlike manner by properly qualified and licensed personnel approved by Landlord, and such work shall be diligently prosecuted to completion. Landlord may, at Landlord's option, require that any such work be performed by Landlord's contractor, in which case the cost of such work shall be paid for before commencement of the work. Tenant shall pay to Landlord upon completion of any such work by Landlord's contractor, an administrative fee of fifteen percent (15%) of the cost of the work.

b. Tenant shall pay the costs of any work done on the Hangar pursuant to Section 12, and shall keep the Premises and Hangar free and clear of liens of any kind. Tenant shall indemnify, defend against and keep Landlord free and harmless from all liability, loss, damage, costs, attorneys' fees and any other expense incurred on account of claims by any person performing work or furnishing materials or supplies for Tenant or any person claiming under Tenant.

c. Tenant shall keep Tenant's leasehold interest, and any additions or improvements which are or become the property of Landlord under this Lease, free and clear of all attachment or judgment liens. Before the actual commencement of any work for which a claim or lien may be filed, Tenant shall give Landlord notice of the intended commencement date a sufficient time before that date to enable Landlord to post notices of non-responsibility or any other notices which Landlord deems necessary for the proper protection of Landlord's interest in the Premises, Hangar or the Airport, and Landlord shall have the right to enter the Hangar and post such notices at any reasonable time.

d. Landlord may require, at Landlord's sole option, that Tenant provide to Landlord, at Tenant's expense, a lien and completion bond in an amount equal to at least one and one-half (11/2) times the total estimated cost of any additions, alterations or improvements to be made in or to the Hangar, to protect Landlord against any liability for mechanic's and materialmen's liens

and to insure timely completion of the work. Nothing contained in this Section 12 shall relieve Tenant of its obligation under Section 12 to keep the Premises, Hangar and Airport free of all liens.

e. Unless their removal is required by Landlord as provided in Section 12, all additions, alterations and improvements made to the Hangar shall become the property of Landlord and be surrendered with the Hangar upon the expiration of the Term; provided, however, Tenant's equipment, machinery and trade fixtures which can be removed without damage to the Hangar shall remain the property of Tenant and may be removed, subject to the provisions of Section 13.

f. Tenant shall have no authority to subject the leased Hangar or any part thereof or any interest of Landlord therein, to an construction or other lien, should any construction, or other liens: be filed against the leased Hangar or any part thereof or any interest of Landlord therein, by reason of Tenant's acts or omissions or because of a claim against Tenant, Tenant shall cause the same to be canceled and discharged of record by bond or otherwise within ten (10) days.

g. **Landlord's property is public property and not subject to construction lien claims under Florida law. Tenant shall provide all contractors, subcontractors, material suppliers, or others who perform work or supply materials notice of this provision.**

13. LEASEHOLD IMPROVEMENTS; TENANT'S PROPERTY.

a. All fixtures, equipment, improvements and appurtenances attached to or built into the Hangar at the commencement of or during the Term, whether or not by or at the expense of Tenant ("Leasehold Improvements"), shall be and remain a part of the Hangar, shall be the property of Landlord and shall not be removed by Tenant, except as expressly provided in Section 13b

b. All movable partitions, business and trade fixtures, machinery and equipment, communications equipment and office equipment located in the Hangar and acquired by or for the account of Tenant, without expense to Landlord, which can be removed without structural damage to the Hangar, and all furniture, furnishings and other articles of movable personal property owned by Tenant and located in the Hangar (collectively "Tenant's Property") shall be and shall remain the property of Tenant and may be removed by Tenant at any time during the Term; provided that if any of Tenant's Property is removed, Tenant shall promptly repair any damage to the Premises or to the Hangar resulting from such removal.

14. CERTAIN RIGHTS RESERVED BY LANDLORD.

Landlord reserves the following rights, exercisable without liability to Tenant for (a) damage or injury to property, person or business, (b) causing an actual or constructive eviction from the Hangar, or (c) disturbing Tenant's use or possession of the Hangar:

a. To name the Hangar and to change the name or street address of the Hangar;

b. To install and maintain all signs on the exterior and interior of the Hangar, including ADA signage;

c. To have pass keys to the Hangar and all doors within the Hangar (any doors found to not be on the Landlord's pass key will be rekeyed by Landlord at Tenant's expense);

d. At any time during the Term, and without prior notice to Tenant, to inspect the Hangar, and to show the Hangar to others having an interest in the Hangar or Landlord, and during the Term, to show the Hangar to prospective tenants or buyers thereof;

e. To enter the Hangar for the purpose of making inspections, repairs, alterations, additions or improvements to the Premises or the Hangar (including, without limitation, checking, calibrating, adjusting or balancing controls and other parts of the HVAC system), and to take all steps as may be necessary or desirable for the safety, protection, maintenance or preservation of the Premises or the Hangar or Landlord's interest therein, or as may be necessary or desirable for the operation or improvement of the Hangar or in order to comply with laws, orders or requirements of governmental or other authority. Landlord agrees to use its best efforts (except in an emergency) to minimize interference with Tenant's business in the Hangar in the course of any such entry; and

f. Access to install and maintain a security camera system to be able to observe the exterior of the Hangar (not interior), Premises and Airport from internet and mobile phone.

15. ASSIGNMENT AND SUBLETTING.

No assignment of this Lease or sublease of all or any part of the Hangar shall be permitted, except as provided in this Article 16.

a. Tenant shall not, without the prior written consent of Landlord, assign or hypothecate this Lease or any interest herein or sublet the Hangar or any part thereof, or permit the use of the Hangar by any party other than Tenant. Any of the foregoing acts without such consent shall be void and shall, at the option of Landlord, terminate this Lease. This Lease shall not, nor shall any interest of Tenant herein, be assignable by operation of law without the written consent of Landlord which may be withheld for any or no reason.

b. Notwithstanding the provisions of paragraphs a above, Tenant may not assign this Lease or sublet the Hangar or any portion thereof, without Landlord's consent and without extending any recapture or termination option to Landlord, to any corporation which controls, is controlled by or is under common control with Tenant, or to any corporation resulting from a merger or consolidation with Tenant, or to any person or entity which acquires all the assets of Tenant's business as a going concern, provided that (i) the assignee or sublessee assumes, in full, the obligations of Tenant under this Lease, (ii) Tenant remains fully liable under this Lease, and (iii) the use of the Hangar under Article 8 remains unchanged.

c. No subletting or assignment shall release Tenant of Tenant's obligations under this Lease or alter the primary liability of Tenant to pay the Rent and to perform all other obligations to be performed by Tenant hereunder. The acceptance of Rent by Landlord from any other person shall not be deemed to be a waiver by Landlord of any provision hereof. Consent to one assignment or subletting shall not be deemed consent to any subsequent assignment or subletting. In the event of default by an assignee or subtenant of Tenant or any successor of Tenant in the performance of any of the terms hereof, Landlord may proceed directly against Tenant without the necessity of exhausting remedies against such assignee, subtenant or successor. Landlord may consent to subsequent assignments of the Lease or sublettings or amendments or modifications to the Lease with assignees of Tenant, without notifying Tenant, or any successor of Tenant, and without obtaining its or their consent thereto and any such actions shall not relieve Tenant of liability under this Lease.

d. If Tenant assigns the Lease or sublets the Hangar or requests the consent of Landlord to any assignment or subletting or if Tenant requests the consent of Landlord for any act that Tenant proposes to do, then Tenant shall, upon demand, pay Landlord an administrative fee of Five Hundred and No/100ths Dollars ($500.00) plus any attorneys' fees reasonably incurred by Landlord in connection with such act or request.

16. **HOLDING OVER.**

If after expiration of the Term, Tenant remains in possession of the Hangar with Landlord's permission (express or implied), Tenant shall become a tenant from month to month only, upon all the provisions of this Lease (except as to term and Base Rent), but the "Monthly Installments of Base Rent" payable by Tenant shall be increased to one hundred fifty percent (150%) of the Monthly Installments of Base Rent payable by Tenant at the expiration of the Term. Such monthly rent shall be payable in advance on or before the first day of each month.

17. SURRENDER OF HANGAR.

a. Tenant shall peaceably surrender the Hangar to Landlord on the Expiration Date, in broom-clean condition and in as good condition as when Tenant took possession, except for (i) reasonable wear and tear, (ii) loss by fire or other casualty, and (iii) loss by condemnation. Tenant shall, on Landlord's request, remove Tenant's Property on or before the Expiration Date and promptly repair all damage to the Premises or Hangar caused by such removal.

b. If Tenant abandons or surrenders the Hangar, or is dispossessed by process of law or otherwise, any of Tenant's Property left on the Hangar shall be deemed to be abandoned, and, at Landlord's option, title shall pass to Landlord under this Lease as by a bill of sale. If Landlord elects to remove all or any part of such Tenant's Property, the cost of removal, including

repairing any damage to the Premises or Hangar caused by such removal, shall be paid by Tenant. On the Expiration Date, Tenant shall surrender all keys to the Hangar.

18. DESTRUCTION OR DAMAGE.

a. If the Hangar or the portion of the Hangar necessary for Tenant's occupancy is damaged by fire, earthquake, act of God, the elements of other casualty, or the Hangar reach age of life, Landlord may terminate this Lease.

b. Nonetheless, if Landlord elects to repair or rebuild the Hangar, upon notice to Tenant given within thirty (30) days after the date of such fire or other casualty, to repair such damage, in which event this Lease shall continue in full force and effect, but the Base Rent shall be partially abated during the time the Premise are not useable.

c. If the Hangar are to be repaired under this Article, Landlord shall repair at its cost any damage to the Hangar. Tenant shall be responsible at its sole cost and expense for the repair, restoration and replacement of any other Leasehold Improvements and Tenant's Property. Landlord shall not be liable for any loss of business, inconvenience or annoyance arising from any repair or restoration of any portion of the Premises, Hangar or Airport as a result of any damage from fire or other casualty.

d. This Lease shall be considered an express agreement governing any case of damage to or destruction of the Premises or Hangar by fire or other casualty, and any present or future law which purports to govern the rights of Landlord and Tenant in such circumstances in the absence of express agreement, shall have no application.

19. AIRPORT OPERATIONS AND IMPROVEMENTS.

a. Landlord reserves the right to make any repairs, improvements, alterations, additions and deletions to the Hangar, the Common Areas, the Airport and any other related areas or property free from any and all liability to the Tenant for loss of business or damages during, leading up to, or associated with the repairs, improvements, alterations, additions and deletions. Tenant specifically waives any and all claims at law or in equity that it may have related thereto. Further, Tenant acknowledges that the Hangar is located at an Airport and operation of the Airport may result in noise, smell, odor, inconvenience, security delays and procedures and other matters associated with aircraft flight, support and operations.

b. It is clearly understood by the Tenant that no right or privilege has been granted which would operate to prevent any person, firm or corporation operating aircraft on the airport performing any services in its own aircraft with its own regular employees (including, but not limited to, maintenance and repair) that it may choose to perform.

c. It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right other than to the interior space of the Hangar.

d. Landlord reserves the right to further develop or improve the landing area, taxiways and other facilities of the Airport as it sees fit, regardless of the desires of view of the Tenant, and without interference or hindrance from the Tenant.

e. Landlord reserves the right, but shall not be obligated to Tenant, to maintain and keep in repair the Airport and all publicly owned facilities of the Airport, together with the right to direct and control all activities of Tenant in this regard.

f. This Lease shall be subordinate to the provisions of any existing or future agreement between Landlord and the United States, relative to the operation or maintenance of the Landlord’s Airport, the execution of which has been or may be required as a condition precedent to the expenditure of Federal funds for the development of the Landlord’s Airport.

20. INDEMNIFICATION.

a. Tenant shall indemnify and hold Landlord harmless against and from liability and claims of any kind for loss or damage to property of Tenant or any other person, or for any injury to or death of any person, arising out of: (1) Tenant's use and occupancy of the Hangar, or any work, activity or other things allowed or suffered by Tenant to be done in, on or about the Hangar; (2) any breach or default by Tenant of any of Tenant's obligations under this Lease; or (3) any negligent or otherwise tortious act or omission of Tenant, its agents, employees, invitees or contractors. Tenant shall at Tenant's expense, and by counsel satisfactory to Landlord, defend Landlord in any action or proceeding arising from any such claim and shall indemnify Landlord against all costs, attorneys' fees, expert witness fees and any other expenses incurred in such action or proceeding.

As a material part of the consideration for Landlord's execution of this Lease, Tenant hereby assumes all risk of damage or injury to any person or property in, on or about the Hangar from any cause.

b. Landlord shall not be liable for injury or damage which may be sustained by the person or property of Tenant, its employees, invitees or customers, or any other person in or about the Hangar, caused by or resulting from fire, steam, electricity, gas, water or rain which may leak or flow from or into any part of the Hangar, or from the breakage, leakage, obstruction or other defects of pipes, sprinklers, wires, appliances, plumbing, air conditioning or lighting fixtures, or resulting from aircraft damage or property damage resulting from sharing leased Hangar. whether such damage or injury results from conditions arising upon the Hangar or upon other portions of the Hangar or from other sources. Landlord shall not be liable for any damages arising from any act or omission of any tenant of the Hangar.

21. TENANT'S INSURANCE.

a. All insurance required to be carried by Tenant hereunder shall be issued by responsible insurance companies acceptable to Landlord and qualified to do business in the State. Each policy shall name St. Augustine – St. Johns County Airport Authority and their respective directors, officers, employees, agents and assigns of each as an additional insured. Each policy shall contain (i) a cross-liability endorsement, (ii) a provision that such policy and the coverage evidenced thereby shall be primary and non-contributing with respect to any policies carried by Landlord and that any coverage carried by Landlord shall be excess insurance, and (iii) a waiver by the insurer of any right of subrogation against Landlord, its agents, employees and representatives, which arises or might arise by reason of any payment under such policy or by reason of any act or omission of Landlord, its agents, employees or representatives. A copy of each paid up policy (authenticated by the insurer) or certificate of the insurer evidencing the existence and amount of each insurance policy required hereunder shall be delivered to Landlord before the date Tenant is first given the right of possession of the Hangar, annually, and within thirty (30) days after any demand by Landlord therefor. Landlord may, at any time and from time to time, inspect and/or copy any insurance policies required to be maintained by Tenant hereunder. No such policy shall be cancelable except after twenty (20) days written notice to Landlord. Tenant shall furnish Landlord with renewals or "binders" of any such policy at least ten (10) days prior to the expiration thereof. Tenant agrees that if Tenant does not take out and maintain such insurance or not provide proof of same, Landlord may (but shall not be required to) procure said insurance on Tenant's behalf and charge the Tenant the premiums together with a twenty-five percent (25%) handling charge, payable upon demand. Tenant shall have the right to provide such insurance coverage pursuant to blanket policies obtained by the Tenant, provided such blanket policies expressly afford coverage to the Hangar, Landlord, Landlord's Airport and Tenant as required by this Lease.

b. **Property Damage Insurance.** Beginning on the date Tenant is given access to the Hangar for any purpose and continuing until expiration of the Term, Tenant shall procure, pay for and maintain in effect policies of casualty insurance covering (i) all Leasehold Improvements (including any alterations, additions or improvements as may be made by Tenant pursuant to the provisions of Article 12 hereof), and (ii) any other personal property from time to time in, on or about the Hangar, in an amount not less than one hundred percent (100%) of their actual replacement cost from time to time, providing protection against any peril included within the classification "Fire and Extended Coverage" together with insurance against sprinkler damage, vandalism and malicious mischief. The proceeds of such insurance shall be used for the repair or replacement of the property so insured. Upon termination of this Lease following a casualty as set forth herein, the proceeds under (i) shall be paid to Landlord, and the proceeds under (ii) above shall be paid to Tenant.

c. **Liability Insurance.** Tenant shall, at all times during the term hereof and at its own cost and expense, procure and continue in force comprehensive general liability insurance for bodily injury and property damage, adequate to protect Landlord against liability for injury to or death of any person, arising in connection with the construction of improvements on the Hangar or use, operation or condition of the Hangar. Such insurance at all times shall be in an amount of not less than a combined single limit of One Million Dollars ($1,000,000), insuring against any and all liability of the insured with respect to said Hangar or arising out of the use or occupancy thereof.

d. Landlord and Tenant shall mutually agree to increases in all of Tenant's insurance policy limits for all insurance to be carried by Tenant as set forth in this Article. In the event Landlord and Tenant cannot mutually agree upon the amounts of said increases, then Tenant agrees that all insurance policy limits as set forth in this Article shall be adjusted for increases in the cost of living in the same manner as is set forth in Section 5.2 hereof for the adjustment of the Base Rent.

22. WAIVER OF SUBROGATION.

Tenant shall have no interest in or claim to any portion of the proceeds of any insurance maintained by Landlord.

23. PARKING AND ACCESS.

Tenant automobile parking for personal vehicles shall be permitted within the Common Area or on the access driveway to the individual hangar unit. At all times, automobile parking shall be accomplished in a manner to provide unrestricted movement of aircraft and other automobiles on or about the taxiways and Airport. Other parking areas may be provided by Landlord. No on-street parking is permitted. Vehicle Access to the Hangar area is to be accomplished through gates designated by Landlord. No Hangar access is to be accomplished utilizing the FBO Area. No automobile, wheeled vehicle or pedestrian use of airfield movement areas is permitted. At all times, vehicle surface traffic shall yield to aircraft. Tenant acknowledges that the Airport is a secured facility. Tenant shall abide by any and all parking regulations and rules established from time to time by Landlord, Landlord's parking operator or other security personnel. Tenant acknowledges that any violation of the provisions of this Section may result in immediate termination of this Lease.

24. SIGN CONTROL.

Tenant shall not affix, paint, erect or inscribe any sign, projection, awning, signal or advertisement of any kind to any part of the Hangar or Airport, including without limitation, the inside or outside of windows or doors, without the written consent of Landlord, which may be withheld for any or no reason. Landlord shall have the right to remove any signs or other matter, installed without Landlord's permission, without being liable to Tenant by reason of such removal, and to charge the cost of removal to Tenant as additional rent hereunder, payable within ten (10) days of written demand by Landlord.

25. TENANT ESTOPPEL CERTIFICATES.

Within ten (10) days after written request from Landlord, Tenant shall execute and deliver to Landlord or Landlord's designee, a written statement certifying (a) that this Lease is unmodified and in full force and effect, or is in full force and effect as modified and stating the modifications; (b) the amount of Base Rent and the date to which Base Rent and additional rent have been paid in advance; (c) the amount of any security deposited with Landlord; and (d) that Landlord is not in default hereunder or, if Landlord is claimed to be in default, stating the nature of any claimed default. Any such statement may be relied upon by a purchaser, assignee or lender. Tenant's failure to execute and deliver such statement within the time required shall at Landlord's election be a default under this Lease and shall also be conclusive upon Tenant that: (1) this Lease is in full force and effect and has not been modified except as represented by Landlord; (2) there are no uncured defaults in Landlord's performance and that Tenant has no right of offset, counter-claim or deduction against Rent; and (3) not more than one month's Rent has been paid in advance.

26. TRANSFER OF LANDLORD'S INTEREST.

In the event of any sale or transfer by Landlord of the Hangar or Airport, and assignment of this Lease by Landlord, Landlord shall be and is hereby entirely freed and relieved of any and all liability and obligations contained in or derived from this Lease arising out of any act, occurrence or omission relating to the Hangar or Lease occurring after the consummation of such sale or transfer, providing the purchaser shall expressly assume all of the covenants and obligations of Landlord under this Lease. If any security deposit or prepaid Rent has been paid by Tenant, Landlord may transfer the security deposit or prepaid Rent to Landlord's successor and upon such transfer, Landlord shall be relieved of any and all further liability with respect thereto.

27. DEFAULT.

27.1. *Tenant's Default.* The occurrence of anyone or more of the following events shall constitute a default and breach of this Lease by Tenant:

a. If Tenant abandons or vacates the Hangar; or

b. If Tenant fails to pay any Rent or any other charges required to be paid by Tenant under this Lease and such failure continues for five (5) days after such payment is due and payable without notice thereof; or

c. If Tenant fails to promptly and fully perform any other covenant, condition or agreement contained in this Lease and such failure continues for ten (10) days after written notice thereof from Landlord to Tenant or if the failure is repeated after a prior notice; or

d. If a writ of attachment or execution is levied on this Lease or on any of Tenant's Property; or

e. If Tenant makes a general assignment for the benefit of creditors, or provides for an arrangement, composition, extension or adjustment with its creditors; or

f. If Tenant files a voluntary petition for relief or if a petition against Tenant in a proceeding under the federal bankruptcy laws or other insolvency laws is filed and not withdrawn or dismissed within forty-five (45) days thereafter, of if under the provisions of any law providing for reorganization or winding up of corporations, any court of competent jurisdiction assumes jurisdiction, custody or control of Tenant or any substantial part of its property and such jurisdiction, custody or control remains in force unrelinquished, unstayed or unterminated for a period of forty-five (45) days; or

g. If in any proceeding or action in which Tenant is a party, a trustee, receiver, agent or custodian is appointed to take charge of the Hangar or Tenant's Property (or has the authority to do so) for the purpose of enforcing a lien against the Hangar or Tenant's Property; or

h. Tenant fails to comply with, fails to abide by or breaches any of Tenant’s Operating Obligations as provided for in this Lease.

i. If Tenant is a partnership or consists of more than one (1) person or entity, if any partner of the partnership or other person or entity is involved in any of the acts or events described in subparagraphs above.

27.2. *Remedies.* In the event of Tenant's default hereunder, then in addition to any other rights or remedies Landlord may have under any law, Landlord shall have the right, at Landlord's option, without further notice or demand of any kind to do the following:

a. Terminate this Lease and Tenant's right to possession of the Hangar and reenter the Hangar and take possession thereof, and Tenant shall have no further claim to the Hangar or under this Lease; or

b. Continue this Lease in effect, reenter and occupy the Hangar for the account of Tenant, and collect any unpaid Rent or other charges which have or thereafter become due and payable; or

c. Reenter the Hangar under the provisions of subparagraph b, and thereafter elect to terminate this Lease and Tenant's right to possession of the Hangar.

If Landlord reenters the Hangar under the provisions of subparagraphs b or c above, Landlord shall not be deemed to have terminated this Lease or the obligation of Tenant to pay any Rent or other charges thereafter accruing, unless Landlord notifies Tenant in writing of Landlord's election to terminate this Lease. In the event of any reentry or retaking of possession by Landlord, Landlord shall have the right, but not the obligation, to remove all or any part of Tenant's Property in the Hangar and to place such property in storage at a public warehouse at the expense and risk of Tenant. If Landlord elects to relet the Hangar for the account of Tenant, the rent received by Landlord from such reletting shall be applied as follows: first, to the payment of any indebtedness other than Rent due hereunder from Tenant to Landlord; second, to the payment of any costs of such reletting; third, to the payment of the cost of any alterations or repairs to the Hangar; fourth to the payment of Rent due and unpaid hereunder; and the balance, if any, shall be held by Landlord and applied in payment of future Rent as it becomes due. If that portion of rent received from the reletting which is applied against the Rent due hereunder is less than the amount of the Rent due, Tenant shall pay the deficiency to Landlord promptly upon demand by Landlord. Such deficiency shall be calculated and paid monthly. Tenant shall also pay to Landlord, as soon as determined, any costs and expenses incurred by Landlord in connection with such reletting or in making alterations and repairs to the Hangar, which are not covered by the rent received from the reletting.

Should Landlord elect to terminate this Lease under the provisions of subparagraph a or c above, Landlord may recover as damages from Tenant the following:

1. *Past Rent.* The worth at the time of the award of any unpaid Rent which had been earned at the time of termination; plus

2. *Rent Prior to Award.* The worth at the time of the award of the amount by which the unpaid Rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus

3. *Rent After Award.* The worth at the time of the award of the amount by which the unpaid Rent for the balance of the Term after the time of award exceeds the amount of the rental loss that Tenant proves could be reasonably avoided; plus

4. *Proximately Caused Damages.* Any other amount necessary to compensate Landlord for all detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, including, but not limited to, any costs or expenses (including attorneys' fees), incurred by Landlord in (a) retaking possession of the Hangar, (b) maintaining the Hangar after Tenant's default, (c) preparing the Hangar for reletting to a new tenant, including any repairs or alterations, and (d) reletting the Hangar, including broker's commissions.

   "The worth at the time of the award" as used in subparagraphs 1 and 2 above, is to be computed by allowing interest at the rate often percent (10%) per annum. "The worth at the time of the award" as used in subparagraph 3 above, is to be computed by discounting the amount at the discount rate of the Federal Reserve Bank situated nearest to the Hangar at the time of the award plus one percent (1 %).

   The waiver by Landlord of any breach of any term, covenant or condition of this Lease shall not be deemed a waiver of such term, covenant or condition or of any subsequent breach of the same or any other term, covenant or condition. Acceptance of Rent by Landlord subsequent to any breach hereof shall not be deemed a waiver of any preceding breach other than the failure to pay the particular Rent so accepted, regardless of Landlord's knowledge of any breach at the time of such acceptance of Rent. Landlord shall not be deemed to have waived any term, covenant or condition unless Landlord gives Tenant written notice of such waiver.

In addition to the above remedies, any default by Tenant shall result in all of Tenant’s fixtures immediately and automatically becoming the sole and exclusive possessions of Landlord and shall not be removed from the Hangar.

27.3 *Landlord's Default.* If Landlord fails to perform any covenant, condition or agreement contained in this Lease within thirty (30) days after receipt of written notice from Tenant specifying such default, or if such default cannot reasonably be cured within thirty (30) days, if Landlord fails to commence to cure within that thirty (30) day period, then Tenant may terminate this Lease. Tenant shall not have the right to self-help or cure that default at Landlord's expense. Tenant shall not have the right to withhold, reduce or offset any amount against any payments of Rent or any other charges due and payable under this Lease except as otherwise specifically provided herein.

28. BROKERAGE FEES.

Tenant warrants and represents that it has not dealt with any real estate broker or agent in connection with this Lease or its negotiation except those noted in Section 2.o. Tenant shall indemnify and hold Landlord harmless from any cost, expense or liability (including costs of suit and reasonable attorneys' fees) for any compensation, commission or fees claimed by any other real estate broker or agent in connection with this Lease or its negotiation by reason of any act of Tenant.

29. NOTICES.

All notices, approvals and demands permitted or required to be given under this Lease shall be in writing and deemed duly served or given if personally delivered or sent by certified or registered U .S. mail, postage prepaid, and addressed as follows: (a) if to Landlord, to Landlord's Mailing Address and to the Hangar manager, and (b) if to Tenant, to Tenant's Mailing Address; provided, however, notices to Tenant shall be deemed duly served or given if delivered or mailed to Tenant at the Hangar. Landlord and Tenant may from time to time by notice to the other designate another place for receipt of future notices.

Tenant:_____

St. Augustine, Florida 32095

Landlord:
Executive Director
St. Augustine-St. Johns County Airport Authority
4796 US Highway 1, North
St. Augustine, Florida 32095

30. **GOVERNMENT ENERGY OR UTILITY CONTROLS.**

In the event of imposition of federal, state or local government controls, rules, regulations, or restrictions on the use or consumption of energy or other utilities during the Term, both Landlord and Tenant shall be bound thereby. In the event of a difference in interpretation by Landlord and Tenant of any such controls, the interpretation of Landlord shall prevail, and Landlord shall have the right to enforce compliance therewith, including the right of entry into the Hangar to effect compliance.

31. QUIET ENJOYMENT.

Tenant, upon paying the Rent and performing all of its obligations under this Lease, shall peaceably and quietly enjoy the Hangar, subject to the terms of this Lease and to any mortgage, lease, or other agreement to which this Lease may be subordinate.

Landlord reserves unto itself, its successors and assigns, for the use of and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the real property associated with the Leased Hangar along with the right to cause in such airspace noise as may be inherent in the operation of aircraft, now known or hereafter used, for navigation of or flight in said airspace, and for the use of such airspace for landing on, taking off from, or operating on the St. Augustine-St. Johns County Airport Authority. Tenant expressly agrees for itself, its successors and assigns, to prevent any use of the Leased Hangar which would interfere with or adversely affect the operation or maintenance of the airport or otherwise constitute an airport hazard.

32. OBSERVANCE OF LAW.

Tenant shall not use the Hangar or permit anything to be done in or about the Hangar which will in any way conflict with any law, statute, ordinance or governmental rule or regulation now in force or which may hereafter be enacted or promulgated. Tenant shall, at its sole cost and expense, promptly comply with all laws, statutes, ordinances and governmental rules, regulations or requirements now in force or which may hereafter be in force, and with the requirements of any board of fire insurance underwriters or other similar bodies now or hereafter constituted, relating to, or affecting the condition, use or occupancy of the Hangar, excluding structural changes not related to or affected by Tenant's improvements or acts. The judgment of any court of competent jurisdiction or the admission of Tenant in any action against Tenant, whether Landlord is a party thereto or not, that Tenant has violated any law, ordinance or governmental rule, regulation or requirement, shall be conclusive of that fact as between Landlord and Tenant.

33. FORCE MAJEURE.

Any prevention, delay or stoppage of work to be performed by Landlord or Tenant which is due to strikes, labor disputes, inability to obtain labor, materials, equipment or reasonable substitutes therefor, acts of God, governmental restrictions or regulations or controls, judicial orders, enemy or hostile government actions, civil commotion, fire or other casualty, or other causes beyond the reasonable control of the party obligated to perform hereunder, shall excuse performance of the work by that party for a period equal to the duration of that prevention, delay or stoppage. Nothing in this Article 33 shall excuse or delay Tenant's obligation to pay Rent or other charges under this Lease.

Landlord shall not be deemed in default with respect to any of the terms, covenants, conditions and provisions of this Lease on Landlord’s part to be performed if Landlord fails to timely perform same and such failure is due in whole or in part to any strike, lockout, labor trouble (whether legal or illegal), civil disorder, inability to procure materials, failure of power, restrictive governmental laws or regulations, riots, insurrections, war, fuel shortages, accidents, casualties, Acts of God, acts caused

directly or indirectly by Tenant (or Tenant's agents, employees or invitees), mechanical breakdown, repair, servicing or any other cause beyond the reasonable control of Landlord.

34. CURING TENANT'S DEFAULTS.

If Tenant defaults in the performance of any of its obligations under this Lease, Landlord may (but shall not be obligated to) without waiving such default, perform the same for the account at the expense of Tenant. Tenant shall pay Landlord all costs of such performance promptly upon receipt of a bill therefor. Should the default related to an unauthorized aircraft being on or in the Hangar, Landlord may remove the aircraft from the Hangar and relocate any such aircraft to another area of the Airport at the sole discretion of the Landlord and charge a market rent for the hangar or paver apron area occupied by such aircraft and lien such aircraft for nonpayment.

35. TERMINATION.

Either party to this agreement may at any time terminate this agreement in advance of the expiration date by providing written notification at least thirty (30) days in advance of the proposed cancellation. In the event of early termination, Tenant remains responsible for rent payments for the monthly period(s) in which the proposed cancellation will be effective.

36. MISCELLANEOUS.

a. *Accord and Satisfaction,. Allocation of Payments.* No payment by Tenant or receipt by Landlord of a lesser amount than the Rent provided for in this Lease shall be deemed to be other than on account of the earliest due Rent, nor shall any endorsement or statement on any check or letter accompanying any check or payment as Rent be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of the Rent or pursue any other remedy provided for in this Lease. In connection with the foregoing, Landlord shall have the absolute right in its sole discretion to apply any payment received from Tenant to any account or other payment of Tenant then not current and due or delinquent.

b. *Addenda.* If any provision contained in an addendum to this Lease is inconsistent with any other provision herein, the provision contained in the addendum shall control, unless otherwise provided in the addendum.

c. *Attorneys' Fees.* If any action or proceeding is brought by either party against the other pertaining to or arising out of this Lease, the finally prevailing party shall be entitled to recover all costs and expenses, including reasonable attorneys' fees, incurred on account of such action or proceeding.

d. *Captions, Articles and Section Numbers.* The captions appearing within the body of this Lease have been inserted as a matter of convenience and for reference only and in no way define, limit or enlarge the scope or meaning of this Lease. All references to Article and Section numbers refer to Articles and Sections in this Lease.

e. *Changes Requested by Lender.* Neither Landlord or Tenant shall unreasonably withhold its consent to changes or amendments to this Lease requested by the lender on Landlord's interest, so long as these changes do not alter the basic business terms of this Lease or otherwise materially diminish any rights or materially increase any obligations of the party from whom consent to such charge or amendment is requested.

f. *Choice of Law.* This Lease shall be construed and enforced in accordance with the laws of the State of Florida. The parties waive trial by jury. Venue shall be exclusively State Court in St. Johns County, Florida.

g. *Consent.* Notwithstanding anything contained in this Lease to the contrary, Tenant shall have no claim, and hereby waives the right to any claim against Landlord for money damages by reason of any refusal, withholding or delaying by Landlord of any consent, approval or statement of satisfaction, and in such event, Tenant's only remedies therefor shall be an action for specific performance, injunction or declaratory judgment to enforce any right to such consent, etc.

h. *Corporate Authority.* If Tenant is a corporation, each individual signing this Lease on behalf of Tenant represents and warrants that he is duly authorized to execute and deliver this Lease on behalf of the corporation, and that this Lease is binding on Tenant in accordance with its terms. Tenant shall, at Landlord's request, deliver a certified copy of a resolution of its board of directors authorizing such execution.

i. *Counterparts.* This Lease may be executed in multiple counterparts, all of which shall constitute one and the same Lease.

j. *Execution of Lease; No Option.* The submission of this Lease to Tenant shall be for examination purposes only, and does not and shall not constitute a reservation of or option for Tenant to lease, or otherwise create any interest of Tenant in the Hangar or any other premises within the Hangar or Airport. Execution of this Lease by Tenant and its return to Landlord shall not be binding on Landlord notwithstanding any time interval, until Landlord has in fact signed and delivered this Lease to Tenant.

k. *Further Assurances.* The parties agree to promptly sign all documents reasonably requested to give effect to the provisions of this Lease.

l. *Radon Gas Disclosure*. Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from your county public health unit.

m. *Prior Agreements; Amendments.* This Lease contains all of the agreements of the parties with respect to any matter covered or mentioned in this Lease, and no prior agreement or understanding pertaining to any such matter shall be effective for any purpose. No provisions of this Lease may be amended or added to except by an agreement in writing signed by the parties or their respective successors in interest.

n. *Recording.* Tenant shall not record this Lease.

o. *Security.* Landlord makes no implication or guarantees as to the provision of security of the leasehold. The Tenant is solely responsible for the security of the Hangar. Tenant shall comply with any and all security policies, measures or requirements established by Landlord or FAA related to the Hangar or Airport.

p. *Severability.* A final determination by a court of competent jurisdiction that any provision of this Lease is invalid shall not affect the validity of any other provision, and any provision so determined to be invalid shall, to the extent possible, be construed to accomplish its intended effect.

q. *Successors and Assigns.* This Lease shall apply to and bind the heirs, personal representatives, and permitted successors and assigns of the parties.

r. *Time of the Essence.* Time is of the essence of this Lease.

s. *Waiver.* No delay or omission in the exercise of any right or remedy of Landlord upon any default by Tenant shall impair such right or remedy or be construed as a waiver of such default.

> The receipt and acceptance by Landlord of delinquent Rent shall not constitute a waiver of any other default; it shall constitute only a waiver of timely payment for the particular Rent payment involved.
>
> No act or conduct of Landlord, including, without limitation, the acceptance of keys to the Hangar, shall constitute an acceptance of the surrender of the Hangar by Tenant before the expiration of the Term. Only a written notice from Landlord to Tenant shall constitute acceptance of the surrender of the Hangar and accomplish a termination of the Lease.
>
> Landlord's consent to or approval of any act by Tenant requiring Landlord's consent or approval shall not be deemed to waive or render unnecessary Landlord's consent to or approval of any subsequent act by Tenant.
>
> Any waiver by Landlord of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of the Lease.

t. *Compliance.* The parties hereto agree to comply with all applicable federal, state and local laws, regulations, codes, ordinances and administrative orders having jurisdiction over the parties, property or the subject matter of this Agreement, including, but not limited *to,* the 1964 Civil Rights Act and all amendments thereto, the Foreign Investment In Real Property

Tax Act, the Comprehensive Environmental Response Compensation and Liability Act, and The Americans With Disabilities Act.

The parties hereto have executed this Lease as of the dates set forth below.

LANDLORD	**TENANT**
Date_____	Date: _____
Landlord: ST. AUGUSTINE - ST. JOHNS COUNTY AIRPORT AUTHORITY	Tenant: _____
By: _____	By: _____ **Even if Tenant is an entity, by signing above, I am personally guaranteeing this Lease.**
Name:_____	Name:_____
Title: _____	Title: _____

HANGAR USE AGREEMENT

Hangar Unit No.: _____

( ) T-Hangar ( ) Box-Hangar

Initial Monthly Use Rate: _____

Date: _____

Owner Information

St. Johns County Airport Authority
4796 US Highway 1, North
St. Augustine, FL 32095
Phone: (904) 209-3900
E-mail: hangars@sgj-airport.com

User Information

Name: _____

Address: _____

_____

City: _____ State: _____Zip: _____

Telephone: _____

Email: _____

Alt. Email: _____

Stored Aircraft Information (if Box Hangar, and if applicable, complete second Aircraft Information below.

FAA Reg. No.: _____ Manufacturer: _____ Model: _____ Ser. No. _____

Date of Last Annual: _____ Color (Base): _____ Color (Trim): _____

FAA Reg. Owner: _____ If entity, State of Incorporation: _____

Terms

SECTION 1. USE OF T-HANGAR UNIT – Owner conditionally permits the use of the T-Hangar Unit (the Unit) indicated above, and the User hereby agrees to use the Unit subject to the terms and conditions set forth in this Agreement (hereinafter, the "Use Agreement").

SECTION 2. USE TERM – The use term shall commence on the date indicated above and shall end the last day of the following September (one year or less), except this Use Agreement shall automatically renew for one (1) consecutive year terms, unless otherwise earlier terminated. The Use Agreement shall not automatically renew for a successive year if the User has not timely paid Use Payment or is otherwise in default. The parties' early termination rights are described in Section 26.

SECTION 3. PERMITTED USES – The use of the Unit shall be limited to the following non-commercial aeronautical uses:

1. the hangaring of an airworthy aircraft owned by the User. Upon request of the Owner, the User may be asked to provide, and agrees to provide, verification or documentation of ownership in the stored aircraft and evidence of the airworthy status of the stored aircraft. Aeronautical accessories and non-aeronautical habitability items, described more specifically below, may be kept in the hangar;
2. the non-commercial construction of amateur-built or kit-built aircraft.

The following aeronautical accessories and non-aeronautical habitability items may be kept in the hangar under the circumstances described, if the items are normally located within 36 inches the Hangar walls:

1. Towbars and small aircraft handling ground support equipment used with towbars to facilitate the movement of the Aircraft in and out of the hangar;
2. tools, toolboxes, workbenches, manuals, and documentation used for routine owner maintenance of the aircraft stored;
3. if the use is for the non-commercial construction of an amateur or kit-built aircraft, tools appropriate for such activity;
4. a reasonable amount of consumables and parts specific to the Aircraft or the Hangar such as motor oil, cleaning supplies, filters, brake pads, etc;
5. a modest amount of habitability items for use while attending to the aircraft such as a desk, seating, a small refrigerator unit (see Section 12, below, relating to Utilities,) radio, etc. provided such items are located along the hangar walls and do not impair the movement of the aircraft in or out of the hangar;
6. While the stored aircraft is in use and temporarily absent from the hangar, the vehicle(s) used to commute to or from the hangar.

For additional interpretive guidance concerning permissible uses under this section, including permissible periods of time when the Aircraft may not be airworthy due to routine, scheduled, or unscheduled maintenance, the Owner publishes "Frequently Asked Questions Concerning T-Hangar Use" on the St. Johns County Airport Authority's website.

User Initials: _____ No other use is permitted. Specifically, the Unit may not be used for the storage of any other content including, but not limited to, watercraft, trailers, household goods, vehicles, motor vehicles, motorcycles, recreational vehicles, non-aeronautical items, derelict aircraft, aircraft parts not related to the Aircraft, or the storage of any other content without the Owner's express written consent. Use of the Unit is for the beneficial use of the User only. Use of the Unit itself may not be monetized by the User, including by assignment or sub-leasing.

SECTION 4. USE PAYMENT - User agrees to pay Owner the initial sum indicated above per month plus sales tax and, ad valorem tax, if applicable. Use Payment is due and payable on the first day of each month, in advance of use. A Late Fee of $50.00 per month shall apply to all Use Payments remaining unpaid after the tenth day of the month. Late fees shall be cumulative and shall not be Owner's exclusive remedy. The Use Payment rate may be adjusted with a minimum of thirty (30) days advanced notification of the increase having been made to User. The Use Payment rate shall also be subject to annual adjustments based on the Consumer Price Index, and from time to time the Use Payment rate shall be adjusted to reflect Fair Market Use Value. Each adjustment to Fair Market Use Value shall serve as the base for subsequent annual CPI adjustments. Any such Fair Market Use Value adjustment shall exclude sales tax in such computation.

SECTION 5. NOTICES – COMPUTATION OF TIME All formal notices, certificates or other formal communications hereunder shall be sufficiently given and shall be deemed given when mailed by registered or certified mail, postage prepaid, addressed as follows:

- if to the **User** at the above indicated address with a copy by electronic mail message, and:
- if to **Owner**, at 4796 U.S. Highway 1, North, St. Augustine, FL 32095 with a copy by electronic mail message to **hangars@sgj-airport.com**.

The Owner and the User may, by notice given hereunder, designate any additional or different address to which subsequent notices, certificates or other communications shall be sent.

For computation of any deadline that begins to run upon the provision of such Notice, the date on which the Notice is given is excluded from computation, and first day of the calculation of days begins with the day following the day on which Notice was given. Intermediate Saturdays, Sundays, and legal holidays are counted in the computation, provided however, that if the last day of the time period falls on a Saturday, Sunday, or legal holiday, then the time period is extended to the next day that is not a Saturday, Sunday, or legal holiday.

SECTION 6. BINDING EFFECT - This Use Agreement shall inure in the benefit of and shall be binding upon the OWNER and the USER.

SECTION 7. COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS - User will use the Unit and conduct or allow any activities upon the Unit only in compliance with all applicable laws, governmental regulations, and regulations established from time to time by Owner, including policy and interpretive guidance ("Hangar Use Frequently Asked Questions") as may be published on the Owner's public web site .

SECTION 8. NO ASSIGNMENT - User may not assign this Use Agreement. User may not store in the Unit an aircraft not owned by User, nor permit any other person to use the Unit for any purpose whatsoever. No aircraft, other than the Aircraft identified above (or as may be attached hereto by an Addendum,) may be stored in the Hangar without the express written consent of the Owner.

SECTION 9. INSURANCE - Insurance Types and Limits are not presently required. However, the requirement for insurance may from time to time be reviewed and determined by Owner.

SECTION 10. INDEMNIFICATION –

a. User agrees to indemnify and hold harmless the Owner and its agents, employees and members thereof, from any claim arising out of injury to any person or damage to any property resulting from User's activity upon the Unit. Owner assumes no liability for risks associated with the User's use.

b. User shall indemnify and hold Owner harmless against and from liability and claims of any kind for loss or damage to property of User or any other person, or for any injury to or death of any person, arising out of: (1) User's use of the Unit, or any work, activity or other things allowed or suffered by User to be done in, on or about the Unit; (2) any breach or default by User of any of User's obligations under this Use Agreement; or (3) any negligent or otherwise tortious act or omission of User, its agents, employees, invitees or contractors. User shall at User's expense, and by counsel satisfactory to Owner, defend Owner in any action or proceeding arising from any such claim and shall indemnify Owner against all costs, attorneys' fees, expert witness fees and any other expenses incurred in such action or proceeding. As a material part of the consideration for Owner's execution of this Use Agreement, User hereby assumes all risk of damage or injury to any person or property in, on or about the Unit from any cause.

c. Owner shall not be liable for injury or damage which may be sustained by the person or property of User, its employees, invitees or customers, or any other person in or about the Unit, caused by or resulting from fire, steam, electricity, gas, water or rain which may leak or flow from or into any part of the Unit, or from the breakage, leakage, obstruction or other defects of pipes, sprinklers, wires, appliances, plumbing, air conditioning or lighting fixtures, or resulting from aircraft damage or property damage resulting from sharing the Unit, whether such damage or injury results from conditions arising upon the Unit or upon other portions of the Building or from other sources. Owner shall not be liable for any damages arising from any act or omission of any User of the Building.

SECTION 11. SECURITY - Owner makes no implication or guarantees as to the provision of security of the Unit. The User is solely responsible for the security of the Unit.

SECTION 12. UTILITIES - Owner shall pay all normal and applicable costs and charges for water and electricity, and any other Owner provided utilities used in connection with the Unit while this Use Agreement remains in force. Any excess use or abuse will be charged to and payable by User. The hangar is provided with electrical outlets for the use of the User. It is provided for intermittent use of small electrical devices and normal lighting. Approved devices include items such as: vacuum cleaners, fans, small handheld power tools, small intermittent use battery chargers, radios, air compressors requiring less than 15 amps of peak current draw, or similar devices. The installation or placement of items that consume electricity on a continual basis or automatically cycle on-off such as refrigerators or similar devices including household appliances or devices not considered with the approved use of the Unit, are not permitted except when complying with one (1) of the following conditions and as approved in writing by the Owner: **(a)** The User has caused the installation of a separate power meter along with whatever additional modifications are required to facilitate electrical service. All modifications consistent with this provision shall have the written approval of the Owner; shall be properly permitted with St. Johns County; and shall be installed by a licensed contractor(s) approved for such work. The ongoing cost for electrical service shall be that of the User. The improvements made shall at the expiration of the Use Agreement, be completely removed and the hangar restored to a condition like that prior to modification or at the option of the Owner, shall become a Unit improvement and become the property of the Owner. Modifications for power will not be approved by the Owner to facilitate more than the total units by any one User in any one building; **OR (b)** A monthly surcharge would be paid by the User. The amount of the surcharge will be per Addendum "A" of this agreement, and as modified by the Owner at the time of renewal or automatic extension. User shall not connect any apparatus with electric, water, gas or other utility except through existing electrical outlets, faucets, valves or as otherwise existing in the Unit without first procuring the written consent of Owner, which Owner may refuse.

SECTION 13. SIGNS - User shall not affix, paint, erect or inscribe any sign, projection, awning, signal or advertisement of any kind to any part of the Unit, including without limitation, the inside or outside of windows or doors, without the written consent of Owner, which may be withheld for any or no reason. Owner shall have the right to remove any signs or other matter, installed without Owner's permission, without being liable to User by reason of such removal. Owner reserves the right to name the Building and to change the name or street address of the Building and to install and maintain all signs on the exterior and interior of the Building, including ADA signage.

SECTION 14. ACCESS AND PARKING - User automobile parking for personal vehicles shall be permitted within the Unit only when the aircraft is in use, or on the access driveway to the individual hangar unit. At all times, automobile parking shall be accomplished in a manner to provide unrestricted movement of aircraft and other automobiles on common taxiways. Other parking areas may be provided by Owner. No on-street parking is permitted. Vehicle Access to the hangar area is to be accomplished through gates designated by Owner. No hangar access is to be accomplished utilizing the FBO Area. No automobile, wheeled vehicle or pedestrian use of airfield movement areas is permitted. At all times, vehicle surface traffic shall yield to aircraft. User acknowledges that the airport is a secured facility. User shall abide by any and all parking regulations and rules established from time to time by Owner, Owner's parking operator or other security personnel.

SECTION 15. MAINTENANCE - Owner assumes and retains reasonable maintenance responsibilities for the Unit, building and surrounding grounds. User shall maintain the interior of the hangar, including any HVAC. User agrees that in the event of abuse or damage to Owner's property the cost of repairs may be charged to the User. Owner reserves the right to facilitate all maintenance and repairs of the Unit. Owner shall have no liability to User nor shall User's obligations under this Use Agreement be reduced or abated in any manner whatsoever by reason of any inconvenience, annoyance, interruption or damage arising from Owner's making any repairs, upgrades, renovations or changes which Owner is required or permitted by this Use Agreement or required by law to make in or to any portion of the Building or the Unit. Owner shall nevertheless use reasonable efforts to minimize any interference with User's use of the Unit.

SECTION 16. SOLID WASTE AND REFUSE DISPOSAL - The disposal of solid waste and refuse must be in conformance with the system of disposal used on the Airport and must comply with local and State governmental requirements, including compliance with airport recycling programs.

SECTION 17. HAZARDOUS STORAGE - No material of a hazardous or toxic characteristic shall be permitted to be stored in the Unit. This provision shall not apply to aircraft fuel and lubricants stored within an aircraft, or a modest amount of lubricants consumed in the routine use of the aircraft that are stored in the original containers in which they are sold. The storage of fuel in portable containers, regardless of type, shall not be permitted in the Unit.

SECTION 18. SUITABILITY OF UNIT - User has examined the Unit before entering into this Use Agreement and does not rely upon any representations by Owner as to the condition of the Unit or its suitability for User's purposes.

SECTION 19. REMEDIES FOR DEFAULT – OPPORTUNITY TO CURE – If done for the purpose of protecting public safety or to address an immediate threat of danger to persons or property, the Owner may interrupt the User's use of the Unit immediately and without notice. If user is engaged in commercial activities utilizing the Unit or is otherwise monetizing access or use of the Unit, Owner may interrupt the User's use of the Unit immediately and without notice.
If User is otherwise engaged in a non-compliant use of the Unit, Owner will provide written Notice to User and will provide thirty days (30 days) for the User to cure the non-compliant use. If the non-compliant use is not cured within the thirty day (30 day) period, the Owner may terminate User's use of the Unit.
If User fails to pay Owner the Use Payment required hereunder when due and said failure continues for thirty (30) days or if the User otherwise fails to perform any of the User's obligations hereunder and said failure continues for thirty (30) days, Owner may declare a default and retake possession of the Unit, including retaking by but not limited to, forcible eviction. Owner shall also be entitled to recover from User any special damages to Owner by reason of User's default. The remedies specified above are not in limitation to any other remedies allowed by law. All costs incurred by Owner in enforcing the terms of this Use Agreement shall be borne by User, including reasonable legal fees.

SECTION 20. AIRPORT MATTERS - This Use Agreement is subordinate to the provision of any existing agreement between the Owner and the United States of America, the State of Florida or their agencies, relative to the operation of maintenance of the St. Augustine Airport and specifically subject to all rules and regulations of the Federal Aviation Administration, the State of Florida, and the St. Johns County Airport Authority.

SECTION 21. STANDARD PROTECTION CLAUSES - (a) Owner reserves unto itself, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the real property hereinafter described together with the right to cause in said airspace such noise as may be inherent in the operation of aircraft, now known or hereafter used, for navigation of or flight in the said airspace, and for use of said airspace for landing on, taking off from, or operation on the St. Augustine - St. Johns County Airport. **(b)** The User expressly agrees for itself, its successors and assigns, to prevent any use of the Unit which would interfere with or adversely affect the operation or maintenance of the airport, or otherwise constitute an airport hazard.

SECTION 22. COVENANTS - (a) As a part of the consideration for this Use Agreement, User covenants and agrees to further pay or discharge all taxes, assessments, penalties, charges, rates or liens of any nature whatsoever which may for the period following the effective date of this Use Agreement be levied, assessed, charged, imposed or claimed on or against this Use Agreement, Unit, interest, lot or land or any improvements of fixtures thereon or appurtenances thereto, or any part thereof, or against the Owner or Owners of said land or the improvements, by reason of said ownership, by whatsoever authority levied, assessed, charged, imposed, claimed and whether the same be on or about the property herein used, its improvements, fixtures, or appurtenances, or any part thereof, on or against the income from said land or its improvements, it being the intention of the parties to this Use Agreement that the Use Payments herein reserved shall constitute a net income to the Owner from said land herein used, equal in amount to said Use Payments.

SECTION 23. RIGHT TO INSPECT – Owner retains an unqualified right to enter and inspect the Unit at any time and for any purpose, without notice to the User, and to access the Unit through any door including any Unit hangar door. Any doors within the Unit found to not be on the Owner's pass key will be rekeyed by Owner at User's expense. Owner may video-graphically record any entry into the Unit. Security camera systems may be installed on the outside of the Units.

SECTION 24. DELIVERY OF POSSESSION – If for any reason Owner does not deliver possession of the Unit to User on the Commencement Date, Owner shall not be subject to any liability for such failure, the Expiration Date shall not change and the validity of this Use Agreement shall not be impaired, but Use Payment shall be abated until delivery of possession unless such delayed possession extends for more than 20 days, whereupon User may terminate this Use Agreement and be entitled to the return of any and all deposits and Use Payments paid or pre-paid. "Delivery of possession" shall be deemed to occur on the date Owner tenders delivery of keys to User. If Owner permits User to begin use of the Unit before the Commencement Date, such possession shall be subject to the provisions of this Use Agreement, including, without limitation, the payment of Use Payment prorated on a per diem basis. User beginning use of the Unit shall be deemed conclusive evidence that as of the date of first use the Unit is in good order and satisfactory condition.

SECTION 25. ALTERATIONS – User shall not make any addition, alteration, or improvement to the Unit. Unauthorized alterations carry a fine of $500.00 and require repair or restoration of the Unit. Applications for authorized improvements are made through the Executive Director and require a $250.00 fee and signed Addendum to this Use Agreement.

SECTION 26. TERMINATION – For any reason, either party to this agreement may at any time terminate the agreement in advance of the expiration date by providing written notification at least thirty (30) days in advance of the proposed cancellation. If the Unit or the portion of the Building necessary for User's occupancy is damaged by fire, earthquake, act of God, the elements of other casualty, or the Unit reach age of life, Owner may terminate this Use Agreement without advanced notice. Upon the expiration or earlier termination of this Use Agreement, User shall cease use of the Unit in a clean condition

and in the same condition as on the date User first began use, except for normal wear and tear, and in a broom clean condition. If User abandons or discontinues use the Unit, or is dispossessed by process of law or otherwise, any of User's property left on the Unit shall be deemed to be abandoned, and, at Owner's option, title shall pass to Owner under this Use Agreement as by a bill of sale. If Owner elects to remove all or any part of such User's property, the cost of removal, including repairing any damage to the Unit caused by such removal, shall be paid by User. Upon termination, User shall surrender all keys to the Unit.

SECTION 27. MISCELLANEOUS.

a. *Accord and Satisfaction. Allocation of Payments.* No payment by User or receipt by Owner of a lesser amount than the Use Payment provided for in this Use Agreement shall be deemed to be other than on account of the earliest due Use Payment, nor shall any endorsement or statement on any check or letter accompanying any check or payment as Use Payment be deemed an accord and satisfaction, and Owner may accept such check or payment without prejudice to Owner's right to recover the balance of the Use Payment or pursue any other remedy provided for in this Use Agreement. In connection with the foregoing, Owner shall have the absolute right in its sole discretion to apply any payment received from User to any account or other payment of User then not current and due or delinquent.

b. *Attorneys' Fees.* If any action or proceeding is brought by either party against the other pertaining to or arising out of this Use Agreement, the finally prevailing party shall be entitled to recover all costs and expenses, including reasonable attorneys' fees, incurred on account of such action or proceeding.

c. *Captions, Articles and Section Numbers.* The captions appearing within the body of this Use Agreement have been inserted as a matter of convenience and for reference only and in no way define, limit or enlarge the scope or meaning of this Use Agreement. All references to Article and Section numbers refer to Articles and Sections in this Use Agreement.

d. *Choice of Law.* This Use Agreement shall be construed and enforced in accordance with the laws of the State of Florida. **THE PARTIES WAIVE TRIAL BY JURY.** Venue shall be exclusively the Courts in and for St. Johns County, Florida.

e. *Corporate Authority.* If User is a legal entity, each individual signing this Use Agreement on behalf of User represents and warrants that he or she is duly authorized to execute and deliver this Use Agreement on behalf of the entity, and that this Use Agreement is binding on User in accordance with its terms. User shall, at Owner's request, deliver a certified copy of a resolution of its governing officers authorizing such execution.

f. *Counterparts.* This Use Agreement may be executed in multiple counterparts, all of which shall constitute one and the same Use Agreement.

g. *Prior Agreements; Amendments.* This Use Agreement contains all of the agreements of the parties with respect to any matter covered or mentioned in this Use Agreement, and no prior agreement or understanding pertaining to any such matter shall be effective for any purpose. No provisions of this Use Agreement may be amended or added to except by an agreement in writing signed by the parties or their respective successors in interest.

h. *Recording.* User shall not record this Use Agreement without the prior written consent of Owner.

i. *Severability.* A final determination by a court of competent jurisdiction that any provision of this Use Agreement is invalid shall not affect the validity of any other provision, and any provision so determined to be invalid shall, to the extent possible, be construed to accomplish its intended effect.

j. *Successors and Assigns.* This Use Agreement shall apply to and bind the heirs, personal representatives, and permitted successors and assigns of the parties.

k. *Time of the Essence.* Time is of the essence of this Use Agreement.

l. *Waiver.* No delay or omission in the exercise of any right or remedy of Owner upon any default by User shall impair such right or remedy or be construed as a waiver of such default. The receipt and acceptance by Owner of delinquent Use Payment shall not constitute a waiver of any other default; it shall constitute only a waiver of timely payment for the particular Use Payment involved. The receipt and acceptance by Owner of any Use Payments made by a third party shall not be deemed as consent to the assignment of this Use Agreement, or as a novation for the benefit of such third party, or a waiver of the User's obligations under this Use Agreement. The receipt and acceptance by Owner of any Use Payments by a third party shall not create any justifiable reliance or equitable estoppel for the benefit of such third party. No endorsement on any instrument of payment for a Use Payment shall operate to create any rights to the third party under this Use Agreement. No act or conduct of Owner, including, without limitation, the acceptance of keys to the Unit, shall constitute an acceptance of the surrender of the Unit by User before the expiration of the Term. Only a written notice from Owner to User shall constitute acceptance of the surrender of the Unit and accomplish a termination of the Use Agreement. Owner's consent to or approval of any act by User requiring Owner's consent or approval shall not be deemed to waive or render unnecessary Owner's consent to or approval of any subsequent act by User. Any waiver by Owner of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of the Use Agreement.

m. *Compliance.* The parties hereto agree to comply with all applicable federal, state and local laws, regulations, codes, ordinances and administrative orders having jurisdiction over the parties, property or the subject matter of this Agreement, including, but not limited *to,* the 1964 Civil Rights Act and all amendments thereto, the Foreign Investment In Real Property Tax Act, the Comprehensive Environmental Response Compensation and Liability Act, and The Americans With Disabilities Act.

IN WITNESS WHEREOF, the Owner and User have caused this Lease to be executed as of the date first above written.

USER: _____

BY: _____
Printed Name Legibly

DATE: _____

OWNER: St. Johns County Airport Authority

BY: _____
Courtney K. Pittman, Executive Director

DATE: _____

ADDENDUM TO LEASE AGREEMENT

(T-Hangar and Box Hangar Only)

TENANT INFORMATION:	**LANDLORD INFORMATION**:
Name: **Address:** **City: State: Zip:** **Telephone # Alternate #** **E-mail Address:**	St. Augustine - St. Johns County Airport Authority 4796 US Highway 1, North St. Augustine, FL 32095 Phone (904) 209-0090 FAX (904) 209-0528 E-mail: rlb@sgj-airport.com

Hangar ID # _____

☐ **Authorized Improvement:**	**$250.00**
☐ **Unauthorized Improvement:**	**$750.00** ($250.00 plus $500.00 penalty)
☐ **Additional Amount to be Paid For Removal/Restoration of Premises:**	**$**_____
TOTAL:	**$**_____

The Landlord and Tenant are parties to that certain Lease agreement concerning the above-listed Hangar Unit. This addendum relates only to the specified Hangar Unit, the Premises, and related Lease.

Tenant desires to perform improvements to the Premises as described on Exhibit "A" attached hereto and made a part hereof (collectively, the "Subject Improvements"). Tenant is not permitted to undertake any alterations or improvements to the Premises without first obtaining Landlord's prior written authorization, which the Executive Director can withhold in the Executive Director's sole and exclusive discretion. Landlord is willing to give, subject to the terms and conditions set forth in this Addendum authorization for the Subject Improvements.

1. Consent. Landlord hereby consents to the performance of the Subject Improvements, subject to the terms and conditions set forth herein. Nothing in this Addendum shall be deemed to constitute Landlord's consent to any further alterations or improvements to the Premises. In addition to the other requirements set forth in this Addendum, Tenant must continue to comply with the requirements of the Lease and related Airport Policy. Subject to Tenant's indemnity obligations set forth below, Landlord agrees to Tenant undertaking the Subject Improvements.

2. Cost. Tenant acknowledges and agrees that Tenant must bear all costs and expenses of any kind related to or arising from the performance and completion of the Subject Improvements without any reimbursement, compensation or contribution whatsoever from Landlord.

3. Conditions to Commencement of the Subject Improvements. Before commencing work on any portion of the Subject Improvements, Tenant must:

    a. Submit to Landlord, and obtain Landlord's approval of, the proposed construction details (including, without limitation, construction contracts, plans, specifications, drawings, summary scope of work, and narrative installation procedures) for the Subject Improvements (collectively, the "Plans and Specifications"), as Landlord may request. If Tenant desires to revise the Plans and Specifications after the same have been approved by Landlord, then Tenant must re-submit the revised portion of the Plans and Specifications to Landlord for its approval (and obtain Landlord's approval thereof) before commencing any work relating thereto;

    b. Only proceed with the Subject Improvements after all permits and authorizations necessary therefor have been obtained (copies of such permits and authorizations shall be provided to Landlord upon request); and

    c. Submit evidence to Landlord that Tenant and each contractor and subcontractor performing work in connection with the Subject Improvements maintains the relevant insurance coverages required by Airport Authority policy.

4. Indemnity. Tenant acknowledges and agrees that its indemnification obligations under the Lease and this Addendum apply to all liabilities, expenses, losses, costs, deficiencies, fines, liens, penalties and damages of any kind or nature, including reasonable attorneys' fees, that Landlord or its affiliates, directors, officers, shareholders, members, agents or employees may suffer in connection with the performance of the Subject Improvements, including (a) any failure to complete the Subject Improvements in compliance with applicable laws, rules, regulations, codes or ordinances, (b) any entry by any person onto the Premises or Airport in connection with the Subject Improvements, (c) any additional work required by law to be done at the Premises that is discovered or required due to the Subject Improvements (including, without limitation, bring any system or the Premises in compliance with current building codes), and (d) Tenant's or Landlord's execution of any permit application, owner's authorization or other licensure applications in connection therewith and the submission of those applications to any governmental authority.

5. Ownership of Subject Improvements. Landlord hereby declares, and Tenant acknowledges, that (a) Landlord shall be the owner of the Subject Improvements to the Premises and (b) the Subject Improvements to the Premises shall remain as part of the Premises after the expiration or termination of the Lease unless otherwise required to be removed or the Premises repaired or restored at Landlord's sole and exclusive discretion. Upon Landlord's request, Tenant shall assign and transfer to Landlord any and all warranties and guarantees relating to the Subject Improvements.

6. Any breach by Tenant of this Addendum shall be deemed to be a breach of the Lease. This Addendum (and the Lease as supplemented hereby) embodies the entire agreement and understanding of the parties related to its subject matter and supersedes all prior proposals, understandings, agreements, correspondence, arrangements and contemporaneous oral agreements relating to the subject matter of this Addendum except for any and all representations made by Tenant in connection with the Subject Improvements, scope of work and related matters.

TENANT:	**LANDLORD:** St. Augustine - St. Johns County Airport Authority
BY:_____	**BY:**__ _____
DATE:_____	**DATE:**_____

Subject Improvements Exhibit "A"

Attached Plans and Specifications and Scope of Work

IN-KIND HANGAR LEASE

THIS AGREEMENT OF LEASE (hereinafter referred to as "Lease") made this 1st day of _____, between **ST. AUGUSTINE - ST. JOHNS COUNTY AIRPORT AUTHORITY,** a political subdivision of the State of Florida, whose principal address is 4796 U. S.1 North, St. Augustine, Florida 32095 (hereinafter referred to as "Landlord") and _____, a _____ agency whose principal administrative address is _____, _____, _____ _____ (hereinafter referred to as "Tenant").

R E C I T A L S:

A. Landlord is the owner of certain real property located in St. Johns County, State of Florida and more particularly described in Exhibit "A" attached hereto and incorporated by reference herein (hereinafter referred to as the "Land").

B. Landlord has constructed an aircraft hangar and related offices on the Land (the "Improvements") and desires to lease such Improvements and the Land to the Tenant on the terms contained in this Lease.

NOW THEREFORE, the parties hereto hereby covenant and agree as follows:

1. **DEMISED PREMISES.** In consideration of the rents, covenants and agreements hereinafter reserved and contained on the part of the Tenant to be observed and performed, the Landlord demises and leases to the Tenant, and the Tenant rents from the Landlord the Land and the Improvements. The Land and Improvements shall be referred to herein as the "Demised Premises". This Lease and the rights of the parties set forth herein shall create the relationship of "landlord" and tenant" only between Landlord and Tenant.

2. **TERM.** The term of this Lease shall be for a period of _____ (xx) months, commencing on _____,____,20__ (herein referred to as the "Commencement Date").

3. **BASE RENT AND OTHER CHARGES.**

A. Base Rent. For the term of this Lease, Tenant agrees to pay Landlord as Base Rent for the Demised Premises, the sum of _____Dollars and 00/100 ($0.00) Dollars per month (subject to adjustment as hereinafter provided). The Base Rent shall be paid in advance on the first day of each calendar month during the term. Such sum shall increase annually in proportion to the increase in the United States Consumer Price Index ("CPI") as maintained by the U. S. Department of Labor (Urban Index-A11 Consumers, All Items).

The Base Rent shall be subject to adjustment on each five-year anniversary of the Commencement Date of the lease by the lesser of an amount equal to a} the cumulative change in the CPI index (all urban consumers) over the preceding five-year period, or b) the then established fair market rental value as established by appraisal using MM techniques.

The initial annual fair market rental value rental rate is declared to be as presented in Exhibit "B" and likewise titled.

If applicable, the Tenant also agrees to pay to Landlord all Florida sales tax due in connection with the Base Rent. Such sales tax payments shall be made together with the monthly Base Rent payments provided for herein. Said rental (including Base Rent and all other sums payable to Landlord under this Lease) shall be paid to Landlord in lawful money of the United States of America, which shall be legal tender at the time of payment, at the office of Landlord or to such other person or at such other place as Landlord may from time to time designate in writing.

B. Ad Valorem Taxes. In the event that real and/or personal property taxes are levied against Landlord for some or all of the value of the Land and the Improvements to be constructed thereon, Tenant shall pay to Landlord each month as additional rent a sum equal to 1/12th of the annual taxes attributable to the Land and Improvements as reasonably estimated by Landlord. In the event of a difference between the exact amount of taxes paid and the estimate by Landlord, the excess or deficiency shall be computed in Landlord's calculation of the ensuing year's estimate or, in the event of the last year of the lease term, refunded by Landlord or paid by Tenant within 30 days of the due date of the taxes.

4. **USE OF DEMISED PREMISES.** The Demised Premises are leased to Tenant for storage, maintenance and repair of aircraft owned by the Tenant and approved sub-lessees. Tenant shall not use or alter to be used the Demised Premises or any portion thereof for any other purpose or purposes without Landlord's prior written consent.

1. **OPTION TO RENEW.** Tenant shall have an option to renew the term of this Lease for up to ten consecutive periods of twelve (12) months upon the same covenants and conditions as herein provided. If Tenant shall elect to exercise one or more of such options, it shall do so by giving Landlord written notice at least ninety (90) days prior to the expiration of the then current term. If Tenant shall fail to notify the Landlord of its intent to exercise one or more of the said renewal options, Tenant shall forfeit all right to any and all remaining renewal options.

2. **UTILITIES.** Landlord shall not be liable in the event of any interruption in the supply of any utilities. Tenant agrees that it will not install any equipment which will exceed or overload the capacity of any utility facilities and that if any equipment installed by Tenant shall require additional utility facilities; the same shall be installed at Tenant's expense in accordance with plans and specifications to be approved in writing by Landlord. Tenant shall be solely responsible for, and shall promptly pay, all

charges for use or consumption for electricity, potable water, sewer, or any other utility services.

3. **ALTERATIONS.** Tenant shall not make any alterations without the prior written consent of the Landlord. Tenant shall present to Landlord plans and specifications for such work at the time approval is sought. If Tenant is permitted to make alterations, Tenant shall furnish to Landlord, upon completion of same, a certified statement showing the total cost of such alterations. All trade fixtures, equipment and furnishings installed by Tenant shall remain the property of Tenant upon expiration or sooner termination of the term. Tenant's leasehold Improvements (excluding Tenant's trade fixtures, equipment and furnishings) shall, upon the expiration or sooner termination of the term, become a part of the realty and be the sole property of Landlord. If, during the term hereof, any change, alteration, addition or correction shall be required by any law, rule or regulation of any governmental authority to be made in or to the Demised Premises or any portion thereof, such change, alteration, addition or correction shall be made by Landlord at its sole cost and expense.

Notice is hereby given to all persons furnishing labor or materials to tenant that no construction, materialmen's or other lien sought to be taken on the Demised Premises shall in any manner affect the right, title or interest of Landlord therein.

4. **ASSIGNMENT AND SUBLETTING.**

a. Tenant may sublet a portion of the Demised Premises provided, however, that regardless of any such sublease, Tenant shall remain fully liable for the performance of all of the conditions, covenants and obligations of this Lease. Any and all subleases entered into by Tenant shall be made expressly subject to this Lease and all of the terms and provisions hereof. Tenant shall provide Landlord with all copies of such subleases. Any subleases shall also be subject to the use restrictions contained herein.

b. Tenant may not assign its interest in this Lease without the Landlord's prior written consent. Regardless of any such assignment Tenant shall remain fully liable for the performance of all of the conditions, covenants and obligations of this Lease. Tenant shall provide Landlord with a copy of any such assignment.

c. The provisions of the preceding paragraph to the contrary notwithstanding, Tenant may assign this lease to any successor of Tenant whether by the way of merger, acquisition, conversion or consolidation of Tenant with any other corporation or to any corporation which purchases or otherwise acquires all or substantially all of the assets of Tenant.

5. **MAINTENANCE AND REPAIRS.**

a. Landlord shall repair and maintain the roof and structural components of the Improvements. Landlord shall undertake such maintenance and

repairs within a reasonable time after written notice of the need for such maintenance or repairs is given by Tenant and received by Landlord. If such maintenance and repairs are necessitated in part or whole by the act, neglect, fault or omission of any duty by Tenant, its agents, servants, employees or visitors, Tenant shall pay to Landlord upon demand the reasonable cost (or portion thereof equitably allocated to Tenant of such maintenance and repairs.

b. To the extent that a repair shall not be considered "warranty work," Tenant shall repair and maintain the basic plumbing, the interior and exterior of the Premises air conditioning, and electrical systems, automatic door systems, landscaping and all systems whose maintenance and repair is not the obligation of Landlord in good condition throughout the term of this Lease. If Tenant shall fail to repair and maintain as provided herein, Landlord may affect such maintenance and repair and all expenses incurred by Landlord shall become additional rent and shall be immediately due and payable by Tenant.

6. **INDEMNITY.** Except for losses, damages and claims arising out of the acts or omissions of Landlord or Landlord's agents, contractors and employees, Tenant shall indemnify and hold harmless Landlord from and against any and all claims arising from Tenant's use of the Demised Premises, or from any activity, work or things done by Tenant in or about the Demised Premises and shall further indemnify and hold harmless Landlord from and against any and all claims arising from any breach or default in the performance of any obligations on Tenant's part to be performed under the terms of this Lease, or arising from any negligence of the Tenant, or any such claim or any action or proceeding brought thereon; and in case any action or proceeding be brought against Landlord by reason of any such claim, Tenant, upon notice from Landlord, shall defend the same at Tenant's expense by counsel acceptable to Landlord.

11. **CONSTRUCTION LIENS.** Tenant shall have no authority to subject the Demised Premises or any part thereof or any interest of Landlord therein, to any construction or other lien. Should any construction or other liens be filed against the Demised Premises or any part thereof or any interest of Landlord therein, by reason of Tenant's acts or omissions or because of a claim against Tenant, Tenant shall cause the same to be canceled and discharged of record by bond or otherwise within ten (10) days after notice by Landlord.

12. **INSURANCE**.

a. Tenant Insurance/Property Damage. At all time during the term hereof, Tenant shall maintain in effect policies of property damage insurance covering; (i) all leasehold improvements (including any alterations, additions or improvements as may be made by Tenant pursuant to provisions of paragraph 7 hereof) in which Tenant may have an insurable interest; and (ii) trade fixtures, merchandise and other personal property from time to time in, on or upon the Premises, in an amount not less than one hundred percent (100%) of their actual replacement cost from time to time during the term of this Lease, providing protection

against any peril included within the classification "Fire and Extended Coverage" together with insurance against sprinkler damage, vandalism and malicious mischief. The proceeds of such insurance shall be used for the repair or replacement of the property so insured. Upon termination of this Lease following a casualty as set forth herein, the proceeds under subsection (i) shall be paid to Landlord and the proceeds under subsection (ii) shall be paid to Tenant.

b. Tenant Liability Insurance. Tenant shall, at all times during the term hereof and at its own cost and expense, procure and continue in force comprehensive general liability insurance for bodily injury and property damage, adequate to protect Landlord against liability for injury to or death of any person, arising in connection with the construction of improvements on the Premises or use, operation or condition of the Premises. Such insurance at all tinges shall be in an amount of not less than a combined single limit of One Million Dollars ($1,000,000), insuring against any and all liability of the insured with respect to the Premises or arising out of the use or occupancy thereof.

c. Policy Form. All insurance required to be carried by Tenant hereunder shall be issued by responsible insurance companies, qualified to do business in the State of Florida reasonably acceptable to Landlord. Each policy shall name Landlord, and at Landlord's request any mortgagee of Landlord, as an additional insured, as their respective interests may appear, and copies of all policies or certificates evidencing the existence and amounts of such insurance shall be delivered to Landlord by Tenant at least ten (10) days prior to Tenant's occupancy of the Premises. No such policy shall be cancelable except after ten (10) days prior written notice to Landlord and Landlord's lender, Tenant shall furnish Landlord with renewals or "binders" of any such policy at least ten (10) days prior to the expiration thereof. Tenant agrees that if Tenant does not take out and maintain such insurance, Landlord may (but shall not be required to) procure said insurance on Tenant's behalf and charge the Tenant the premiums, plus a five percent (5%) handling charge, payable upon demand. Tenant shall have the right to provide such insurance coverage pursuant to blanket policies obtained by the Tenant provided such blanket policies expressly afford coverage to the Premises and to Tenant as required by this Lease.

d. Landlord Insurance. At all times during the term hereof, Landlord shall maintain in effect a policy or policies of property damage insurance covering the Improvements, providing protection against any peril included within the classification Fire and Extended Coverage "all risk". Landlord shall be entitled, at its option, to include in such policies a deductible provision of up to five percent (5%) per occurrence.

13. **DAMAGE AND RESTORATION**

a. Casualty. If, at any time after the execution of this Lease, the Demised Premises, or any portion thereof, should be damaged or destroyed (other

than by fault or omission of the Tenant) the following provisions shall govern the rights and obligations of Landlord and Tenant:

1. If such damage or destruction occurs and is to the extent of fifty percent (50%) or more of the then current actual cash value of the Improvements, Landlord or Tenant may elect to terminate this Lease by giving at least fifteen (15) days written notice of its said election to the other party, such notice to be given within thirty (30) days after the date of such damage or destruction. If neither Landlord nor Tenant shall elect to terminate this Lease, Landlord shall repair, reconstruct or restore the Demised Premises in accordance with the provisions of subparagraph 13.A.(2), below.

2. Except as provided in subparagraph 13.A.(1) above, in the event the Demised Premises, or any portion thereof, should be damaged or destroyed by any casualty insured under any fire and extended coverage insurance policy or policies required on the part of Landlord to be maintained hereunder, this Lease shall nevertheless continue in full force and effect (except as otherwise herein provided) and Landlord shall promptly commence and with due diligence complete the repair, reconstruction or restoration of the Demised Premises so far as practicable to the condition in which the Premises were immediately prior to such damage or destruction. Landlord's obligation under this Paragraph 15.A.(2) however, shall in no event exceed the scope of the work that was done by Landlord in the original construction and improvement of the Demised Premises.

b. Disclaimer of Insurance Proceeds. Tenant shall have no interest in or claim to any portion of the proceeds of any insurance maintained by Landlord hereunder.

c. Abatement of Rent. During the period commencing with the date of any such damage or destruction which Landlord is required or elects hereunder to repair, reconstruct or restore, and ending with the completion of such repairs, reconstruction or restoration, the Base Rent shall be proportionately abated in an amount equal to the proportion thereof which the number of square feet or gross floor area in the Demised Premises rendered untenantable thereby bears to the total number of square feet of gross floor area in the Demised Premises immediately prior to such damage or destruction. Payment of the full amount of Base Rent and all other charges shall resume upon the completion of such work of repair, reconstruction or restoration.

d. Effect of Termination. In the event this Lease is terminated under any of the provisions of this Paragraph 13, such termination shall become effective at the time and in accordance with the respective provisions herein contained for the

termination of this Lease. In the event of such termination all rentals and other charges on the part of Tenant to be paid hereunder shall be prorated and paid either as of the date of such damage or destruction, or as of the date Tenant ceases doing any business in, upon or from the Demised Premises, whichever last occurs.

14. **DEFAULT BY TENANT/REMEDIES**

a. Defaults. The occurrence of any one or more of the following events shall constitute a material default and breach of this Lease by Tenant:

1. The failure by Tenant to make any payment of rent or any other payment required to be made by Tenant hereunder, within fifteen (15) days of when due.

2. The failure by Tenant to observe or perform any of the covenants, conditions or provisions of this Lease other than described in Paragraph 14.A.(1) above, where such failure shall continue for a period of thirty (30) days after written notice hereof from Landlord to Tenant.

3. a) The making by Tenant of any general arrangement or assignment for the benefit of creditors; b) Tenant becomes a "debtor" as defined in 11 U.S.C. Subsection 101 or any successor statute thereto (unless, in the case of a petition filed against Tenant, the same is dismissed within sixty (60) days); c) the appointment of a trustee or receiver to take possession of substantially all of Tenant's interest in this Lease, where possession is not restored to Tenant within thirty (30) days; or d) the attachment, execution or other judicial seizure of substantially all of Tenant's assets located at the Demised Premises or of Tenant's interest in this Lease, where such seizure is not discharged within thirty (30) days. However, in the event that any provision of this subparagraph 14A.(3) is contrary to any applicable law, such provision shall be of no force or effect.

b. Remedies. In the event of any such material default or breach by Tenant, Landlord may at any time thereafter, with or without notice or demand and without limiting Landlord in the exercise of any right or remedy which Landlord may have by reason of such default or breach:

1. Terminate Tenant's right to possession of the Demised Premises by any lawful means, in which case this Lease shall terminate and Tenant shall immediately surrender possession of the Demised Premises to Landlord, In such event, Landlord shall be entitled to recover from Tenant all damages incurred by Landlord by reason of Tenant's default including, but not limited to, the cost

of recovering possession of the Demised Premises; expenses of reletting, including necessary renovation and alteration of the Demised Premises, reasonable attorney's fees, and any real estate commission actually paid.

2. Maintain Tenant's right to possession in which case this Lease shall continue in effect whether or not Tenant shall have abandoned the Demised Premises. In such event, Landlord shall be entitled to enforce all of Landlord's rights and remedies under this Lease, including the right to recover the rent as it becomes due hereunder.

3. Pursue any other remedy now or hereafter available to Landlord under the laws or judicial decisions of the state wherein the Demised Premises are located. Unpaid installments of rent and other unpaid monetary obligations of Tenants under the terms of this Lease shall bear interest from the date due at the rate of twelve percent (12%) per annum.

15. **DEFAULT BY LANDLORD.** Should default be made by Landlord and continue for thirty (30) days after written notice from Tenant specifying such default in the performance of any covenant herein contained on the part of Landlord to be kept or performed, or should any warranty or representation made herein by Landlord be untrue and remain untrue after thirty (30) days written notice from Tenant specifying such untruth, then in such event Tenant may at Tenant's option terminate this Lease by written notice to Landlord and take such action or pursue such remedy as may be permitted under the laws of the State of Florida.

16. **ACCESS TO DEMISED PREMISES.** Landlord shall have the right to place, maintain and repair all utility equipment of any kind in, upon or under the Demised Premises. Landlord shall also have the right to enter the Demised Premises at all reasonable times to inspect and to make such repairs additions, alterations or improvements as Landlord may deem desirable. Landlord shall be allowed to take all material in, to and upon the Demised Premises that may be required therefore without the same constituting an eviction of Tenant in whole or in part and the rents reserved shall in no wise abate while said work is in progress. If Tenant shall not be personally present to permit an entry into the Demised Premises when for any reason an entry therein shall be permissible, Landlord may enter the same by a master key (or in the event of emergency or to prevent waste, by the use of force) without rendering Landlord liable therefore and without in any manner affecting the obligations of this Lease. The provisions of this paragraph shall in no wise be construed to impose upon Landlord any obligation whatsoever for the maintenance or repair of the building or any part thereof except as otherwise herein specifically provided.

17. **SUBORDINATION AND NON-DISTURBANCE.**

a. Landlord hereby covenants, warrants and agrees that at all times during the terms of this Lease, provided Tenant is not in default hereunder, Tenant's full, peaceful and quiet possession of the Demised Premises shall not be disturbed by Landlord.

b. Upon written request by Landlord, Tenant shall execute and deliver an agreement subordinating this Lease to any first mortgage upon the Demised Premises; provided, however, such subordination shall be upon the express condition that the validity of this Lease shall be recognized by the mortgagee, and that, notwithstanding any default by the mortgagor with respect to said mortgage or any foreclosure thereof, Tenant's possession and right of use under this Lease in and to the Demised Premises shall not be disturbed by such mortgagee unless and until Tenant shall breach any of the provisions hereof and this Lease or Tenant's right to possession hereunder shall have been terminated in accordance with the provisions of this Lease.

18. **ESTOPPEL CERTIFICATE.** Tenant shall at any time and from time to time, upon not less than fifteen (15) days prior written notice from Landlord, execute, acknowledge, and deliver to Landlord a statement in writing certifying certain facts including, without limitation, that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease, as so modified, is in full force and effect) and the dates to which the rental, and other charges, if any, are paid in advance, and acknowledging that there are not, to Tenant's knowledge, any uncured defaults on the part of Landlord hereunder, and no events or conditions then in existence which, with the passage of time or notice or both, would constitute a default on the part of Landlord hereunder, or specifying such defaults, events, or conditions, if any are claimed. It is expressly understood and agreed that any prospective purchaser or encumbrances of all or any portion of the Demised Premises or of the real property of which it is a part shall be entitled to rely upon any such statement. Tenant's failure to deliver such statement within such time shall, at the option of Landlord, constitute a breach or default under this Lease. If such option is not so exercised by Landlord, Tenant's failure shall be conclusive upon Tenant that (i) this Lease is in full force and effect without modification except as may be represented by Landlord; (ii) that there are no uncured defaults in Landlord's performance; and (iii) that not more than two (2) months' rental has been paid in advance.

19. **QUIET ENJOYMENT.** Tenant, upon paying the rents and performing all of the terms on its part to be performed, shall peaceably and quietly enjoy the Demised Premises subject, nevertheless, to the terms of this Lease and to any mortgage, ground lease or agreements to which this Lease is subordinated and covenants, conditions, restrictions and encumbrances appearing in the public records prior to the date of this Lease.

20. **TERMINATION.** Tenant may terminate this lease during the term hereof upon ninety (90) days prior written notice to Landlord or upon provision of notice of "fiscal nonfunding" should funds designated for the payment of rent not be appropriated by the applicable governmental agency.

21. **END OF TERM.**

a. At the expiration of this Lease, Tenant shall surrender the Demised Premises in the same condition as it was in upon delivery of possession thereto under this Lease, reasonable wear and tear accepted, and shall deliver all keys to Landlord. Before surrendering the Demised Premises, Tenant may remove all its personal property, trade fixtures, and decorations, and signage and shall repair any damage caused thereby. Tenant's obligations to perform this provision shall survive the end of the term of this Lease.

b. If the premises are not surrendered at the end of the term, then Tenant shall indemnify Landlord against loss or liability resulting from delay by Tenant in so surrendering the Premises, including, without limitation, any claims founded on such delay made by any succeeding occupant of the premises or any part thereof, and Tenant shall be liable to Landlord for any and all legal expenses, costs, and fees incurred by Landlord in obtaining the possession of the Demised Premises.

22. **HOLDING OVER.** Any holding over after the expiration of this term or any renewal term shall be construed to be a tenancy from month to month and shall otherwise be on the terms herein specified so far as applicable.

23. **NO WAIVER.** Failure of Landlord or Tenant to insist upon the strict performance of any provision or to exercise any option or enforce any rules and regulations shall not be construed as a waiver for the future of any such provision, rule or option. The receipt by Landlord of rent with knowledge of the breach of any provision of this Lease shall not be deemed a waiver of such breach. No provision of this Lease shall be deemed to have been waived unless such waiver be in writing signed by the party purporting to waive the provision in question.

24. **NOTICES.** Any notice, demand, request or other instrument which may be or required to be given under this Lease shall be delivered in person, sent by United States Certified or Registered Mail, postage prepaid, or sent by a reputable overnight courier service and shall be addressed to either party at the address as herein above given. Any notice shall be deemed delivered upon hand delivery or three (3) days after depositing such notice in postal receptacles, return receipt requested or one (1) day after depositing such notice with a reputable overnight courier service. Either party may designate such other address as shall be given by written notice.

25. **PARTIAL INVALIDITY.** If any provision of this Lease or application thereof to any person or circumstance shall, to any extent, be invalid, the remainder of this Lease

or the application of such provision to persons or circumstances other than those as to which it is held invalid shall not be affected thereby and each provision of this Lease shall be valid and enforced to the fullest extent permitted by law.

26. **SUCCESSORS AND ASSIGNS.** Except as otherwise expressly provided, all provisions herein shall be binding upon and shall inure to the benefit of the parties, their legal representatives, successors and assigns and any sale by Landlord of the Demised Premises shall be subject to this Lease provided the Tenant is not in default at the time of such sale.

27. **ENTIRE AGREEMENT.** This Lease and the Exhibits hereto, set forth the entire agreement between the parties. Any prior conversations or writings are merged herein and extinguished. No subsequent amendment to this Lease shall be binding upon Landlord or Tenant unless reduced to writing and signed by the party sought to be charged. Submission of this Lease for examination does not constitute an option for the Demised Premises and becomes effective as a Lease only upon execution and delivery thereof by Landlord to Tenant. It is herewith agreed that this Lease contains no restrictive covenants in favor of Tenant. The captions and numbers appearing herein are inserted only as a matter of convenience and are intended to define, limit, construe or describe the scope or intent of any paragraph, nor in any way affect this Lease.

28. **NO PARTNERSHIP.** Nothing contained in this Lease shall, or shall be deemed or construed so as to create the relationship of principal-agent, joint ventures, co-adventurers, partners or covenants between Landlord and Tenant; it being the express intention of the parties that they are and shall remain independent contractors one as to the other.

29. **RADON GAS DISCLOSURE.** Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from your county public health unit.

30. **MISCELLANEOUS.**

a. The Tenant, for itself, his personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that: (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land and the

furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that the Tenant, shall use the premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation Effectuation of Title VI of the Civil Rights Act of 1964, and as said regulations may be amended. That in the event of breach of any of the above nondiscrimination covenants, Landlord shall have the right to terminate the Lease and to reenter and repossess the Land and the facilities thereon, and hold the same as if the Lease had never been made or issued. This provision does not become effective until the procedures of 49 CFR Part 21 are followed and completed including expiration of appeal rights.

b. It is clearly understood by the Tenant that no right or privilege has been granted which would operate to prevent any person, firm or corporation operating aircraft on the airport performing any services in its own aircraft with its own regular employees (including, but no limited to, maintenance and repair) that it may choose to perform.

c. It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right.

d. Landlord reserves the right to further develop or improve the landing area of its airport as it sees fit, regardless of the desires of view of the Tenant, and without interference or hindrance from the Tenant.

f. Landlord reserves the right, but shall not be obligated to Tenant, to maintain and keep in repair the landing area of its airport and all publicly owned facilities of its airport, together with the right to direct and control all activities of Tenant in this regard.

g. During the time of war or national emergency, Landlord shall have the right to lease the landing area or any part thereof to the United States Government for military or naval use, and, if such lease is executed, the provisions of this instrument insofar as they are inconsistent with the provisions of the lease to the Government, shall be suspended.

h. Landlord reserves the right to take any action it considers necessary to protect the aerial approaches of its airport against obstruction, together with the right to prevent Tenant from erecting, or permitting to be erected, any building or other structure on or adjacent to the its airport which, in the opinion of the Landlord, would limit the usefulness of the Landlord's airport or constitutes a hazard to aircraft.

i. This Lease shall be subordinate to the provisions of any existing or future agreement between Landlord and the United States, relative to the

operation or maintenance of its airport, the execution of which has been or may be required as a condition precedent to the expenditure of Federal funds for the development of the Landlord's airport.

IN WITNESS WHEREOF, the parties hereto have signed and sealed this Lease as of the day and year first above written.

Signed, sealed and delivered
in the presence of:

_____
Name:_____

_____
Name:_____

"Landlord"

ST. AUGUSTINE ST. JOHNS COUNTY AIRPORT AUTHORITY

By:_____
Name: Courtney K. Pittman, MBA.
Its: Executive Director

_____
Name:_____

_____
Name:_____

"Tenant"

NAME

By:_____
Name: _____
Its: _____
Address: _____
_____

Exhibit “A” - Leased Premises

Exhibit “B”-Rental Calculation

RESIDENTIAL LEASE

I. TERM AND PARTIES. This is a lease (the "Lease") for a period of 12 months (the "Lease Term"), beginning _____, and ending _____, between ST, AUGUSTINE -- ST. JOHNS COUNTY AIRPORT AUTHORITY ("Landlord") and _____ and _____, ("Tenants").

II. PROPERTY RENTED. Landlord leases to Tenant the land and building located at _____, St. Augustine, Florida ("Premises.").

III. RENT PAYMENTS AND CHARGES. Tenant shall pay rent for the Premises in monthly installments of $_____ each on the 1st day of each month ("Lease Payments").

IV. DEPOSITS AND LATE CHARGES. In addition to the Lease Payments described above, Tenant shall pay the following:

(A) A security deposit of $_____ will be held in a separate non-interest-bearing account in a Florida banking institution for the benefit of Tenant. This security deposit DOES NOT act as the last month's rent. Upon the expiration of this Lease or after a termination from any thirty (30) day notice to vacate, the security deposit will be returned within fifteen (15) days to Tenant less damages, cleaning charges, and/or any other outstanding charges.

(B) A late charge in the amount of $25.00 for each Lease Payment not received in full, at Landlord's address by 3:00 p.m. on the 10th day of the month.

(C) A bad check fee in the amount of $25.00 if Tenant makes any Lease Payment with a bad check. If Tenant makes any Lease Payment with a bad check, Landlord can require Tenant to pay all future Lease Payments in cash or by money order. Further, if Tenant makes any Lease Payment with a bad check, a late charge will necessarily be assessed.

V. NOTICES. All notices to Landlord and all Lease Payments must be sent to Landlord at:

St. Augustine St. Johns County
Airport Authority
4796 U.S. 1 North
St. Augustine, FL 32095-5706
Attention: Property Coordinator

All notices to Landlord shall be given by certified mail, return receipt requested, or by hand delivery to Landlord.

Any notice to Tenant shall be given by certified mail, return receipt requested, or delivered to Tenant at the Premises. If Tenant is absent from the Premises, a notice to Tenant may be given by leaving a copy of the notice at the Premises.

VI. USE OF PREMISES.

(A) Tenant shall use the Premises only for residential purposes. Tenant also shall obey, and require anyone on the Premises to obey, all laws and any restrictions that apply to the Premises.

(B) Tenant agrees that there shall not be more than _____ permanent occupants on the Premises. Occupancy for more than 7 days in any rental period shall be deemed permanent occupancy,

(C) Tenant may keep or allow pets or animals on the Premises only with Landlord's approval of the pet or animal in writing.

(D) Tenant shall not keep any dangerous or flammable items that might increase the danger of fire or damage on the Premises without Landlord's consent.

(E) Tenant shall not create any environmental hazards on or about the Premises.

(F) Tenant shall not destroy, deface, damage, impair, or remove any part of the Premises belonging to Landlord, nor permit any person to do so.

(G) Tenant can not make any alterations or improvements to the Premises without first obtaining Landlord's written consent to the alteration or improvement.

(H) Tenant must act, and require all other persons on the Premises to act, in a manner that does not unreasonably disturb any neighbors or constitute a breach of the peace.

VII. MAINTENANCE. Landlord and Tenant agree that the maintenance of the Premises must be performed by the person indicated below:

(A) Elective Maintenance, Responsibility for arranging for and bearing the expense of each of the following is to be that of the party indicates as follows: L = Landlord; T = Tenant

T	Smoke detectors
T	Ceiling Fans
L	Refrigerator
T	Light Bulbs
L	Range/Stove
T	Extermination of roaches and ants
L	Extermination of rats, mice and wood organisms
L	Water Heater and Broken Pipes
L	Locks and keys at move in
T	Lock and keys during tenancy
T	Clean and safe condition of outside areas
T	Garbage removal and outside garbage receptacles
T	Utilities
T	Sewer
T	Water
T	Lawn

L Heat

L Air conditioning

T Heating and air conditioning filters

(B) Tenant shall be required to vacate the Premises on 7 days' written notice, if necessary, for extermination pursuant to this subparagraph. When vacation of the Premises is required for extermination, Landlord shall not be liable for damages but shall abate the rent.

(C) Nothing in this section makes Landlord responsible for any condition created or caused by the negligent or wrongful act or omission of Tenant, any member of Tenant's family, or any other person on the Premises with Tenant's consent.

(D) At all times during the Lease Term, Tenant:

1. shall comply with all obligations imposed upon tenants by applicable provisions of building, housing, and health codes;

2. shall keep the Premises clean and sanitary;

3. shall remove all garbage from the dwelling unit in a clean and sanitary manner;

4. shall keep all plumbing fixtures in the dwelling unit clean, sanitary, and in repair;

5. shall use and operate in a reasonable manner all electrical, plumbing, sanitary, heating, ventilating, air conditioning, and other facilities and appliances, including elevators;

6. shall not change the entrance locks; and

7. shall not install any hooks, screws or nails in the wall, ceiling or woodwork, shall not paint, make alterations or changes in the Premises without the prior written consent of Landlord.

VIII. UTILITIES. Tenant shall pay all charges for hook-up, connection, and deposit for providing all utilities and utility services to the Premises during this Lease

IX. LANDLORD'S ACCESS TO PREMISES. Landlord or Landlord's Agent may enter the Premises in the following circumstances:

(A) At any time for the protection or preservation of the Premises.

(B) After reasonable notice to Tenant and at reasonable times, to inspect the Premises; make necessary or agreed-upon repairs, decorations, alterations, or improvements; supply agreed services, or exhibit the Premises to prospective or actual purchasers, mortgagees, tenants, workers, or contractors under any of the following circumstances:

1. with Tenant's consent;

2. in case of emergency;

3. when Tenant unreasonably withholds consent; or

4. if Tenant is absent from the Premises for a period of at least one-half a Rental Installment Period. (If the rent is current and Tenant notifies Landlord of an intended absence, then Landlord may enter only with Tenant's consent or for the protection or preservation of the Premises.)

X. PROHIBITED ACTS BY LANDLORD.

(A) Landlord cannot prevent Tenant's access to the Premises by any means including, but not limited to, changing the locks or using any boot lock or similar device.

(B) Landlord cannot remove the outside doors, locks, roof, walls, or windows of the Premises except for purposes of maintenance, repair, or replacement. Landlord cannot remove Tenant's personal property from the Premises unless the action is taken after surrender, abandonment, or a lawful eviction. If provided in a written agreement separate from the Lease, upon surrender or abandonment by Tenant, Landlord shall not be liable or responsible for storage or disposition of Tenant's personal property. (For the purposes of this section, abandonment means Tenant is absent from the Premises for at least one-half a Rental Installment Period without paying rent or giving Landlord reasonable notice of Tenant's absence.)

XI. CASUALTY DAMAGE. If the Premises are damaged or destroyed other than by wrongful or negligent acts of Tenant or persons on the Premises with Tenant's consent, so that the use of the Premises is substantially impaired, Tenant may terminate the Lease within 30 days after the damage or destruction and Tenant will immediately vacate the premises. If Tenant vacates, Tenant is not liable for rent that would have been due after the date of termination. Tenant may vacate the part of the Premises rendered unusable by the damage or destruction, in which case Tenant's liability for rent shall be reduced by the fair rental value of the park of the Premises that was damaged or destroyed.

XII. DEFAULT.

(A) **Landlord's Default.** Except as noted below, Landlord will be in default if Landlord fails to comply with the material provisions of the Lease and such failure continues for more than 7 days after Tenant delivers a written notice to Landlord that tells Landlord how Landlord has violated the Lease.

If Landlord's failure to comply is due to causes beyond the Landlord's control and if Landlord has made, and continues to make, every reasonable effort to correct the problem, the Lease may be altered by the parties as follows:

1. If Landlord's failure to comply makes the Premises uninhabitable and Tenant vacates, Tenant shall not be liable for rent during the period the Premises remains uninhabitable.

2. If Landlord's failure to comply does not make the Premises uninhabitable and Tenant continues to occupy the Premises, the rent for the period of noncompliance will be reduced by an amount in proportion to the loss of rental value caused by the noncompliance.

(B) **Tenant's Default.** Tenant will be in default if any of the following occur:

1. Tenant fails to pay rent when due and the failure continues for 3 days, excluding Saturday, Sunday, and legal holidays, after delivery of written demand by Landlord for payment of the rent or possession of the Premises.

2. Tenant fails to perform its obligations under the Lease, and the failure is such that Tenant should not be given an opportunity to correct it. Examples of such failures

which do not require an opportunity to correct include, but are not limited to, destruction, damage, or misuse of Landlord's or other Tenant's property by an intentional act or a subsequent or continued unreasonable disturbance.

3. Except as provided above, Tenant fails to perform any other obligation under the Lease and the default continues for more than 7 days after delivery of written notice to Tenant from Landlord specifying the default.

(C) **No Waiver of Default.** Landlord's acceptance of rent knowing of Tenant's default or acceptance of performance by Tenant of any provision of the Lease different from the performance required by the Lease, does not act as a waiver of any of Landlord's rights under the Lease.

XIII. REMEDIES

(A) If Tenant remains on the Premises after expiration or termination of the Lease without Landlord's permission, Landlord may recover possession of the Premises in the manner provided for by law. Landlord also may recover double rent for the period during which Tenant refuses to vacate the Premises.

(B) If Tenant defaults under the Lease by failing to pay rent, as set forth in Section X11(B)(1), Landlord may terminate Tenant's rights under the Lease and Tenant shall vacate the Premises immediately. Further, Landlord may recover possession of the Premises as provided by law. If Tenant defaults under the Lease for any other reason, Landlord may terminate Tenant's rights under the Lease and Tenant shall vacate the Premises within 7 days of delivery of the notice of termination. Further, Tenant shall forfeit its security deposit.

(C) If Tenant fails to cure a default within the time specified in the notice to Tenant, Landlord may recover possession of the Premises as provided by law.

(D) If Tenant has defaulted under the Lease and Landlord has obtained a writ of possession, if Tenant has surrendered possession of the Premises to Landlord, or if Tenant has abandoned the Premises, Landlord may:

1. Treat the Lease as terminated, retake possession for Landlord's own account, and any further liability of Tenant will be ended;

2. Retake possession of the Premises for Tenant's account. Tenant will remain liable for the difference between rent agreed to be paid under the Lease and rent Landlord is able to recover in good faith from a new tenant; or

3. Do nothing, and Tenant will be liable for the rent as it comes due.

(E) If Landlord retakes possession of the Premises for Tenant's account, Landlord must make a good faith effort to release the Premises. Any rent received by Landlord as a result of the new lease shall be deducted from the rent due from Tenant. For purposes of this section, "good faith" in trying to release the Premises means that Landlord shall use at least the same efforts to re-lease the Premises as were used in the initial rental or at least the same efforts as Landlord uses in attempting to lease other similar property. It does not require Landlord to give a preference in leasing the Premises over other vacant properties that Landlord owns or has the responsibility to rent.

(F) Tenants shall pay to Landlord the equivalent of Lease Payments, in the event Tenant terminates the Lease prior to its terms.

(G) Each party will have any other remedies available at law or in equity.

(H) **Attorney's Fees.** In any lawsuit brought by Landlord to enforce the Lease or under applicable law and prevails, Landlord shall recover its reasonable court costs and attorneys' fees (including those expended in any bankruptcy proceedings or appellate proceedings) from Tenant.

XIV. ASSIGNMENT AND SUBLEASING. Tenant can not assign the Lease or sublease all or any part of the Premises.

XV. RISK OF LOSS. Landlord shall not be liable for any loss by reason of damage, theft, or otherwise to the contents, belongings, and personal effects of the Tenant, or Tenant's family, agents, employees, guests, or visitors located in or about the Premises, or for damage or injury to Tenant or Tenant's family, agents, employees, guests, or visitors.

Tenant agrees to accept Premises in "as is" condition with regard to any condition or item that Tenant would be able to observe in an inspection of the Premises prior to leasing and occupancy.

Tenant will be held liable for willful or negligent damage done to the Premises, fixture, appliances or flooring caused by the tenant or by persons introduced to the Premises by the Tenant.

Tenant will promptly check the inventory of the Premises and the fixtures and return a signed copy of the inventory to Landlord within 5 days, noting any exceptions; otherwise Tenant assumes liability for all items on inventory.

XVI. LIENS. Tenant shall not have the right or authority to encumber the Premises or to permit any person to claim or assert any lien for the improvement or repair of the Premises made by Tenant. Tenant shall notify all parties performing work on the Premises at Tenant's request that the Lease does not allow any liens to attach to Landlord's interest.

XVII. RENEWAL/EXTENSION/TERMINATION. The Lease can be renewed or extended only by a written agreement signed by both Landlord and Tenant, but no renewal may extend the term to a date more than 1 year after the Lease begins. A new lease is required for each year.

Landlord may terminate this lease at its sole discretion and without cause upon thirty (30) days notice to Tenant.

XVIII. INSURANCE: Tenant acknowledges that the Landlord does not carry nor extend insurance coverage related to any of the Tenant's contents or belongings.

Contents insurance is at the discretion of the Tenant.

Tenant agrees to hold harmless the Landlord for any damage occurring as the result of any action other than gross negligence on the part of Landlord. Tenant agrees, at Tenant's expense, to maintain in force continuously throughout the term of this lease and extensions hereof, a tenant homeowners policy covering liability with limits of $300,000 for injury to one person, and medical payments of $5,000 per person, and shall upon written request of Landlord, furnish Landlord a certificate by insurer that such insurance is in force,

XIX. MISCELLANEOUS.

(A) Time is of the essence of the Lease.

(B) The Lease shall be binding upon and for the benefit of the heirs, personal representatives, successors, and permitted assigns of Landlord.

(C) Whenever used, the singular number shall include the plural or singular and the use of any gender shall include all appropriate genders.

(D) This Lease contains the complete understanding of the parties and may not be changed or terminated orally.

(E) No agreement to accept surrender of the Premises from Tenant will be valid unless in writing and signed by Landlord.

(F) All questions concerning the meaning, execution, construction, effect, validity, and enforcement of the Lease shall be determined pursuant to the laws of Florida.

(G) The place for filing any suits or other proceedings with respect to the Lease shall be St. Johns County, Florida.

(H) Landlord and Tenant will use good faith in performing their obligations under the Lease.

(I) As required by law, Landlord makes the following disclosure:

"RADON GAS: Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from your county public health unit."

The Lease has been executed by the parties on the dates indicated below:

St. Augustine - St. Johns County
Airport Authority

_____
Tenant's Signature

_____
Print Tenant's Name

_____
Tenant's Signature

_____
Print Tenant's Name
Date:_____

_____
Witness
Date:_____

_____
Courtney K. Pittman, MBA
Executive Director
St. Augustine - St. Johns County
Airport Authority
Date:_____