ST. AUGUSTINE
AIRPORT

BOARD MEETING AGENDA

March 11, 2026

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Saint Johns County Airport Authority

Board Meeting Agenda

St Augustine Airport (UST/KSGJ)

Airport Conference Center, Wednesday, March 11, 2026, 9:00 AM

- **Call to Order**
- **Pledge of Allegiance**
- **Roll Call**
- **Minutes Approval**
    - 2/11/26 Regular Board Meeting
- **Agenda Approval**
- **Business Partner Updates**
    - Ms. Ann Taylor, St. Johns County Commission
    - Mr. Vinny Beyers, Atlantic Aviation
    - Mr. Duncan Graham, SAAPA President
    - Mr. Nate McKendrick, Northrop Grumman
    - Mr. Reid Deputy, AOPA
- **Public Comments – General**
    - Three minutes per speaker at the discretion of the Chair
    - Address matters that reasonably may need the attention of the Authority
    - No personal, impertinent, or slanderous remarks or boisterous behavior
    - Address Authority as a body, not individual members or staff
    - Refrain from making a demand for an immediate response from the Authority

Saint Johns County Airport Authority

Board Meeting Agenda

St Augustine Airport (UST/KSGJ)

Airport Conference Center, Wednesday, March 11, 2026, 9:00 AM

Agenda Items:

- **Unfinished Business**
  - T-Hangar Use Policy
  - New T-Hangar Use Rate
  - Executive Director Search
  - RFP for Engineering Consultants
  - South Parcel Land Lease

- **New Business**
  - Airfield Capacity Study – Presented by Passero Associates
  - Hangar and Taxilane Development Project
  - Procurement Specialist

- **Staff Reports**
  - Mr. Courtney Pittman, Interim Executive Director
    - Finance Report
    - Tower Safety
    - Operations and Fuel Report
  - Mr. Chris Walker, General Counsel/ Jeffrey Kempf, Deputy General Counsel
  - Mr. Chad Roberts, Aviation Attorney
- **Board Member Comments and Reports**
  - Mr. Nick Primrose, Chairman
  - Ms. Michelle Cash-Chapman, Secretary/Treasurer
  - Mr. Jerry Dedge
  - Mr. Mario Dipola
  - Mr. Daniel Bean

Saint Johns County Airport Authority

Board Meeting Agenda

St Augustine Airport (UST/KSGJ)

Airport Conference Center, Wednesday, March 11, 2026, 9:00 AM

- **Next Meeting**
    - Regular Board Meeting, Wednesday, 8 April 2026, 9:00 AM, Airport Conference Center
- **Adjournment**

ST. AUGUSTINE/ST JOHNS COUNTY AIRPORT AUTHORITY

Briefing Memorandum

To: Board of Directors
From: Courtney Pittman, Interim Executive Director
Date: March 11, 2026
Subject: T-Hangar Use Agreement – Tenant Engagement Update and Revised Draft

I. Purpose of Briefing

The purpose of this briefing is to update the Board regarding stakeholder engagement on the proposed T-Hangar Use Agreement and to present refinements made following a tenant meeting held on February 25, 2026.

Staff seeks to ensure the Board is fully informed of tenant input received, adjustments made, and the remaining policy considerations prior to final Board action.

II. Background

As previously briefed, the proposed T-Hangar Use Agreement was developed to:

- Ensure alignment with applicable Federal Aviation Administration (FAA) hangar-use policy
- Promote consistent, non-discriminatory administration
- Reduce compliance risk
- Provide operational clarity to tenants
- Establish a predictable enforcement framework

The original briefing document dated February 11, 2026, outlined the compliance rationale and supporting materials provided for Board review.

The Authority's obligation as a federally obligated airport sponsor requires that hangars be used primarily for aeronautical purposes consistent with FAA guidance, while allowing reasonable sponsor discretion.

III. Tenant Engagement – February 25, 2026

On February 25, 2026, staff met with tenants to receive direct input on the proposed agreement. The discussion was constructive and focused primarily on clarification, terminology, and operational flexibility.

The following themes emerged during the meeting:

1. Clarification regarding storage of multiple aircraft within a hangar
2. Flexibility in substituting aircraft owned by the tenant
3. Questions regarding the annual inspection requirement
4. Terminology preferences (e.g., "Tenant" vs. "User"; "Lease" vs. "Use Agreement")
5. Replacement of the term "machinery" with "Ground Support Equipment (GSE)"

6. Permission to store spare aircraft parts
7. Clarification regarding preventive maintenance allowances
8. Questions regarding appeals/mediation procedures
9. Suggested refinements to indemnification language

Staff carefully evaluated each of these items within the framework of FAA policy, operational feasibility, and administrative consistency.

IV. Adjustments Made Following Tenant Input

Based on the February 25 discussion, staff made measured refinements to the agreement where appropriate and consistent with compliance standards.

V. Compliance Framework

The revised agreement continues to:

- Align fully with FAA hangar-use policy
- Preserve sponsor discretion
- Maintain non-discriminatory application across tenants
- Protect the Authority from compliance enforcement risk

The agreement remains focused on core use provisions necessary to support enforceability and consistency.

VI. Key Considerations for the Board

- The process included direct tenant engagement and documented feedback.
- Adjustments reflect responsiveness without diluting compliance obligations.
- The revised draft maintains administrative clarity and enforceability.
- Adoption supports equitable treatment across all similarly situated tenants.
- The agreement reduces regulatory exposure while providing reasonable operational flexibility.

VII. Recommended Action

Staff recommends that the Board review the revised draft incorporating February 25 tenant input and proceed toward ratification and adoption.

Conclusion

The T-Hangar Use Agreement represents a balanced, compliance-forward approach that incorporates stakeholder input while preserving the Authority's responsibility as a federally obligated airport sponsor. The February 25 engagement strengthened the document and demonstrated the Authority's commitment to transparency and reasoned governance.

ST. AUGUSTINE/ST JOHNS COUNTY AIRPORT AUTHORITY

Briefing Memorandum
To: Board of Directors
From: Courtney Pittman, Interim Executive Director
Date: March 11, 2026
Subject: Proposed T-Hangar Rent Rate Adjustments

I. Purpose

The purpose of this briefing is to provide the Board with background information, financial context, and supporting analysis related to proposed T-Hangar rate adjustments at St. Augustine Airport.

II. Background

The St. Johns County Airport Authority (the "Authority") owns and operates publicly funded T-Hangars that are subject to applicable federal and state requirements, including FAA grant assurances and Florida law. Rental rates for these facilities have historically been reviewed and adjusted periodically to reflect market conditions, operating costs, and long-term asset stewardship considerations.

The Authority has recently completed construction of nineteen (19) new T-Hangars, increasing overall hangar inventory and prompting a review of the existing rate structure to ensure consistency, fairness, and fiscal responsibility across all facilities.

A Fair Market Value analysis by a leading airport industry appraisal specialist was conducted, and the results are attached.

III. Policy and Regulatory Considerations

T-Hangar rental rates must be established and administered in a manner that is:

- Reasonable and applied on a non-discriminatory basis
- Consistent with FAA guidance regarding self-sustaining airport operations
- Supportive of ongoing maintenance, capital reinvestment, and compliance obligations

IV. Proposed Rate Adjustment Overview

The proposed rate adjustments are designed to:

- Better align T-Hangar rental rates with current market conditions
- Support ongoing maintenance and lifecycle management of hangar assets
- Ensure equitable treatment across tenants and hangar types
- Reflect the expanded hangar inventory resulting from newly constructed units

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No rate changes take effect unless and until formally approved by the Board.

V. Financial Considerations

Projected revenue impacts have been developed using conservative assumptions, including standard occupancy and collection rates. These projections are illustrative and subject to Board approval, tenant lease-up timing, and actual operational conditions.

Based on the proposed rate structure, annual T-Hangar revenue is projected to increase from approximately $1.08 million to $1.40 million, resulting in an estimated net increase of $321,000 per year. This increase is intended to better align revenues with prevailing market conditions, operating costs, and the long-term maintenance and reinvestment needs associated with the Authority's hangar facilities.

This proposal reflects projected revenue impacts associated with proposed T-Hangar rate adjustments and the anticipated lease-up of nineteen (19) newly constructed T-Hangars, based on standard occupancy and collection assumptions.

Consistent with FAA grant assurance principles, the proposed adjustments are intended to support the Airport's continued progress toward maintaining a financially self-sustaining operation, without imposing unreasonable or discriminatory charges on users.

Detailed financial data supporting these projections is provided in Attachment A – Proposed Rent Rate Increase.

VI. Implementation Timing

If approved by the Board, staff anticipate that any adopted rate adjustments would be implemented prospectively, following appropriate notice to tenants and in accordance with existing lease terms and Authority policies.

VII. Attachments

The following materials are provided to support Board review and discussion:

- Attachment A: Proposed Rent Rate Increase
- Attachment B: Appraisal Results

VIII. Staff Recommendation

Staff recommend that the Board adopt the proposed t-hangar rates as presented.

St. Augustine St. Johns County Airport Authority
T-Hangar Tenant List
As of October 1, 2025

Hangar	Current Base Rate 10/1/25	Appraisal Proposed Rent	Amount of Increase from 10/1/25	5% Proposed Increase	Proposed Rent Amount	Increase from 10/1/25 Base
A01		600.00	600.00	30.00	630.00	630.00
A02		600.00	600.00	30.00	630.00	630.00
A03		600.00	600.00	30.00	630.00	630.00
A04		600.00	600.00	30.00	630.00	630.00
A05		600.00	600.00	30.00	630.00	630.00
A06		600.00	600.00	30.00	630.00	630.00
A07		600.00	600.00	30.00	630.00	630.00
A08		600.00	600.00	30.00	630.00	630.00
A09		900.00	900.00	45.00	945.00	945.00
B01	477.48	500.00	22.52	25.00	525.00	47.52
B02	787.07	900.00	112.93	45.00	945.00	157.93
B03	477.48	500.00	22.52	25.00	525.00	47.52
B04	477.48	500.00	22.52	25.00	525.00	47.52
B05	477.48	500.00	22.52	25.00	525.00	47.52
B06	477.48	500.00	22.52	25.00	525.00	47.52
B07	475.17	500.00	24.83	25.00	525.00	49.83
B08	477.48	500.00	22.52	25.00	525.00	47.52
B09	475.17	500.00	24.83	25.00	525.00	49.83
B10	475.17	500.00	24.83	25.00	525.00	49.83
B11	787.07	900.00	112.93	45.00	945.00	157.93
B12	474.71	500.00	25.29	25.00	525.00	50.29
C01	475.17	500.00	24.83	25.00	525.00	49.83
C02	816.16	900.00	83.84	45.00	945.00	128.84
C03	460.43	500.00	39.57	25.00	525.00	64.57
C04	477.48	500.00	22.52	25.00	525.00	47.52
C05	460.43	500.00	39.57	25.00	525.00	64.57
C06	477.48	500.00	22.52	25.00	525.00	47.52
C07	477.50	500.00	22.50	25.00	525.00	47.50
C08	460.43	500.00	39.57	25.00	525.00	64.57
C09	477.48	500.00	22.52	25.00	525.00	47.52
C10	477.48	500.00	22.52	25.00	525.00	47.52
C11	812.26	900.00	87.74	45.00	945.00	132.74

St. Augustine St. Johns County Airport Authority
T-Hangar Tenant List
As of October 1, 2025

Hangar	Current Base Rate 10/1/25	Appraisal Proposed Rent	Amount of Increase from 10/1/25	5% Proposed Increase	Proposed Rent Amount	Increase from 10/1/25 Base
C12	460.43	500.00	39.57	25.00	525.00	64.57
D01	438.05	500.00	61.95	25.00	525.00	86.95
D02	816.19	900.00	83.81	45.00	945.00	128.81
D03	438.05	500.00	61.95	25.00	525.00	86.95
D04	438.05	500.00	61.95	25.00	525.00	86.95
D05	477.48	500.00	22.52	25.00	525.00	47.52
D05	477.48	500.00	22.52	25.00	525.00	47.52
D06	438.05	500.00	61.95	25.00	525.00	86.95
D07	438.05	500.00	61.95	25.00	525.00	86.95
D08	438.05	500.00	61.95	25.00	525.00	86.95
D09	477.48	500.00	22.52	25.00	525.00	47.52
D10	435.95	500.00	64.05	25.00	525.00	89.05
D11	816.16	900.00	83.84	45.00	945.00	128.84
D12	438.05	500.00	61.95	25.00	525.00	86.95
E01	460.43	500.00	39.57	25.00	525.00	64.57
E02	787.07	900.00	112.93	45.00	945.00	157.93
E03	475.17	500.00	24.83	25.00	525.00	49.83
E04	449.89	500.00	50.11	25.00	525.00	75.11
E05	393.20	500.00	106.80	25.00	525.00	131.80
E06	438.05	500.00	61.95	25.00	525.00	86.95
E07	438.05	500.00	61.95	25.00	525.00	86.95
E08	460.43	500.00	39.57	25.00	525.00	64.57
E09	477.48	500.00	22.52	25.00	525.00	47.52
E10	393.20	500.00	106.80	25.00	525.00	131.80
E11	513.78	900.00	386.22	45.00	945.00	431.22
E12	438.05	500.00	61.95	25.00	525.00	86.95
G01	1,114.94	1,250.00	135.06	62.50	1,312.50	197.56
G02	1,149.51	1,250.00	100.49	62.50	1,312.50	162.99
G03	1,081.42	1,250.00	168.58	62.50	1,312.50	231.08
G04	1,149.51	1,250.00	100.49	62.50	1,312.50	162.99
G05	1,197.39	1,250.00	52.61	62.50	1,312.50	115.11
G06	1,196.23	1,250.00	53.77	62.50	1,312.50	116.27

St. Augustine St. Johns County Airport Authority
T-Hangar Tenant List
As of October 1, 2025

Hangar	Current Base Rate 10/1/25	Appraisal Proposed Rent	Amount of Increase from 10/1/25	5% Proposed Increase	Proposed Rent Amount	Increase from 10/1/25 Base
H01	1,472.72	1,600.00	127.28	80.00	1,680.00	207.28
H02	1,472.72	1,600.00	127.28	80.00	1,680.00	207.28
H03-H04	3,618.48	3,650.00	31.52	182.50	3,832.50	214.02
I01	1,465.62	1,600.00	134.38	80.00	1,680.00	214.38
I02	1,602.04	1,600.00	(2.04)	80.00	1,680.00	77.96
I03	1,608.04	1,600.00	(8.04)	80.00	1,680.00	71.96
I04	1,556.98	1,600.00	43.02	80.00	1,680.00	123.02
J01		800.00	800.00	40.00	840.00	840.00
J02		550.00	550.00	27.50	577.50	577.50
J03		550.00	550.00	27.50	577.50	577.50
J04		550.00	550.00	27.50	577.50	577.50
J05		550.00	550.00	27.50	577.50	577.50
J06		550.00	550.00	27.50	577.50	577.50
J07		550.00	550.00	27.50	577.50	577.50
J08		550.00	550.00	27.50	577.50	577.50
J09		550.00	550.00	27.50	577.50	577.50
J10		800.00	800.00	40.00	840.00	840.00
K02	474.71	525.00	50.29	26.25	551.25	76.54
K03	474.71	525.00	50.29	26.25	551.25	76.54
K04	460.43	525.00	64.57	26.25	551.25	90.82
K05	477.48	525.00	47.52	26.25	551.25	73.77
K06	475.17	525.00	49.83	26.25	551.25	76.08
K07	463.82	525.00	61.18	26.25	551.25	87.43
K08	474.71	525.00	50.29	26.25	551.25	76.54
K09	477.48	525.00	47.52	26.25	551.25	73.77
K10	474.71	525.00	50.29	26.25	551.25	76.54
K11	506.06	525.00	18.94	26.25	551.25	45.19
K12	477.48	525.00	47.52	26.25	551.25	73.77
K12E	254.41	265.00	10.59	13.25	278.25	23.84
K13	475.17	525.00	49.83	26.25	551.25	76.08
L02	477.48	525.00	47.52	26.25	551.25	73.77
L04	460.43	525.00	64.57	26.25	551.25	90.82

St. Augustine St. Johns County Airport Authority
T-Hangar Tenant List
As of October 1, 2025

Hangar	Current Base Rate 10/1/25	Appraisal Proposed Rent	Amount of Increase from 10/1/25	5% Proposed Increase	Proposed Rent Amount	Increase from 10/1/25 Base
L05	475.17	525.00	49.83	26.25	551.25	76.08
L06	474.71	525.00	50.29	26.25	551.25	76.54
L07	450.88	525.00	74.12	26.25	551.25	100.37
L08	477.48	525.00	47.52	26.25	551.25	73.77
L09	474.71	525.00	50.29	26.25	551.25	76.54
L10	474.71	525.00	50.29	26.25	551.25	76.54
L11	474.71	525.00	50.29	26.25	551.25	76.54
L12	477.48	525.00	47.52	26.25	551.25	73.77
L13	474.71	525.00	50.29	26.25	551.25	76.54
L14	262.05	265.00	2.95	13.25	278.25	16.20
M01	212.18	265.00	52.82	13.25	278.25	66.07
M02	460.43	525.00	64.57	26.25	551.25	90.82
M03	477.48	525.00	47.52	26.25	551.25	73.77
M04	475.17	525.00	49.83	26.25	551.25	76.08
M06	477.48	525.00	47.52	26.25	551.25	73.77
M07	477.48	525.00	47.52	26.25	551.25	73.77
M08	475.17	525.00	49.83	26.25	551.25	76.08
M09	475.17	525.00	49.83	26.25	551.25	76.08
M10	460.43	525.00	64.57	26.25	551.25	90.82
M11	477.48	525.00	47.52	26.25	551.25	73.77
M12	477.48	525.00	47.52	26.25	551.25	73.77
M13	474.71	525.00	50.29	26.25	551.25	76.54
N01	1,148.40	1,250.00	101.60	62.50	1,312.50	164.10
N03	1,110.34	1,250.00	139.66	62.50	1,312.50	202.16
N05	1,110.34	1,250.00	139.66	62.50	1,312.50	202.16
O01	515.12	650.00	134.88	32.50	682.50	167.38
O02	563.05	600.00	36.95	30.00	630.00	66.95
O03	475.17	550.00	74.83	27.50	577.50	102.33
O04	477.48	550.00	72.52	27.50	577.50	100.02
O05	474.71	550.00	75.29	27.50	577.50	102.79
O06	652.22	800.00	147.78	40.00	840.00	187.78
P01	514.63	600.00	85.37	30.00	630.00	115.37

St. Augustine St. Johns County Airport Authority
T-Hangar Tenant List
As of October 1, 2025

Hangar	Current Base Rate 10/1/25	Appraisal Proposed Rent	Amount of Increase from 10/1/25	5% Proposed Increase	Proposed Rent Amount	Increase from 10/1/25 Base
P02	1,443.82	1,600.00	156.18	80.00	1,680.00	236.18
P03	460.43	550.00	89.57	27.50	577.50	117.07
P04	1,443.82	1,600.00	156.18	80.00	1,680.00	236.18
P05	475.17	550.00	74.83	27.50	577.50	102.33
P06	1,443.82	1,600.00	156.18	80.00	1,680.00	236.18
P07	515.12	600.00	84.88	30.00	630.00	114.88
P08	618.38	600.00	(18.38)	30.00	630.00	11.62
P10	474.71	550.00	75.29	27.50	577.50	102.79
P12	604.41	600.00	(4.41)	30.00	630.00	25.59
Q01	460.43	550.00	89.57	27.50	577.50	117.07
Q02	672.44	800.00	127.56	40.00	840.00	167.56
Q03	460.87	550.00	89.13	27.50	577.50	116.63
Q04	391.32	550.00	158.68	27.50	577.50	186.18
Q05	477.48	550.00	72.52	27.50	577.50	100.02
Q06	486.95	550.00	63.05	27.50	577.50	90.55
Q07	486.95	550.00	63.05	27.50	577.50	90.55
Q08	477.48	550.00	72.52	27.50	577.50	100.02
Q09	517.61	600.00	82.39	30.00	630.00	112.39
Q10	607.34	550.00	(57.34)	27.50	577.50	(29.84)
R01	477.48	550.00	72.52	27.50	577.50	100.02
R02	675.79	800.00	124.21	40.00	840.00	164.21
R03	477.48	550.00	72.52	27.50	577.50	100.02
R04	477.48	550.00	72.52	27.50	577.50	100.02
R05	477.48	550.00	72.52	27.50	577.50	100.02
R06	474.49	550.00	75.51	27.50	577.50	103.01
R07	477.48	550.00	72.52	27.50	577.50	100.02
R08	474.71	550.00	75.29	27.50	577.50	102.79
R09	477.48	550.00	72.52	27.50	577.50	100.02
R10	512.45	550.00	37.55	27.50	577.50	65.05
S01	477.48	600.00	122.52	30.00	630.00	152.52
S02	517.62	600.00	82.38	30.00	630.00	112.38
S03	474.71	550.00	75.29	27.50	577.50	102.79

St. Augustine St. Johns County Airport Authority
T-Hangar Tenant List
As of October 1, 2025

Hangar	Current Base Rate 10/1/25	Appraisal Proposed Rent	Amount of Increase from 10/1/25	5% Proposed Increase	Proposed Rent Amount	Increase from 10/1/25 Base
S04	474.71	550.00	75.29	27.50	577.50	102.79
S06	477.48	550.00	72.52	27.50	577.50	100.02
S07	474.71	550.00	75.29	27.50	577.50	102.79
S08	460.43	550.00	89.57	27.50	577.50	117.07
S10	672.82	700.00	27.18	35.00	735.00	62.18
Monthly Total	90,083.14	111,295.00	21,211.86	5,564.75	116,859.75	26,776.61
Yearly Total	1,080,997.69	1,335,540.00	**254,542.31**	66,777.00	1,402,317.00	**321,319.31**

ST. AUGUSTINE/ST JOHNS COUNTY AIRPORT AUTHORITY

Briefing Memorandum

To: Board of Directors
From: Courtney Pittman, Interim Executive Director
Date: March 11, 2026
Subject: Executive Director Search – Search Firm Evaluation and Scoring Matrix

I. Purpose of Briefing

The purpose of this briefing is to provide the Board with an update regarding the Executive Director recruitment process and to present a proposed scoring matrix for evaluating executive search firms. Board Member Jerry Dedge will provide a status report and facilitate discussion regarding firm selection.

II. Background

The selection of a qualified executive search firm is a foundational step in ensuring a structured, transparent, and competitive recruitment process for the Executive Director position.

Given the Authority's current trajectory, including capital development initiatives, federal and state grant compliance, airfield capacity planning, and regional economic engagement, the recruitment process should be professionally managed and aligned with industry best practices.

A standardized scoring matrix is recommended to promote consistency, objectivity, and defensibility in evaluating proposals from search firms.

III. Next Steps

Following discussion:

- The Board may finalize the scoring matrix.

IV. Strategic Consideration

Engaging a search firm with specialized airport executive recruitment experience will help ensure the Authority attracts candidates with demonstrated expertise in:

- FAA compliance and regulatory oversight
- Airport capital program management
- Public-sector financial stewardship
- Stakeholder engagement and governance alignment

ST. AUGUSTINE/ST JOHNS COUNTY AIRPORT AUTHORITY

Briefing Memorandum

To: Board of Directors
From: Courtney Pittman, Interim Executive Director
Date: March 11, 2026
Subject: Authorization to Issue RFQ for Two Continuing Engineering Services Firms (Including Advanced Air Mobility Planning)

I. Purpose

The purpose of this briefing is to request Board authorization to issue a competitive Request for Qualifications (RFQ) under the Consultants' Competitive Negotiation Act (CCNA) for the selection of two qualified engineering firms to provide Continuing Engineering and Planning Services to the Authority.

The dual-firm model strengthens technical capacity, enhances resilience, and supports simultaneous capital execution while maintaining compliance with FAA and FDOT standards.

II. Strategic Rationale for Two-Firm Model

Selecting two firms provides measurable institutional advantages:

1. Capacity and Scalability

With Eastside development, utility expansion, airfield capital improvements, fuel farm planning, and potential AAM integration, the Authority's project pipeline is expanding. Two firms allow concurrent project execution without delay.

2. Specialized Expertise

One firm may lead traditional airside/Part 139 infrastructure while the second may bring deeper capability in landside development, utilities, or emerging aviation initiatives such as Advanced Air Mobility (AAM).

3. Competitive Performance Discipline

Task authorizations may be distributed based on expertise, responsiveness, and demonstrated performance. This maintains accountability and cost discipline.

4. Risk Mitigation

Reduces institutional dependency on a single consultant and protects against schedule disruptions.

III. Scope of Continuing Services

The RFQ will include:

A. Airside Engineering

- Runway, taxiway, and apron design
- Pavement management
- Airfield lighting and electrical systems
- Drainage and stormwater systems
- ARFF and Part 139 infrastructure support

B. Landside and Infrastructure

- Utility master planning (water, sewer, electric, stormwater)
- Roadway and access coordination
- Hangar development planning
- Fuel farm design and expansion
- Eastside development infrastructure support

C. Planning and Environmental

- ALP updates
- CIP development and JACIP coordination
- Environmental documentation
- Grant application technical support

D. Advanced Air Mobility (AAM) Planning

Consistent with prior Board briefing on AAM planning readiness

- AAM use-case analysis
- Conceptual vertiport siting
- Infrastructure compatibility review
- Airspace and operational evaluation
- ALP and CIP integration planning

This inclusion remains planning-level only and does not authorize construction or operational deployment.

IV. Procurement Framework (CCNA Compliance)

Pursuant to Section 287.055, Florida Statutes:

- Selection will be qualifications-based.
- A public RFQ will be issued.
- Firms will be ranked by a selection committee.
- Negotiations will begin with the top-ranked firms.
- Continuing services agreements will be executed with the top two ranked firms.

Individual projects will be issued via task authorizations and brought to the Board when required by policy.

V. Governance and Financial Controls

- No capital expenditure is committed through this action.
- Each task authorization will be project specific.
- Grant-funded projects will follow FAA and FDOT reimbursement requirements.
- The dual-firm structure preserves audit defensibility and procurement transparency.

VI. Recommended Board Action

Staff recommend the Board:

1. Authorize issuance of an RFQ for Continuing Engineering and Planning Services under CCNA.
2. Approve selection of two firms to provide continuing services.
3. Approve inclusion of Advanced Air Mobility planning capability within the scope.
4. Authorize formation of a selection committee.
5. Direct staff to return with ranked recommendations for negotiation approval.

VII. Strategic Outlook

This action ensures the Authority:

- Maintains Part 139 compliance readiness
- Preserves FAA and FDOT funding credibility
- Accelerates Eastside and utility infrastructure delivery
- Supports sustained fuel growth and potential FBO expansion
- Evaluates emerging aviation responsibly and strategically

Selecting two firm positions the Authority for disciplined growth while maintaining operational resilience.

Request for Proposals (RFP)

TITLE

St. Johns County Airport Authority

RFP No. 2025-01

Issue Date: XXXXXXX

Request for Qualifications:

For Professional Airport Engineering and Planning Services for the St. Johns County Airport Authority

If you have received this proposal from a source other than the St. Johns County Airport Authority it is the responsibility of the firm to ensure that all addenda has been received. Vendors should notify Linda Santiago by email at lms@sgj-airport.com to ensure that your firm is added to the distribution list.

However, it is still the responsibility of the vendor to ensure that all addenda is received prior to submitting a proposal.

DATE

RE: **Request for Qualifications (RFQ)**
For Professional Airport Engineering and Planning Services for the St. Johns County Airport Authority

To Whom It May Concern:

St. Johns County Airport Authority is requesting Statements of Qualifications from interested and qualified Aviation Consultants for engineering, planning, and general consulting services for the St. Augustine Airport.

Attached you will find a "Request for Qualifications", which identifies the needs of the St. Augustine Airport.

In order to be considered, all qualification packets must be submitted in writing no later than **TIME PM (EST) on DATE**. Firms mailing qualification packets should allow delivery time to ensure timely receipt of their packets. The responsibility for getting the packets to the St. Johns County Airport Authority Purchasing Department on or before the specified time and date is solely and strictly the responsibility of the proposing firm. The County will in no way be responsible for delays caused by any occurrence. Proposals may be hand carried or mailed to:

St. Johns County Airport Authority Purchasing Department
Attention: Linda M. Santiago
St. Johns County Airport Authority
4796 US Hwy. 1
St. Augustine, FL 32095

Hours of Operation: 8:00 a.m. - 4:30 p.m.
(EST) Monday through Friday
Phone: (904)209-0090
Email: lms@sgj-airport.com

The St. Johns County Airport Authority reserves the right to waive any informalities, to reject any and all responses.

No proposal will be received or accepted after **TIME AND DATE**. Late Proposals will be deemed invalid and will not be opened.

Thank you,

Linda M. Santiago
St. Johns County Airport Authority

REQUEST FOR QUALIFICATIONS FOR PROFESSIONAL AIRPORT ENGINEERING AND PLANNING SERVICES FOR THE ST. JOHNS COUNTY AIRPORT AUTHORITY

St. Johns County is requesting Statements of Qualifications from interested and qualified Aviation Consultants for engineering, planning, and general consulting services for the St. Augustine Airport. The work includes, but is not limited to Airport planning, Advanced Air Mobility (AAM) environmental analyses, and engineering studies; grading, drainage, utilities and paving of airfield pavements and roadway pavements; hangars, terminal building improvements, fueling systems; storm water improvements; land acquisition, obstruction analysis/removal and other safety improvements; airfield lighting/signage and NAVAIDs; grant administration and other related work at the St. Augustine Airport. This request for Statements of Qualifications is being made in accordance with the Federal Aviation Administrations (FAA) Advisory circular number 150/5100-14E dated 9/25/2015.

PURPOSE

The purpose of this Request for Qualifications is to obtain expert professional, technical, and advisory services at the discretion of St. Johns County Airport Authority for anticipated airport planning and development projects at the St. Augustine Airport over the next five (5) years. Services will be provided with close interaction with St. Augustine Airport Executive staff.

AUTHORITY BACKGROUND

The Authority owns and operates the St. Augustine Airport (UST) in St. Johns County, Florida. The Executive Director is the chief executive officer responsible for leadership, strategic planning, operations, financial management, safety and regulatory compliance, community and stakeholder relations, and execution of the Authority's mission and policies under the direction of its governing Board.

INCURRING COSTS

St. Johns County Authority is not liable for any cost incurred by the Consultant in the preparation or presentation of a response to this request.

RIGHT TO AWARD OR REJECT

It is understood that all submittals will become part of the public's file on this matter, without obligation to. St. Johns County Authority reserves the right to reject any or all submittals.

REQUIREMENT/SCOPE

For these projects, the Engineer shall be qualified and capable to provide the following services:

1. Airport planning, environmental analysis, land acquisition, preliminary design, final design, estimating, bidding, and construction administration.

2. Assist in preparation of funding grant applications for the Florida Department of Transportation (FDOT) and/or the Federal Aviation Administration (FAA) and develop justification to document

the need for Federal and State funds.

3. Provide technical assistance and advice concerning airport needs, future development, project priorities and strategies for funding and project implementation. Provide coordination with the FDOT and FAA as requested, adherence to FAA & State DOT guidelines for project funding.

4. Evaluate infrastructure readiness, airspace integration, regulatory considerations, and funding opportunities associated with Advanced Air Mobility operations, and provide actionable recommendations aligned with the Authority's long term operational and economic development objectives.

5. Procurement Timeline
   The following schedule is tentative and subject to change by the Authority by addendum:
   - RFP Issued: XXXXXX
   - Deadline for Questions: XXXX at TIME ET
   - Responses to Questions (Addendum): XXXX at TIME ET
   - Proposal Due Date: DATE at TIME PM ET
   - Shortlist Notification: DATE
   - Oral Presentations/Interviews (if held): DATE

PROPOSAL FORMAT

To facilitate review of your proposal document by St. Johns County Airport Authority, it is requested that your proposal conform to the following format:

1. **Coversheet:** List project title Professional Airport Engineering and Planning Services, the name of your firm, and the name, address and telephone number of contact person for questions concerning the proposal submitted.

2. **Experience of the Firm:** Provide a narrative of your firm's prior experience and qualifications in airport planning, engineering, construction administration, and grant administration for similar projects at both air carrier and general aviation airports. Provide a list of similar airport projects involving federal and state funding performed within the last five (5) years. Also, please reference the experience of firm personnel in working with FAA and DOA regulations and procedures. Review experiences in a consulting capacity where your responsibilities were similar to those defined under the **Requirement/Scope** listed above should be specifically referenced.

3. **Project Team:** Provide a list of the project team members that you propose to use on these projects and identify the responsibility of each team member. Provide a brief resume for each person listing specific similar project experience.

4. **References:** Provide the name, address and telephone number of at least three (3) current airport clients and references familiar with the quality of work completed by your firm on similar projects.

5. **Other Supporting Data:** Include any other information you feel to be relevant to the selection of your firm for this project.

CRITERIA FOR REVIEW OF PROPOSALS

Criteria to be used in screening and ranking of the proposals and selection of the successful firm are as follows:

1. **Qualifications of the Firm, Including Firm Personnel:** Preference shall be given to those firms and personnel with experience and training in general aviation and air carrier airport planning, design, construction administration and grant administration (FAA and FDOT), particularly for similar projects/airports.

2. **Overall Qualifications of the Project Manager and Project Team:** Identify the Project Manager and those personnel that will be assigned to the project(s). Preference shall be given to project teams with specific experience in similar projects, and familiarity with airport design, permitting and construction in Florida.

3. **Experience in Working with FDOT and FAA Regulations and Procedures:** Preference shall be given to project team personnel (especially the project manager) with a demonstrated working relationship with the FDOT and FAA, and who possess a thorough understanding of FAA rules and regulations regarding design and development of airports, and grant administration guidelines.

4. **Experience in Assisting Airports with Discretionary Funding** for airport projects from the DOA or FAA, or other potential funding sources.

5. **Response Capability/Project Understanding:** Preference shall be afforded to those firms, which in the opinion of St. Johns County Airport Authority, will be able to adequately respond to requests for consultation meetings or project administration requirements and firms that have a detailed understanding of the project requirements.

It is anticipated that St. Johns County Airport Authority will make a selection directly from the Qualifications Statement submitted. At its discretion, the Authority does reserve the right to request short-listed firms to make brief formal presentations, to a committee as determined by the Authority. The selection will be made in accordance with Chapter 2 of the FFA Advisory Circular 150/5100-14E.

CONTRACT

The successful firm will be required to execute a general engineering base consulting contract with St. Johns County Airport Authority. In addition, for each work element (project) performed under the contract, a detailed scope of work and fee shall be agreed to by both parties, such agreement to be an approved work authorization or supplement to the contract. Any contracts shall be subject to approval by St. Johns County Airport Authority.

The selected firm will be expected to assist St. Johns County Airport Authority in complying with the appropriate FDOT MBE/WBE or FAA DBE Program to help ensure that minority/women owned and disadvantaged business enterprises have the maximum opportunity to participate in the performance of contracts and subcontracts, and shall not be discriminated against on the basis of race, color, national origin, disability or sex on projects funded by FDOT or FAA grants, or other contracts required by St. Johns County Airport Authority.

QUESTIONS, SUBMISSION OF PROPOSAL, ADDENDA AND CONTACT PERSON

All questions must be submitted in writing to lms@sgj-airport.com by, DATE.

Proposals must be submitted no later than 4:30 pm, on DATE to:

Name:	Linda M. Santiago lms@sgj-airport.com 904-209-0090
Shipping Address:	St. Johns County Airport Authority 4796 US Hwy 1 St. Augustine, FL 32095
Physical Address:	St. Johns County Airport Authority 4796 US Hwy 1 St. Augustine, FL 32095

Any changes or updates will be sent in the form of an addendum. All addendum will be posted on our website under www.flynf.com/P22-Current-Bid-Opportunities.aspx

Eight (8) copies of the proposal documents and one (1) electronic copy on a USB drive in searchable PDF format. All submissions must be sealed, clearly marked with "RFP No. 2026-01" are required. Proposals should be titled "Qualifications Statement for Professional Airport Engineering and Planning Services, St. Johns County Airport Authority."

St. Johns County Airport Authority/Conflict of Interest

The St. Johns County Airport Authority will adhere strictly to the criteria for selection and procurement of consultant services as laid out in the FAA Advisory Circular 150/5100-14E, including adherence to Title IX of the Federal Property and Administration Services Act of 1949, more specifically, services will be awarded pursuant to a fair and open selection process. Further the selection will be made on the basis of fair negotiations and equable fees through selection procedures that are professionally acceptable, ensure maximum open and free competition, and avoid any suggestion of unfair or unethical conduct on the part of any parties' involvement in the process. Organizational conflicts of interest may exist when there is a lack of impartiality, impaired objectivity or an unfair advantage with one or more of the firms competing for work.

To ensure objective contractor performance and eliminate unfair competitive advantage, 2CFR Part 200.319 requires entities that develop or draft specifications, or RFP, RFQ, statements of work, invitation for bidders, or request for proposals must be excluded from competing for such procurements. The St. Johns County Airport Authority has received no such assistance from any outside firms interested in responding to this RFQ.

Attached you will find St. Johns County Airport Sample Service Agreement and our Standard Terms & Conditions.

Evaluation and Award

1. Evaluation Criteria. Proposals will be evaluated based on the criteria below. The Authority may shortlist Respondents, conduct interviews, and request additional information.

- Qualifications and Experience of Firm and Team
- Understanding of the Authority's Needs and Quality of Approach/Work Plan
- Demonstrated Success in Comparable Executive Searches
- Stakeholder Engagement and Diversity Outreach Strategy
- Proposed Timeline and Capacity
- Cost Proposal and Overall Value
- References and Past Performance
- Compliance with RFP Requirements

2 Scoring Matrix. The Authority anticipates using the following weighting:

Criterion	Weight
Firm/Team Qualifications	20%
Approach and Work Plan	25%
Relevant Experience and Performance	20%
Diversity Outreach and Stakeholder Engagement	10%
Timeline and Capacity	10%
Cost Proposal	10%
References	5%

3 Competitive Range, Presentations, and Negotiations. The Authority may establish a competitive range, invite oral presentations, and enter into negotiations with the highest ranked Respondent(s). The Authority reserves the right to award without discussions or to reject any or all proposals.

4 Best Value Determination. Award will be made to the Respondent whose proposal is most advantageous to the Authority, considering price and other evaluation factors set forth in this RFP.

Public Records and Florida Open Government

1 Public Records. All materials submitted in response to this RFP are subject to Chapter 119, Florida Statutes, the Florida Public Records Act. If a Respondent believes that any portion of its submission contains trade secrets or otherwise exempt information, it must clearly identify and segregate such portions at the time of submission and provide a redacted version suitable for public disclosure, along with a detailed legal basis for the exemption. The Authority will comply with Florida law in responding to public records requests and assumes no responsibility for protection of materials not clearly designated as confidential or exempt. Designation of materials as confidential does not guarantee that such material will be exempt from disclosure.

2 Sunshine Law and Meetings. Deliberations and actions of the Authority may be conducted at publicly noticed meetings in compliance with Florida's open meetings requirements. Respondents should structure their proposals and presentations accordingly.

Required Forms and Attachments

Proposals must include the following completed and executed documents:

Attachment A: Form of Professional Services Agreement (for reference; not to be executed at proposal stage)
Attachment B: Proposal Acknowledgment and Addenda Receipt Form
Attachment C: Public Entity Crimes Statement
Attachment D: Scrutinized Companies Certification
Attachment E: Drug-Free Workplace Certification (optional, for preference eligibility)
Attachment F: Authority Bid Protest Procedures (if applicable)
Attachment G: E-Verify Registration and Compliance Affidavit
Attachment H: Non-Collusion Affidavit and Conflict of Interest Disclosure
Attachment I: Insurance Certificate(s) and Accord Form (evidence of ability to meet requirements)
Attachment J: Trade Secret/Confidential Information Designation and Redaction Index
Attachment K: Federal Contract Provisions and Certifications (to the extent applicable)
Attachment L: Additional Federal Certifications (to the extent applicable)

WHAT CONTRACT SHOULD GO HERE?

CONTRACT FOR SERVICES

COUNTY OF WAYNE AND ____________________________

This Contract for Services ("Contract") is made and entered into ___________________between County of Wayne ("County"), a body politic and corporate organized under the State of North Carolina having a mailing address of PO Box 227, Goldsboro, NC 27533 and

____

("Contractor").

For and in consideration of the mutual promises set forth in this Contract, the parties do mutually agree as follows:

1. Obligations of Contractor – Contractor agrees to provide services ("Services") to fully, timely and properly complete ____ as more particularly described in the Scope of Work document attached hereto and incorporated herein by reference as Request for Proposals (Exhibit A).

2. This Contract shall commence on _____________________________ and remain in effect for ____________________ unless otherwise terminated by either party consistent with the terms contained herein.

3. The Contractor shall begin work immediately upon issuance of a written notice to proceed. The Contractor agrees to perform the Services in a timely, complete, and professional manner and in accordance with this Contract. Furthermore, the Contractor represents and warrants that (i) it is duly qualified and licensed to provide the Services, (ii) it will provide the Services in a manner consistent with the level of care and skill ordinarily exercised by contractors providing similar services under similar conditions, (iii) it possesses sufficient experience, personnel, and resources to complete the Services, (iv) it shall perform the Services in compliance with all Federal, State, and local laws, statutes, ordinances, codes, orders, rules and regulations, and (v) its reports, if any, shall be complete, accurate, and unambiguous.

4. Payment Obligations. County agrees to pay Contractor pursuant to the terms contained in the attached Compensation Schedule attached hereto and incorporated herein by reference as Compensation Schedule (Exhibit B).

5. Project Coordinator. ______________________________ or his designee shall be the Project Coordinator for St. Johns County Airport Authority. The Project Coordinator shall be St. Johns County Airport Authority's representative in connection with the Contractor's performance under this Contract. St. Johns County Airport Authority has complete discretion in replacing the Project Coordinator with another person of its choosing.

6. Contractor Supervisor. ___________________________________ is designated as the Contractor Supervisor for the Contractor. The Contractor Supervisor is fully authorized to act on behalf of the Contractor in connection with this Contract.

7. Terms and Methods of Payment. St. Johns County Airport Authority will make payment after invoices are approved on a net 30 days basis. St. Johns County Airport Authority will not pay for services or materials in advance without the prior approval of the Finance Officer.

8. Additional Provisions. Contractor agrees to the Standard Terms and Conditions as set forth as Exhibit C attached hereto and incorporated herein by reference.

9. Counterpart Execution. This Contract may be executed and recorded in two or more counterparts, each of which shall be deemed and original and all of which, when taken together, shall constitute one and the same instrument. Each party shall be entitled to rely upon executed copies of this Contract transmitted by facsimile or electronic PDF to the same and full extent as the originals.

10. Notices. Any notice of demand which any provision in this Contract is required or allowed to be given by either party to the other shall be deemed to have been sufficiently given for all purposes when made in writing and sent in the United States mail as certified or registered mail, return receipt requested, postage prepared and addressed as follows:

CONTRACTOR:	OWNER:
__________________________	St. Johns County
__________________________	Airport Authority
	4796 US Hwy. 1
__________________________	St. Augustine, FL 32095

IN WITNESS WHEREOF, ST. JOHNS COUNTY AIRPORT AUTHORITY and the Contractor have executed this Contract on the day and year first written above.

OWNER

BY: ____________________________

This instrument has been preaudited in the manner required by the Local Government Budget and Fiscal Control Act.

BY: ____________________________

Finance Director

CONTRACTOR

BY: ___________________________

REQUEST FOR PROPOSALS

EXHIBIT A

TANDARD TERMS AND CONDITIONS

1. Payment Terms. Payment terms are Net 30 days after receipt of applicable invoice.

2. Compliance with All Laws. Contractor warrants that all services and performance under this Agreement shall comply with all applicable federal, state of Florida, and local laws, statutes, ordinances, regulations, executive orders, and administrative rules.

   If this Agreement is funded in whole or in part with federal funds, Contractor shall comply with all applicable requirements of **2 C.F.R. Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards**, including **2 C.F.R. § 200.326 and Appendix II to Part 200**, as may be amended from time to time. To the extent applicable, such federal requirements include, but are not limited to:

   • Equal Employment Opportunity, 41 C.F.R. Part 60
   • Davis Bacon Act, 40 U.S.C. 3141 through 3148
   • Copeland Anti Kickback Act, 40 U.S.C. 3145
   • Contract Work Hours and Safety Standards Act, 40 U.S.C. 3701 through 3708
   • Clean Air Act, 42 U.S.C. 7401 through 7671q
   • Federal Water Pollution Control Act, 33 U.S.C. 1251 through 1387
   • Debarment and Suspension, 2 C.F.R. Part 180 and 2 C.F.R. Part 200, Subpart C
   • Byrd Anti Lobbying Amendment, 31 U.S.C. 1352
   • Procurement of Recovered Materials, 2 C.F.R. § 200.322
   • Record Retention Requirements, 2 C.F.R. § 200.334

   Contractor further certifies that it is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in federally funded transactions.

3. E-verification. Contractor and any of its subcontractors must comply with the requirements of the Florida General Statutes, if applicable, which requires certain employers to verify the work authorization of each newly hired employee through the federal E-Verify program operated by the United State Department of Homeland Security and other federal agencies.

4. Iran Divestment Act Certification. Contractor hereby certifies that Contractor, and all subcontractors, are not on the Scrutinized Companies with Activities in Iran Terrorism Sectors List maintained by the Trustees of the State Board of Administration of Florida under section 215.473, Florida Statutes. Contractor shall not utilize any subcontractor that is identified on the List.

5. Indemnification. Contractor shall indemnify and hold harmless St. Johns County Airport Authority its officers, agents, employees and assigns from and against all claims, losses, costs, damages, expenses, attorneys' fees and liability that any of them may sustain (a) arising out of Contractor's failure to comply with any applicable law, ordinance, or regulation or (b) arising directly or indirectly out of Contractor's performance or lack of performance of their terms and conditions of the Contract.

In event Contractor, its employees, agents, subcontractors and or lower-tier subcontractors enter premises occupied by or under the control of St. Johns County Airport Authority in the performance of the Contract Documents, Contractor agrees that it will indemnify and hold harmless St. Johns County Airport Authority, its officers, agents, employees and assigns, from any loss, costs, damage, expense or liability by reason of property damage or personal injury of whatsoever nature or kind arising out of, as a result of, or caused by the negligence or willful misconduct of such entrant.

6. Insurance. The Contractor certifies that it currently has and agrees to purchase and maintain during its performance under this Contract the following insurance from one or more insurance companies acceptable to St. Johns County Airport Authority and authorized to do business in the State of Florida.
    a. Worker's Compensation: Coverage to apply for all employees for statutory limits in compliance with the applicable state and federal laws. The policy must include the employers' liability with a limit $1,000,000 each accident. This insurance must include a waiver of subrogation in favor of the County.
    b. Commercial General Liability: Shall have minimum limits of $1,000,000 per occurrence combined single limit for bodily injury liability and property damage liability.
    c. Commercial Auto Liability: Shall have minimum limits of $1,000,000 each accident combined single limit for bodily injury liability and property damage liability. This shall include owned vehicles, hired and non-owned vehicles, and employee non-ownership.
    d. The Contractor shall furnish a copy of an original Certificate of Insurance, naming the St. Johns County Airport Authority as an additional insured. Should any of the policies be canceled before expiration date, the issuing company will provide by mail thirty (30) days written notice to the certificate holder. This contractor shall furnish insurance in satisfactory limits, and on forms and of companies which are acceptable to the St. Johns County Airport Authority and shall require and show evidence of insurance coverage on behalf of any subcontractors (if applicable), before entering any agreement to sublet any part of the work to be completed under this Contract.

7. Termination for Convenience. In addition to all of the other rights that St. Johns County Airport Authority may have to cancel this Contract, St. Johns County Airport Authority shall have the further right, without assigning any reason therefore, to terminate any work under the Contract Documents, in whole or in part, at any time by providing ninety (90) days written notice to Contractor. If the Contract is terminated by St. Johns County Airport Authority in accordance with this Paragraph, Contractor will be paid for Services actually provided up through the date of termination at the rates provided herein.

8. Termination for Default. St. Johns County Airport Authority may terminate this Contract, in whole or in part, for failure of the Contractor to perform any of the provisions hereof. In addition to any other remedies available to in law or equity in connection with an uncured breach of the Contract by Contractor, St. Johns County Airport Authority may procure upon such terms as St. Johns County Airport Authority shall deem appropriate, services substantially similar to those so terminated, in which case Contractor shall be liable to St. Johns County Airport Authority for any excess costs for such similar supplies or services and any expenses incurred in connection therewith.

9. Contract Funding. It is understood and agreed between Contractor and St. Johns County Airport

Authority that St. Johns County Airport Authority's obligation under the Contract is contingent upon the availability of appropriated funds from which payment for Contract purposes can be made. No legal liability on the part of St. Johns County Airport Authority for any payment may arise until funds are made available to St. Johns County Airport Authority Finance Officer and until Contractor receives notice of such availability. Should such funds not be appropriated or allocated, the Contract shall immediately be terminated. St. Johns County Airport Authority shall not be liability to Contractor for damages of any kind (general, special, consequential or exemplary) as a result of such termination.

10. Contract Modifications. The contract may be amended only by written amendment duly executed by both St. Johns County Airport Authority and Contractor. However, minor modifications may be made by St. Johns County Airport Authority's Executive Director to take advantage of unforeseen opportunities that: (a) do not change the intent of the Contract or the scope of Contractor's performance; (b) do not increase Contractor's total compensation or method of payment; and (c) either improve the overall quality of the product or service to St. Johns County Airport Authority without increasing the cost, or reduce the total cost of the product or service without reducing the quantity or quality. All such minor modifications to the Contract must be recorded in writing and signed by both the Project Coordinator and Contractor, and placed on file with the Contract. No price adjustments will be made unless the procedure has been included in the Contract and a maximum allowable amount stipulated.

11. Independent Contractor. Contractor is an independent contractor and not an employee of St. Johns County Airport Authority. The conduct and control of the work will lie solely with Contractor. The Contract shall not be construed as establishing a joint venture, partnership or any principal-agent relationship for any purpose between Contractor and St. Johns County Airport Authority

12. Employees of Contractor shall remain subject to the exclusive control and supervision of Contractor, which is solely responsible for their compensation.

13. Permits and Licenses. Contractor will, at his own expense, obtain all necessary permits, give all notices, pay all license fees and comply with all laws, rules, ordinances, and regulations relating to the preservation of the public health or applicable to the services or business carried on under this contract. The burden of determining applicability of licensing requirements, laws, ordinances, and regulations for the Contractor and his employees rests with the Contractor.

14. Nondiscrimination. Contractor shall not discriminate against or deny the Contract's benefits to any person on the basis of: race; religion; creed; color; sex; gender identity and expression; pregnancy; childbirth; breastfeeding; medical conditions related to pregnancy, childbirth, or breastfeeding; sexual orientation; marital status; age; national origin; ancestry; genetic information; disability; veteran status; or any class protected by local state or federal law.

15. Conflict of Interest. Contractor represents and warrants that no member of St. Johns County Airport Authority or any of its employees or officers who may obtain a direct benefit, personal gain or advantage for themselves or a relative or associate as a result of the Contract, subcontract or other agreement related to the Contract is in a position to influence or has attempted to influence the making of the Contract, has been involved in making the Contract, or will be involved in administering the Contract. Contractor shall cause this paragraph to be included in all Contracts, subcontracts and other agreements related to the Contract in violation of the policies of St. Johns

County Airport Authority.

16. Kickbacks to Contractor. Contractor shall not permit any kickbacks or gratuities to be provided, directly or indirectly, to itself, its employees, subcontractors or subcontractor employees for the purpose of improperly obtaining or rewarding favorable treatment in connection with a St. Johns County Airport Authority contract or in connection with a subcontract relating to a St. Johns County Airport Authority Contract. When Contractor has grounds to believe that a violation of this clause may have occurred, Contractor shall promptly report to St. Johns County Airport Authority in writing the possible violation.

17. Monitoring and Evaluation. Contractor shall cooperate with , or with any other person or agency as directed by St. Johns County Airport Authority, in monitoring, inspecting, auditing or investigating Activities related to the Contract. Contractor shall permit St. Johns Airport Authority evaluate all activities conducted under the Contract. St. Johns County Airport Authority has the right at its sole discretion to require that Contractor remove any employee of Contractor from St. Johns County Airport Authority and from performing services under the Contract following a provision of notice to Contractor of the reasons for St. Johns County Airport Authority's dissatisfaction with the services of Contractor's employee.

18. Financial Responsibility. Contractor is financially solvent and able to perform under the Contract. If requested by St. Johns County Airport Authority, Contractor agrees to provide a copy of its latest audited annual financial statements or other financial statements as deemed acceptable by St. Johns Airport Authority's Finance Officer. In the event of any proceedings, voluntary or involuntary, in bankruptcy or insolvency by or against Contractor, the inability of Contractor to meet its debts as they become due or in the event of the appointment, with or without Contractor's consent, of an assignee for the benefit of creditors or of a receiver, then St. Johns County Airport Authority shall be entitled, at its sole option, to cancel any unfilled part of the Contract without any liability whatsoever.

19. Dispute Resolution and Contract Situs. This Contract shall be governed and will be construed in accordance with the laws of the State of Florida. Each party agrees that exclusive venue for all actions, relating in any manner to this Contract will be in the General Court of Justice in St. Johns County, Florida.

20. No Third-Party Benefits. The Contract shall not be considered by Contractor to create any benefits on behalf of any third party. Contractor shall include in all contracts, subcontracts, or other agreements relating to the Contract an acknowledgment by the contracting parties that the Contract creates no third-party benefits.

21. Force Majeure. "Force Majeure" shall mean any delays caused by acts of God, riot, war, terrorism, inclement weather, labor strikes, material shortages and other causes beyond the reasonable control of the affected party. If either party is unable to perform its obligations or in the case of St. Johns County Airport Authority, to accept the Services because of Force Majeure, the time for such performance by such party or in the case of St. Johns County Airport Authority, acceptance of Services will be equitably adjusted by allowing additional time for performance or acceptance of services equal to any periods of Force Majeure.

22. General Provisions. St. Johns County Airport Authority remedies as set forth herein are not exclusive. Any delay or omission in exercising any right hereunder, or any waiver of any single breach or default hereunder, shall not be deemed to be a waiver of such right or of any other right, breach or default. If St. Johns County Airport Authority should prevail in any action instituted by Contractor hereunder, St. Johns County Airport Authority encumber Contractor's rights under this Order, or delegate the performance of any of its obligations hereunder, with St. Johns County Airport Authority's prior, express, written consent.

23. Entire Contract. This Contract constitutes and expresses the entire agreement and understanding between the parties concerning the subject matter of this Contract. This document, including exhibits, if any, any purchase order used in connection with this Contract and any other document expressly incorporated in this Contract by reference supersede all prior and contemporaneous discussion, promises, representations, agreements, and understandings relative to the subject matter of this Contract.

ST. AUGUSTINE/ST JOHNS COUNTY AIRPORT AUTHORITY

Briefing Memorandum

To: Board of Directors
From: Courtney Pittman, Interim Executive Director
Date: March 11, 2026
Subject: Historical Background and Discussion – Potential South Parcel Hangar Development and Lease

I. Purpose

The purpose of this briefing is to provide the Board with historical background regarding a previously proposed hangar development and land lease opportunity located on the southern portion of airport property along Casa Cola Way. The undeveloped parcel is immediately adjacent to the Casa Cola Conference Center, in between the Conference Center and the existing hangar facility also located on Casa Cola.

This item is being presented for informational and discussion purposes only. The intent is to ensure the Board has a clear understanding of the prior discussions, historical documentation, and policy considerations associated with this potential development area.

No Board action or vote is necessary at this time.

II. Background

The St. Johns County Airport Authority periodically evaluates opportunities to lease airport property for aeronautical development consistent with:

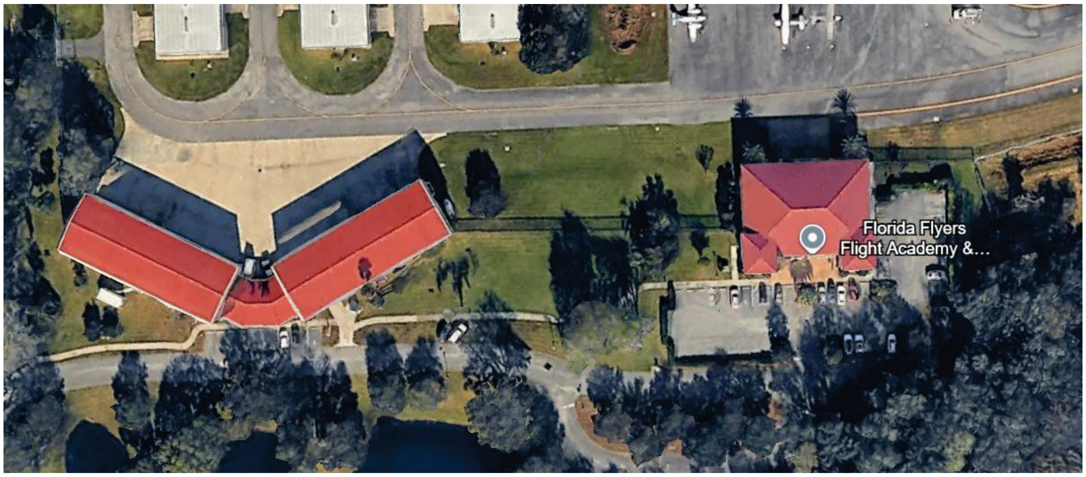
- FAA Grant Assurance requirements
- Airport economic development goals
- Long-term airport planning and infrastructure utilization

One such opportunity involved the potential development of an aircraft hangar facility on airport property located along Casa Cola Way on the southern portion of the airport campus.

The parcel has historically been identified on the airport Airport Layout Plan.

4796 U.S. HIGHWAY 1 NORTH, ST. AUGUSTINE, FL 32095 www.FLYNF.com 904-209-0090 / FAX 904-209-0528

ST. AUGUSTINE/ST JOHNS COUNTY AIRPORT AUTHORITY



In 2023 / 2024 a private entity (Ballyduff, T. Solano, Principal) proposed a privately financed hangar facility on a land lease from the Airport Authority. A lease was developed, approved by the Airport Authority Board in the summer of 2024, and tendered to the proposed developer. The proposed developer elected not to go forward with the development (see, Board Minutes transcript, January 23, 2025, pgs. 123-138). The Airport Authority explored financing options to build the facility itself and lease it as a facility lease, but no viable financing options were developed.

The original developer, Ballyduff (T. Solano, Principal) has expressed a renewed interest in developing the hangar with private financing.

III. Proposed Leasehold Site

The proposed leasehold parcel was identified as a 30,940 square foot development site located at 4730 Casa Cola Way, which is part of a larger airport property parcel.

Key characteristics of the site include:

• Approximately 30,940 square feet
• Zoning designation Airport Development (AD)
• Future land use designation South Airport District
• Direct proximity to existing hangar facilities
• Access via existing airport roadway infrastructure
• Airfield accessibility suitable for corporate aircraft operations

At the time of evaluation, the site was considered development ready, with utilities and roadway access available in the surrounding area.

IV. Independent Market Rent Appraisal

To ensure compliance with FAA requirements governing airport land leases, the Airport Authority commissioned an independent appraisal of the parcel (August 9, 2023).

The appraisal was prepared by Pacetti Appraisal Services, Inc., a state-certified general real estate appraisal firm.

The appraisal determined the annual fair market ground rent for the 30,940 square foot parcel to be:

$22,400 per year

The appraisal was completed in accordance with Uniform Standards of Professional Appraisal Practice (USPAP) and based on market data analysis of comparable airport property leases and regional land values.

XI. Discussion Objective

The purpose of presenting this information today is to provide the Board with the historical context of the prior discussions and direction provided in January 2025 so that the Board may determine how it wishes to proceed regarding this parcel.

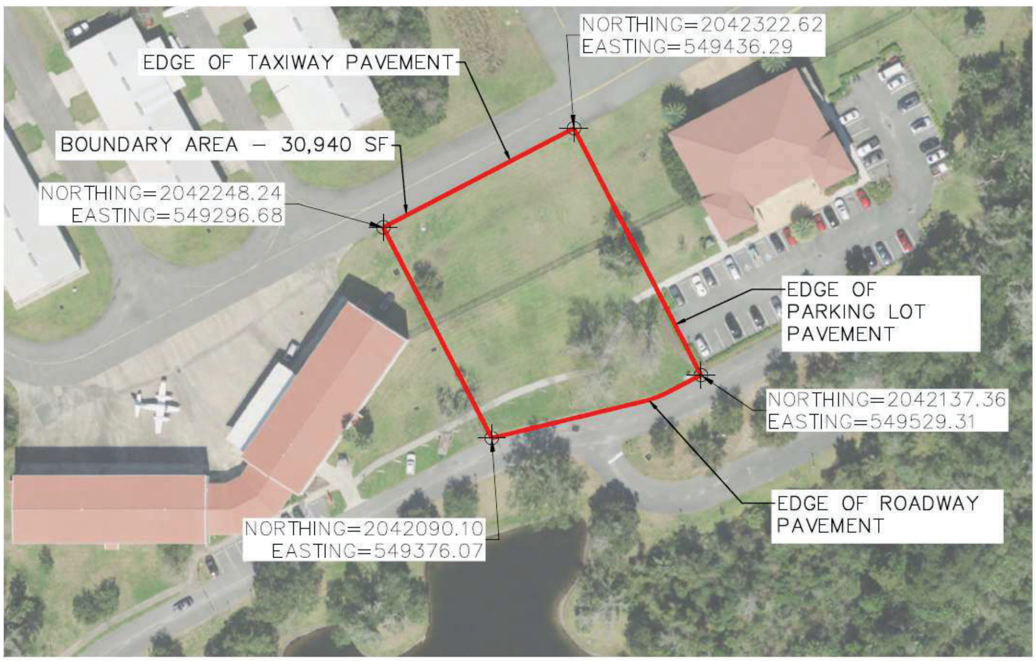
This briefing is intended to facilitate informed discussion regarding the potential future development of the south parcel.

No decision or vote is requested at this time.

XII. Attachments

Attachment A – Pacetti Appraisal Report (Market Rent Estimate)
Attachment B – Prior Lease and Development Agreement Correspondence
Attachment C – Conceptual Site Plan

MARKET RENT ESTIMATE
OF THE
PROPOSED CORPORATE HANGAR SITE
CONTAINING 30,940± SQUARE FEET
LOCATED AT
4730 CASA COLA WAY,
ST. AUGUSTINE, ST. JOHNS COUNTY, FL 32095



PREPARED FOR:

JAIME R. TOPP
INTERIM EXECUTIVE DIRECTOR
ST. JOHNS COUNTY AIRPORT AUTHORITY

PURCHASE ORDER #:
23-P-00745

PREPARED BY:

Ronald N. Pacetti, MAI
State-Certified General Real Estate Appraiser RZ 677
Pacetti Appraisal Services Inc.

PACETTI APPRAISAL SERVICES INC.

Real Estate Appraisers and Consultants

Ronald N. Pacetti, MAI
State-Certified General Real Estate Appraiser
RZ 677

August 9, 2023

Jaime R. Topp
Interim Executive Director
St. Johns County Airport Authority
4796 US Highway 1 N.,
St. Augustine, FL 32095

Re: Estimate of market rent for the 30,940± square foot parcel planned to be leased for future use as a corporate hangar. The address of the parent parcel is 4730 Casa Cola Way, St Augustine, St. Johns County, FL 32095.

Dear Mr. Topp:

At your request, we have made an investigation and analysis of the above mentioned property. The purpose of this investigation and analysis was to provide the following opinions of value for the Subject Property:

- Market Ground Rent "as is"

The property rights appraised are the rights of the Fee Simple Interest in the Subject Property.

The Subject Property was inspected on August 8, 2023.

The Subject site is a cutout of a larger parcel of land (# 074940-0000) which contains a total of 74.83± acres. The Subject cutout is slightly irregular shaped and contains 30,940± square feet. The site is cleared and is essentially shovel ready with public access and utilities available. The cutout is located close to the parent parcels southern border and has direct airfield access. The site is planned to be leased by an outside entity who plans to develop the site with a corporate hangar. The site size estimate was taken from a site plan provided by the client. At the request of our client, we have been asked to provide our opinion of the Fair Annual Market Rent for the Subject site.

The Subject is zoned AD, Airport Development, and the future land use is Airport District by St. Johns County, FL.

This Appraisal Report is in conformance with Standard Rule 2 Report Options of the Uniform Standards of Professional Appraisal Practice, effective January 1, 2022. As such, the report presents summary discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation has been retained in the appraiser's file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated in this report.

1301 Plantation Island Drive South, Suite 303A, St. Augustine, Fl 32080 (904) 461-9810/FAX (904) 461-9967

The appraisal is intended to conform with the Uniform Standards of Professional Appraisal Practice (USPAP), the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, and applicable state appraisal regulations. The appraisal is also prepared in accordance with the appraisal regulations issued in connection with the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA).

This appraisal was not made, nor was the appraisal rendered on the basis of a minimum requested valuation, specific valuation, or an amount which would result in the approval of a loan.

Subject to the definition of market rent as set forth in this report, as well as the General Assumptions, Extraordinary Assumptions and Limiting Conditions, we have formed the following opinions of value for the subject property as of August 8, 2023:

ANNUAL MARKET GROUND RENT FOR THE 30,940 SF LAND AREA

TWENTY TWO THOUSAND FOUR HUNDRED DOLLARS
$22,400

Thank you for the opportunity to be of service to you in this matter.

Respectfully submitted,

Ronald N. Pacetti, MAI
State-Certified General Real Estate Appraiser RZ 677

File # 2023-64

CERTIFICATION

We certify that, to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct.

- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.

- We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.

- We have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the agreement to perform this assignment.

- We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.

- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

- Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.

- Ronald N. Pacetti has made a personal inspection of the property that is the subject of this report.

- No one provided significant real property appraisal assistance to the persons signing this certification.

- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

- As of the date of this report, Ronald N. Pacetti has completed the continuing education program for Designated Members of the Appraisal Institute.

Ronald N. Pacetti

Ronald N. Pacetti, MAI
State-Certified General Real Estate Appraiser RZ 677

LIMITING CONDITIONS

1. Title to the property is assumed to be good and marketable and the legal description correct.

2. No responsibility for legal matters is assumed. All outstanding taxes, liens, mortgages, or other encumbrances have been disregarded and the property is appraised as though free and clear, under responsible ownership and competent management.

3. It is assumed that surveys and/or plat furnished to or acquired by the appraiser and used in the making of this report are correct. The appraiser has not made a land survey or caused one to be made and, therefore, assumes no responsibility for their accuracy. If a survey and/or plat is not furnished or acquired the local property appraiser's records were used and were assumed to be correct.

4. All information in this report has been obtained from reliable sources. We cannot, however, guarantee or be responsible for the accuracy of information furnished by others. We have assumed that all information furnished by others is correct and complete, up to date and can be relied upon, but no warranty is given for its accuracy. We do not accept responsibility for erroneous information provided by others. We assume that no information that has a material effect on our appraisal has been withheld.

5. Unless otherwise stated, the opinion of value included in our report excludes any additional value attributable to goodwill, or to fixtures and fittings which are only of value, in situ, to the present occupier. We have made no allowance for any plant, machinery or equipment unless they form an integral part of the building and would normally be included in a sale of the building. We do not normally carry out or commission investigations into the capacity or condition of services being provided to the property. We assume that the services, and any associated controls or software, are in working order and free from defects. We also assume that the services are of sufficient capacity to meet current and future needs.

6. Subsurface rights (minerals, water, and oil) were not separately evaluated in making this appraisal.

7. The comparable sales data relied upon in this appraisal are believed to be from reliable sources; however, it was not possible to inspect the comparables completely, and it was necessary to rely upon information furnished by others as to said data, therefore, the value conclusions are subject to the correctness and verification of said data.

8. We inspected, as far as possible, by observation the land and the improvements thereon; however, it was not possible to personally observe conditions beneath the soil or hidden structural components within the improvements. Likewise, no tests were made on the roof, mechanical, plumbing or electrical systems. Unless otherwise stated, no representations are made as to geotechnical conditions of the land or the quality and condition of the roof, heating, cooling, ventilating electrical and plumbing equipment.

9. Unless otherwise stated in this report, the existence of hazardous substances were not called to our attention nor did we become aware of such during our inspection. We have no knowledge of the existence of such materials on or in the property unless otherwise stated. However, we are not qualified to test such substances or conditions. No responsibility is assumed for any such conditions, nor for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in the field or environmental impacts upon real estate if so desired..

10. Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales, or other media, without the written consent and approval of the author, particularly as to the valuation conclusions, the identity of the appraiser or firm with which he is connected, or any reference to the Appraisal Institute.

11. We may have reviewed available flood maps and may have noted in the report whether the property is generally located within or out of an identified Special Flood Hazard Area. However, we are not qualified to detect such areas and therefore do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the property. Any opinion of value we include in our report assumes that floodplain and/or wetlands interpretations are accurate.

12. The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific survey or analysis of the property to determine whether it is in compliance with the ADA. We claim no expertise in ADA issues and render no opinion regarding the compliance of the property with ADA regulations.

13. We assume that all required licenses, certificates of occupancy, consents, and other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the opinion of value contained in the report is based.

14. It is assumed that the property is in compliance with all applicable federal, state and local laws, ordinances, regulations, building standards, use restrictions and zoning unless the lack of compliance is stated in the appraisal report. Determining and reporting on such compliance were not part of the scope of work for this assignment.

15. It is assumed that all water, sewer facilities, and utilities (whether existing or proposed) are or will be in good working order, are safe for use, and are or will be sufficient to serve the current or proposed uses of the subject property or any structures or other improvements. Determining and reporting on such matters were not part of the scope of work for this assignment.

16. We have not made any investigation of the financial standing of actual or prospective tenants unless specifically noted in the report. Where properties are valued with the benefit of leasing, we assume, unless we are informed otherwise, that the tenants are capable of meeting their financial obligations under the leases, all rent and other amounts payable under the leases have been paid when due, and that there are no undisclosed breaches of the leases.

17. We are not required to testify or provide court-related consultation or to be in attendance in court unless we have agreed to do so in writing.

18. The distribution of the total valuation in this report between land and improvements applies only under the existing program of utilization. The separate valuations for land and building must not be used in conjunction with any other appraisal and are invalid if so used.

19. This appraisal/inspection is not a home/building inspection, structural inspection, or pest inspection. By preparing this report, the appraiser is not acting as a home/building inspector, structural engineer, or pest inspector. In performing the limited inspection of this property, areas that were readily accessible were visually observed and the review is superficial only. This inspection is not technically exhaustive and does not offer warranties or guarantees of any kind. It is advised to have the structure inspected by an inspector that offers such warranties or guaranteed inspection if there is any concern regarding adverse or negative conditions

In addition to the general special assumptions and limiting condition outlined in this report, the above value is subject to the following extraordinary assumptions and hypothetical conditions:

Extraordinary Assumption

An assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions.

1. None

Hypothetical Condition

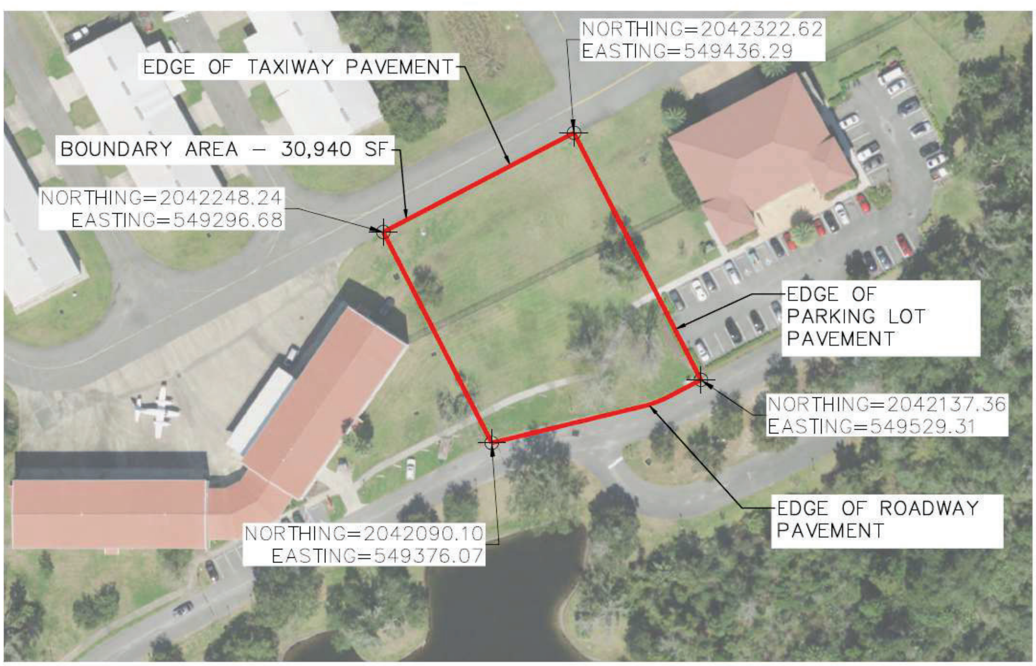
A hypothetical condition is a condition contrary to known fact on the effective date of the appraisal but is supposed for the purpose of analysis.

1. None

VIEW OF THE SUBJECT SITE

ADDITIONAL VIEW OF THE SUBJECT SITE

VIEW LOOKING WEST DOWN A SECONDARY ACCESS ROAD WHICH STEMS FROM CASA COLA WAY.
THE SUBJECT SITE IS LOCATED ON THE RIGHT



SITE PLAN OUTLINING THE AREA BEING APPRAISED

Scope of Work – Information Analyzed

The subject site and surrounding building and site improvements were inspected. Photographs taken during the site inspection include the following:

- View of the Subject site
- Site improvements
- Roadways and site access

Market Data Analyzed

Gathered and analyzed social, economic, governmental and environmental data from the St. Johns County area and the subject's immediate submarket.

Data sources include: municipal Planning Departments, LoopNet, CoStar and the St. Augustine MLS.

Specific Data

Specific data relate to the property being appraised and to comparable properties. These data include legal, physical, locational, cost and income and expense information about the properties and the details of comparable sales.

Data gathered and analyzed pertaining to the subject property included zoning information, building plans, and site plans. Competitive property data included rental prices, site size, zoning information and intended use of property.

Competitive Supply and Demand

Competitive supply and demand data relate to the competitive position of the property in its future market. Supply data include inventories of existing and proposed competitive properties, vacancy rates, and absorption rates. Demand data may consist of population, income, employment, and survey data pertaining to potential property users.

Demand was analyzed using current and projected population figures and historic demand based on comparable properties. Supply was analyzed using primary data gathered and confirmed during the assignment.

Scope of Work - Appraisal Method and Techniques Employed

The following appraisal methods and techniques were considered in the analysis of the subject property:

Cost Approach

Since the Subject site is currently vacant land, the Cost Approach was not considered applicable or necessary to provide a credible opinion of value.

Sales Comparison Approach

The Sales Comparison Approach typically provides a good indication of value for vacant land. Therefore, the Sales Comparison Approach was used to indicate a market value for Subject Site. Once the market value of the site was determined, an annual market rental rate can then be established by applying a market oriented annual rate of return to the as-is land value.

Income Approach

Since the Subject Property is vacant land that is planned to be leased to an outside entity, the Income Approach was not applicable.

Reconciliation

The Sales Comparison Approach is the only applicable approach to value. The sales approach was used to value the Subject "as is" and then an annual market ground rental rate return was applied to this value.

REPORT TYPE

This Appraisal Report is in conformance with Standard Rule 2 Report Options of the Uniform Standards of Professional Appraisal Practice. As such, the report presents summary discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation has been retained in the appraiser's file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated in this report.

Purpose of Appraisal

The purpose of this investigation and analysis was to provide our opinion of value for the Subject Property under the following premises:

- Market Ground Rental Rate “as is”

Effective Date of Value

The date of value of this appraisal is August 8, 2023, which is the date the property was last inspected.

Intended User/Client of the Appraisal

The intended user/client of this appraisal is Jaime R. Topp of St. Johns County Airport Authority and-or assigns.

Intended Use of the Appraisal

The intended use of this appraisal was for the clients internal decision making needs.

Interest Appraised

The interest appraised herein is the Fee Simple Interest.

Fee Simple Estate

The fee simple estate is defined in The Dictionary of Real Estate Appraisal, 7th Edition as:

> "The absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat."

Market Rent

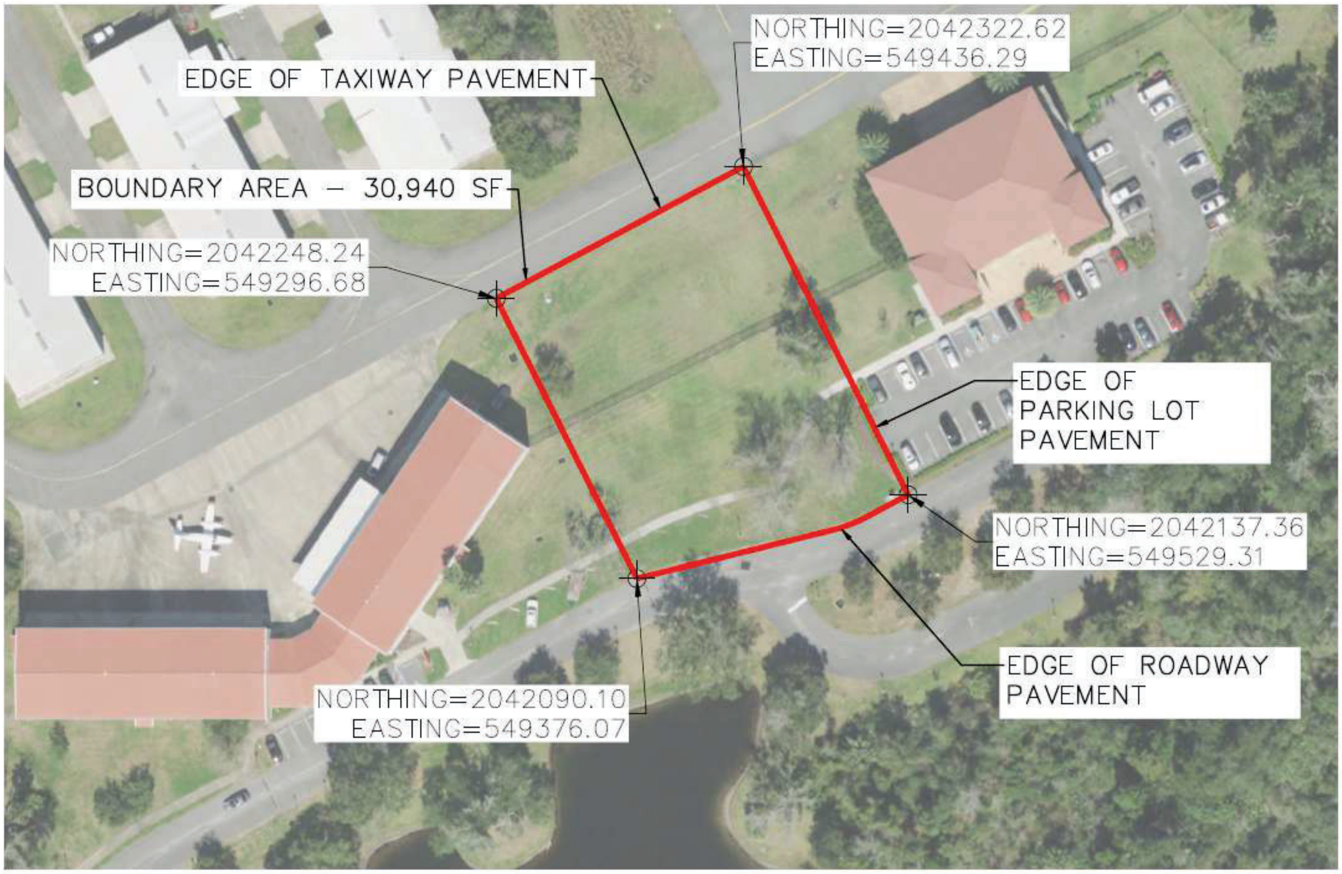
"The most probable rent that a property should bring in a competitive and open market under all conditions requisite to a fair lease transaction, the lessee and lessor each acting prudently and knowledgeably, and assuming the rent is not affected by undue stimulus. Implicit in this definition is the execution of a lease as of a specified date under conditions whereby:

* Lessee and lessor are typically motivated;
* Both parties are well informed or well advised, and acting in what they consider their best interests;
* Payment is made in terms of cash or in terms of financial arrangements comparable thereto; and
* The rent reflects specified terms and conditions typically found in that market, such as permitted uses, use restrictions, expense obligations, duration, concessions, rental adjustments and revaluations, renewal and purchase options, frequency of payments (annual, monthly, etc.), and tenant improvements (TIs)."

(Source: The Dictionary of Real Estate Appraisal, 7th Edition, Appraisal Institute, Chicago, Illinois,2022)

LEGAL DESCRIPTION:

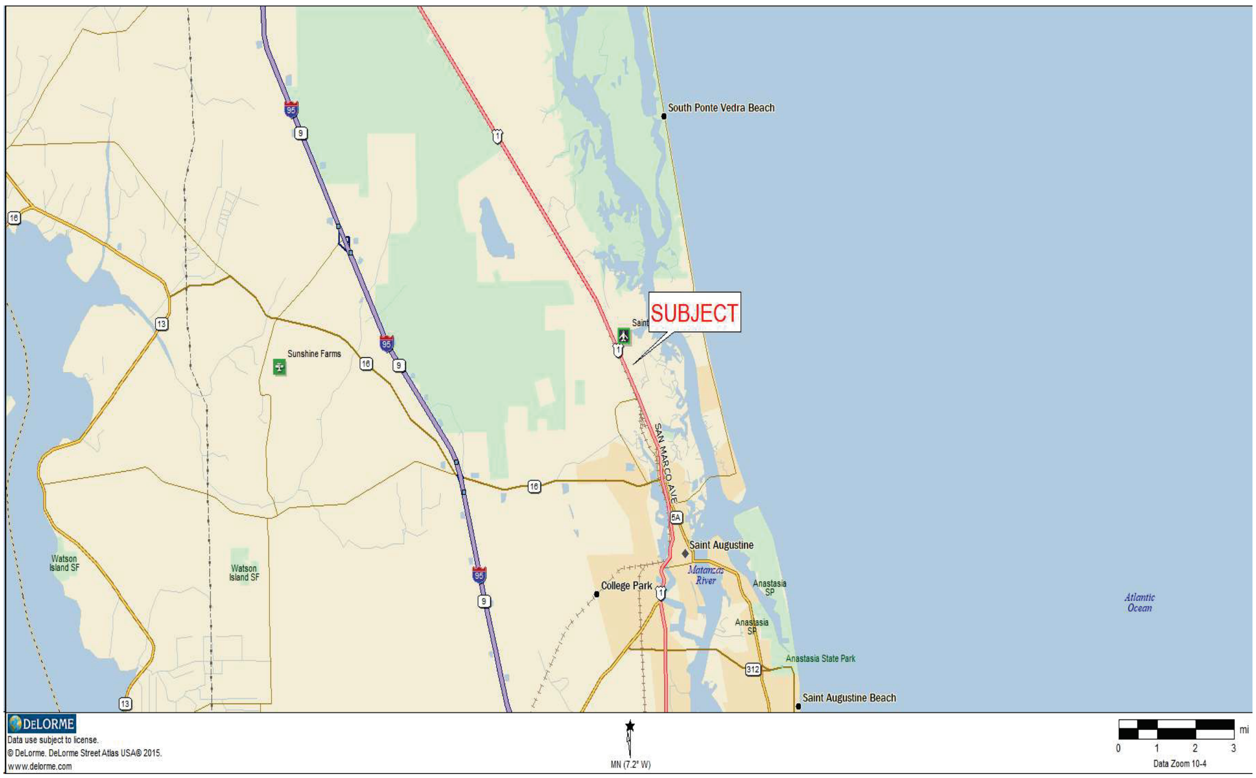
Not provided - see attached site plan outlining the 30,940 SF space being appraised.



NEIGHBORHOOD DATA

The Subject Property is located just east of US Highway 1 N and Casa Cola Way and south of Estrella Avenue, St. Augustine, St. Johns County, Florida. This area is approximately 70% developed. A neighborhood is defined in terms of common characteristics, trends and groupings of similar or complementary land uses. The Subject Neighborhood may be delineated as follows:

Northern Boundary	-	International Golf Parkway
Southern Boundary	-	SR 16
Eastern Boundary	-	Tolomato River (Intracoastal Waterway)
Western Boundary	-	Interstate 95



The major north/south arteries through the neighborhood are U.S. Highway 1 and Interstate 95. U.S. Highway 1 is a well traveled, four-lane thoroughfare that connects St. Johns County with Duval County to the north, and Flagler County to the South. Interstate 95 is a major limited-access highway that bisects the county. It provides north bound travel to Jacksonville and beyond, as well as all points south to Miami.

The major east/west artery through the neighborhood is State Road 16, a four lane east/west thoroughfare that provides direct access from U.S. Highway 1 west to I-95. This is the main entrance road into the City of St. Augustine. From this road, tourists take either U.S. Highway 1 or San Marco Avenue when traveling into the heart of the historical district. Also to the north is CR 210, an east/west commercial thoroughfare that provides access from US 1 to I-95 and further west to CR 13. International Golf Parkway is an east/west arterial roadway the provides access from US 1 to I-95 and the World Golf Village.

This geographical area contains a wide variety of property uses, including residential (single-family and multi-family) and commercial. Most of the commercial development in the neighborhood is located either along U.S. Highway 1 or S.R. 16, and includes governmental offices, hodgepodge commercial dwellings, an anchored shopping center, hotels/motels, convenience stores, etc. Most of the government offices are located at the intersection of Lewis Speedway and U.S. Highway 1. Other uses along U.S. Highway 1 in this area include the St. Augustine/St. John's Municipal Airport and Northrop Grumman.

The predominant influences in the Subject neighborhood are the St. Augustine Airport, Grumman and the new county administration building. Grumman and the airport employ a large number of the area residents. The Grumman Corporation is involved with aircraft overhaul and modification. In early 1994, Grumman Corporation was bought by Northrop. Now known as Northrop-Grumman of St. Augustine, this company is one of the largest private employer in the county, employing 1,110± people. It should be noted that in December of 2013 Grumman began construction of a planned 384,000 square foot Aircraft Integration Center of Excellence. With this new addition, Grumman planned to add 400 new positions by 2017. The new structure added 330,000 square feet of manufacturing and office space. Wages for the new employees will average $44,943.

The St. Augustine Airport is a full-service executive facility operated by the Airport Authority. A new terminal was built for the airport. The $1.143 million project includes renovating the present facility and expanding the space occupied by Aero Sport Inc., the airport's fixed-base operator. The airport has tentative plans to expand to the west.

The St. Johns County Administration Building is located at the southwest corner of Lewis Speedway and U.S. 1. This facility also contains the county courthouse. These facilities were completed in early 1994, and most of the county departments were moved to this facility at this time. The remaining county departments were moved to this complex in 1998. Additionally, the county jail and the sheriff's office headquarters are located across the street from the courthouse. St. Johns County has also finished construction on the new health department building which is located just south of the courthouse.

Basically, the Subject neighborhood along U.S. Highway 1 can be characterized as rural/industrial north of the St. Augustine Airport. North of the airport, there are several office/warehouses, most of which are clustered in small developments including the Tolomato Industrial Park and the Tall Pines Industrial Park. Scattered along this same stretch of U.S. Highway 1, are several automobile sales businesses, small commercial establishments, small mobile home parks, automobile related repair shops, and a 264-lot subdivision known as Eagle Creek.

Commercial development in the neighborhood is primarily concentrated along the east side of U.S. 1, since the FEC Railway is located on the west side, thus restricting ingress and egress. South of the airport and the Subject's neighborhood, development consists mainly of a few offices, restaurants, convenience stores and motel. Most of these businesses have experienced a moderate degree of success.

The Northtowne Shopping Centre complex located on U.S. 1 North provides the only major shopping in the southern portion of the neighborhood. This facility is located approximately 1 mile south of Lewis Speedway, along the west side of U.S. Highway 1. It contains a 45,000 square foot Winn Dixie Supermarket, plus additional retail space. This facility gives this part of the county its' first major shopping center. It should be noted that a new shopping center was recently constructed at the southwest corner of SR 16 and Kenton Morrison Road. This center is to be known as the Shoppes at Kenton Morrison and is approved for up to 80,000 square feet of shopping center space. Publix is the anchor tenant in this center.

An I-95 interchange was constructed at International Golf Parkway (Nine Mile Road) for the World Golf Village and the adjacent Saint Johns Project. These developments will encompass nearly 6,300 acres of land that surround this interchange. The Golf Village was opened in May of 1998, and the first three developments in the Saint Johns Project were also started at this time. The World Golf Village project has grown beyond its original plan for the PGA Tour Hall of Fame, the PGA Tour Production, the PGA Tour Golf Academy and 36 holes of golf. Included now are the Ladies Professional Golf Association's Hall of Fame, the World Golf Hall of Fame from Pinehurst, N.C. and exhibits from the United States Golf Association, Augusta National and the Royal and Ancient Golf Clubs of St. Andrews, Scotland. Additionally, in conjunction with the World Golf Village, a hotel and convention center were constructed. The convention center was built with the help of county funds.

The Saint Johns Project is a multi-faced commercial, residential and recreational development that is adjacent to the World Golf Village. The construction of the first homes in this development began in 1997. The economic benefits from these projects have already touched many of the surrounding areas. The demand for land in this area has increased dramatically, and a number of new businesses are seriously considering this area for expansion and/or relocation.

North of the Subject along the east side of US 1 North is the Palencia Development (Marshall Creek DRI) which encompasses 1,361 acres, from U.S. 1 to the Intracoastal Waterway. This development is zoned for development of 1,698 residential units, 273,500 square feet of retail space and 300,000 square feet of office space. Commercial projects at this development include Mercado Walk at Palencia, which is located to at the entrance to Palencia. This project includes 20,000 square feet of retail space, 40,000 square feet of office space, a Burger King out-parcel and a 4,000 square foot Bank out-parcel.

Also at the entrance to Palencia, the former Food Lion store was razed to make room for a new Publix Anchored Grocery Store plus adjacent retail stores. The Publix store has since been completed.

South of Palencia is the proposed Cordova Palms DRI (Development of Regional Impact). Cordova Palms DRI is a mixed use master planned community to be located on 581.22 acres. The proposed project will consist of a total of 1,700 multi-family dwelling units, 700,000 square feet of commercial and office space and 200,000 square feet of industrial space to be developed over two 5-year phases with build-out scheduled for 2017. The proposed development will also include a 21-acre community park and an elementary school. The Cordova Palms DRI will help facilitate the construction of the 313 extension. This extension is planned to pass through the property from S.R. 207 and S.R. 16 to the south and connect U.S. Highway 1 to the east. Access to the site is proposed from a single access point from the S.R. 313 extension.

The Hines Group, the developers of Palencia, have recently started constructed on a new development known as Markland. This development, which is located off of International Golf Parkway near I-95, will include up to 345 homes. The homes are planned to be priced from $300,000 to $600,000.

Another factor to consider is schools in the area. For numerous years in a row, St. Johns County Schools have been ranked number one in Florida.

Conclusion

In the past, this neighborhood could have been classified as a slow growth section of St. Johns County. However, in the last 10 years a number of positive developments have taken place in this area. This includes the expansion of the airport, the growth of the Northrop-Grumman Corporation, the relocation of the county administration building to the area, and construction of the new county health department. Based on these projects and the strong growth of housing sector over the past five years, the outlook for this part of the county appears bright, and property values in the area should at least keep pace with the current rate of inflation over the foreseeable future.

PROPERTY DATA

Location	The Subject site is a cutout of a larger parcel of land (#074940-0000) located at the southern tip of St. Augustine/St. Johns County Airport boundary. The site is just east of US Highway 1 N and Casa Cola Way and south of Estrella Avenue. The street address for the parent parcel is 4730 Casa Cola Way, St. Augustine, FL 32095.
Zoning	The Subject is zoned AD, Airport Development, by St. Johns County, FL. Permitted uses and structures include but are not limited to: residential, professional and medical offices, retail, automobile sales and service, service stations, child and adult care, agricultural uses, libraries, churches, retail, light manufacturing, office showrooms, gyms, grocery stores, etc.
Future Land Use	The St. Johns County 2025 Future Land Use Map, which is in compliance with the Florida Growth Management Act of 1985, supersedes the county's existing zoning code; however, both must be in basic agreement with each other. The Subject Property has a land use designation of Airport District. The Airport District allows a wide variety of uses including High Intensity Commercial and Light and Heavy Industrial uses. However, this category does limit the building height allowed.
Site Size & Shape	The Subject site is a cutout of a larger parcel of land (# 074940-0000) which contains a total of 74.83± acres. The Subject site is slightly irregular shaped and contains 30,940± square feet. The site is cleared and is essentially shovel ready with public access and utilities available. The cutout is located close to the parent parcels southern border. The site is planned to be leased by an outside entity who plans to develop that site with a corporate hangar. The site size estimate was from a site plan provided by the client.
Access	Access is provided through the airport property by Estrella Avenue. The majority of the airport property is gated with restricted access, so to obtain access to the site one must be granted access approvals.
Topography	The Subject sites appear to be level and at the grade of the adjacent road and the drainage appears to be adequate.
Utilities	Water & Sewer - Central Electric Service - Florida Power & Light Law Enforcement - St. Johns County Fire Protection - St. Johns County

Property History

The Subject is currently listed under the ownership of St. Aug-St. Johns CO Airport Authority.

It should be pointed out that a complete title history of the Subject Property was not undertaken or conducted by the appraiser, nor was one provided. However, based on the St. Johns County Tax Rolls, no arms-length ownership transfers have taken place within the last three years.

Listings/Contracts

To the best of our knowledge, the Subject Property is not listed for sale or under contract.

Leases

An outside entity plans to lease the subject site with intentions to develop a corporate hangar. No further lease information was provided.

HIGHEST AND BEST USE

The market is the final arbiter of market value. One crucial determinant of value in the market is the highest and best use analysis. The market value of land/site and of an improved property are both developed under the assumption that potential purchasers will pay prices that reflects their analyses of the most profitable use of the land and the property as improved.

As per The Appraisal of Real Estate 15th Edition, Highest and Best Use is defined as:

"the reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity."

The highest and best uses of land and improved properties are selected from various alternative uses. The highest and best use conclusions provide the basis for the market value analysis. Thus, the remainder of the valuation process is conducted in relation to these conclusions. Consequently, it is essential that the highest and best use conclusions be related to the motivations of the market. In determining the highest and best use, it is necessary to study the following four factors:

1. **Physically Possible (adaptable uses):** The adaptability of the site and/or improvements to be used. The uses that are physically possible on the subject site or in the subject improvements, given the physical characteristics revealed by property analysis. Size, shape, area, terrain, utility, capacity and availability of public utilities, surrounding land use patterns, topography or subsoil conditions, and physical condition affect the uses to which land may be developed.

2. **Legally Permissible (allowable uses):** The uses that are permitted under existing zoning, private restrictions (long-term lease or deed restrictions), building codes, historic district controls, environmental regulations, etc.

3. **Financially Feasible (appropriate uses):** Among legally permitted and physically possible uses for the subject property, those considered appropriate and feasible, given the characteristics revealed by market, market area, and property analysis. Those uses that produce any net return to the owner, or a positive net present value.

4. **Maximally Productive (most profitable uses):** Among appropriate or financially feasible uses for the subject property, those that will produce the highest present value.

These criteria are often considered sequentially. The tests of physical possibility and legal permissibility must be applied before the remaining tests of financial feasibility and maximum productivity. A use maybe financially feasible but this is irrelevant if it is physically impossible to construct that use or if such a use is not legally permitted. Only when there is a reasonable possibility that one of the prior unacceptable conditions can be changed is it appropriate to proceed with the analysis.

Highest and Best Use as Vacant

The Subject Property as vacant, based on the physical and legal limitations, as well as locational attributes, could be developed with several types of commercial uses.

The Subject is zoned AD, Airport District, by St. Johns County Florida. Allowable uses include residential, professional and medical offices, retail, automobile sales and service, service stations, child and adult care, agricultural uses, libraries, churches, retail, light manufacturing, office showrooms, gyms, grocery stores, etc. Also, the Subject Property has a land use designation of Airport District. The Airport District allows a wide variety of uses including High Intensity Commercial and Light and Heavy Industrial uses. However, this category does limit the building height allowed.

The Subject is a cutout site located east of US Highway 1. While this area is continuously growing, it is outside the path of the dense commercial development areas of St. Augustine. The Subject has no highway frontage. The site is located within the boundaries of the Northeast Florida Regional Airport and Northrop Grumman is located just north. The site has direct airfield access. The make-up of this site would seem to generally limit it to airport related uses such as an airplane hangar, warehouse for use as storage or aircraft maintenance, etc.

The maximally productive development of the Subject, as vacant, is governed by the legally permissible, physically possible and financially feasible uses. Without an in-depth feasibility study and additional market data, which is beyond the scope of this appraisal report, it would be difficult to determine exactly which specific use would meet with the strongest market acceptance. Therefore, it is our opinion that the highest and best use of the Subject as vacant would be for development of an industrial type use that aligns with the current make-up of the NE Florida Regional Airport Property and is also allowable under the zoning and future land use designations.

VALUATION ANALYSIS

Preface to Value

In estimating the annual market rent for the Subject Property we first valued the Subject site as vacant land, and then applied a market rental return rate to this value to arrive at the annual market rent. In estimating the Market Value of the Subject Site only the Sales Comparison Approach to value was used.

ESTIMATE OF LAND VALUE

The Sales Comparison Technique is the preferred method to estimate the value of land. The Principle of Substitution affirms that an informed buyer should pay no more for a given site than an amount which a substitute site with equal or similar amenities could be obtained.

By the gathering and analysis of land sales of similar properties, a confirmed record of the range of prices paid by informed buyers is obtained. From this record adjustments can be made for differences in property characteristics which would have an effect on value, and an indication of the Subject Property's value by common units of measurement can be made.

Units of measurement often used in buying and selling vacant land are Price per Acre, Price per Square Foot, Price per Front Foot and Price per Lot. The unit of measure most used by the market in buying and selling land parcels similar to the Subject is the Price per Square Foot.

All properties have their own unique features which relate to location, size, shape, zoning, development potential, date of sale, deed restrictions, financing, etc. In order to accurately isolate most of these differences to determine their relative importance in a sale would require the use of what is known as a "paired sale" technique. In that process, two properties which are identical except for **one** feature (say time, for example) are compared. The difference in the unit value of comparison selected for analysis would then indicate if a property's value had increased or decreased over the time period between the sales. It is obvious that as two, three, four or more differences are added, the ability to accurately isolate differences and compare sales is diminished. Appraisers are required, in those instances, to use their training and experience to input subjective analysis to relate the sale property to the Subject Property.

Where market supported adjustments could be extracted, the comparative adjustments to the comparable sale properties are quantitative. When market data indicates relationships which cannot be quantified, a relative comparison analysis is used to examine the comparable sales to determine whether their characteristics are inferior, superior or equal to the Subject's. Numerous land sales were located, analyzed and compared to the Subject site, with the sales summarized below selected as reflecting the greatest comparability to the Subject Property. On the following pages a Land Sales Location Map and Land Sales Summary Chart can be found followed by a discussion of each land sale.

LAND SALE NO. 1

TRANSACTION DATA

DATE:	2/24/23
GRANTOR:	Duckworth Development II LLC
GRANTEE:	NGSM 4 Life LLC
SALES PRICE:	$469,600
O.R.BK/PAGE:	5716/303
TERMS OF SALE:	Cash to Seller

PROPERTY DESCRIPTION

PARCEL #	072451-0130
LOCATION:	Lot 13 of the IGP Commerce Center. The address is 149 Thomas Industry Way, St. Augustine, St. John's County, Florida 32095.
ZONING:	PUD
LAND USE:	Industrial

ELEVATION: Basically level and at the grade of the road.

SITE AREA: 51,836± gross SF (1.19± acres); 46,398± buildable SF

UTILITIES: Central water and sewer to the site.

SALE ANALYSIS

PRICE PER USABLE SF: $10.12

COMMENTS

This is the sale of Lot 13 within the IGP Commerce Center PUD. As per the site plan provided, the lot contains 46,398± buildable SF after the drainage easement has been accounted for. The parcel is part of the IGP Commerce Center PUD, which is a 17-lot industrial park located on 59.4 acres of land. The PUD has a master stormwater system and each parcel located within the PUD has offsite retention. The site was delivered as a ready to build lot.

Confirmed with: Tom Frohne - Listing Agent

LAND SALE NO. 2

TRANSACTION DATA

DATE:	3/1/22
GRANTOR:	J.A.C.S. 1 LLC
GRANTEE:	PF1 Land LLC
SALES PRICE:	$650,000
O.R.BK/PAGE:	5508/677
TERMS OF SALE:	Cash to Seller

PROPERTY DESCRIPTION

PARCEL #:	023760-0010
LOCATION:	Located along the southwest side of Old Dixie Highway, across the street from the Walden Chase Lane terminus, St. Augustine, St. Johns County, Florida 32081.
ZONING:	CHT, Commercial Highway Tourist
FUTURE LAND USE:	Mixed Use District
SITE AREA:	1.75± acres; 76,105± usable acres

UTILITIES: All to the site

SALE ANALYSIS

PRICE PER USABLE SF: $8.54

COMMENTS

This is the sale of the commercial site located along the southwest side of Old Dixie Highway. The site has quadrilateral shape, and has good frontage along Old Dixie Highway. The site is also heavily wooded.

All site dimensions were taken from the St. Johns County Property Appraiser.

Confirmed with: Roger Agne Cooperating appraiser

LAND SALE NO. 3

TRANSACTION DATA

DATE:	4/29/22
GRANTOR:	James Craig Jr.
GRANTEE:	Delorenzo Apartments LLC
SALES PRICE:	$260,000
O.R.BK/PAGE:	5549/281
TERMS OF SALE:	Cash to Seller

PROPERTY DESCRIPTION

PARCEL #:	096271-0140
LOCATION:	Located on the west side of S Bracbound Drive. The street address is 415 S Bracbound Dr., St. Augustine, St. Johns County, Florida 32084.
ZONING:	IW, Industrial Warehouse
FUTURE LAND USE:	Industrial
SITE AREA:	0.75+ acres; 32,829+ usable acres

UTILITIES: All to the site

SALE ANALYSIS

PRICE PER USABLE SF: $7.92

COMMENTS

This comparable is located in the 24.5 acre Davis Industrial Park, located in St. Augustine, Florida. This gated park includes 23 lots with a master stormwater system. The lots have municipal water service with on-site septic systems. This park is located east of I-95 and southwest of downtown St. Augustine. It is north of SR 207 and south of SR 214.

The property consists of a slightly irregular shaped parcel containing .75± acres, and is situated on a cul-de-sac off S Bracbound Dr. The grantor applied for a permit to develop a 10,000± SF warehouse but the application was closed in 2020. This site sold with off-site retention in place.

All site dimensions were taken from the St. Johns County Property Appraiser.

The property previously sold for $225,000 ($6.85 psf) on 5/25/18.

Confirmed with: Grantee and public record

LAND SALE NO. 4

TRANSACTION DATA

DATE:	6/1/22
GRANTOR:	IGP Commerce Center LLC
GRANTEE:	Dail Properties LLC
SALES PRICE:	$258,400
O.R.BK/PAGE:	5572/317
TERMS OF SALE:	Cash to Seller

PROPERTY DESCRIPTION

PARCEL #	072451-0040
LOCATION:	Lot 4 of the IGP Commerce Center. The address is 152 Thomas Industry Way, St. Augustine, St. Johns County, Florida 32095.
ZONING:	PUD
LAND USE:	Industrial

ELEVATION: Basically level and at the grade of the road.

SITE AREA: 40,848± gross SF (0.94± acres); 40,054± buildable SF

UTILITIES: Central water and sewer to the site.

SALE ANALYSIS

PRICE PER USABLE SF: $6.45

COMMENTS

This is the sale of Lot 4 within the IGP Commerce Center PUD. As per the site plan provided, the lot contains 40,054± buildable SF after the drainage easement has been accounted for. The parcel is part of the IGP Commerce Center PUD, which is a 17-lot industrial park located on 59.4 acres of land. The PUD has a master stormwater system and each parcel located within the PUD has offsite retention. The site was delivered as a ready to build lot.

The site is located roughly 603± feet south of International Golf Parkway.

Infrastructure work had begun but has not completed at the time of sale. The property was able to close as a bond has been secured to complete the infrastructure.

Confirmed with: Tom Frohne - Listing Agent

LAND SALE NO. 5

TRANSACTION DATA

DATE:	6/9/23
GRANTOR:	Kinjac Corporation
GRANTEE:	190 Thomas Industry Way LLC
SALES PRICE:	$715,000
O.R.BK/PAGE:	5774/1952
TERMS OF SALE:	Cash to Seller

PROPERTY DESCRIPTION

PARCEL #	072451-0050
LOCATION:	Lot 5 of the IGP Commerce Center. The address is 190 Thomas Industry Way, St. Augustine, St. Johns County, Florida 32095.
ZONING:	PUD
LAND USE:	Industrial
ELEVATION:	Basically level and at the grade of the road.

SITE AREA: 66,211± gross SF; 64,861± buildable SF (1.489± acres)

UTILITIES: Central water and sewer to the site.

SALE ANALYSIS

PRICE PER USABLE SF: $11.02

COMMENTS

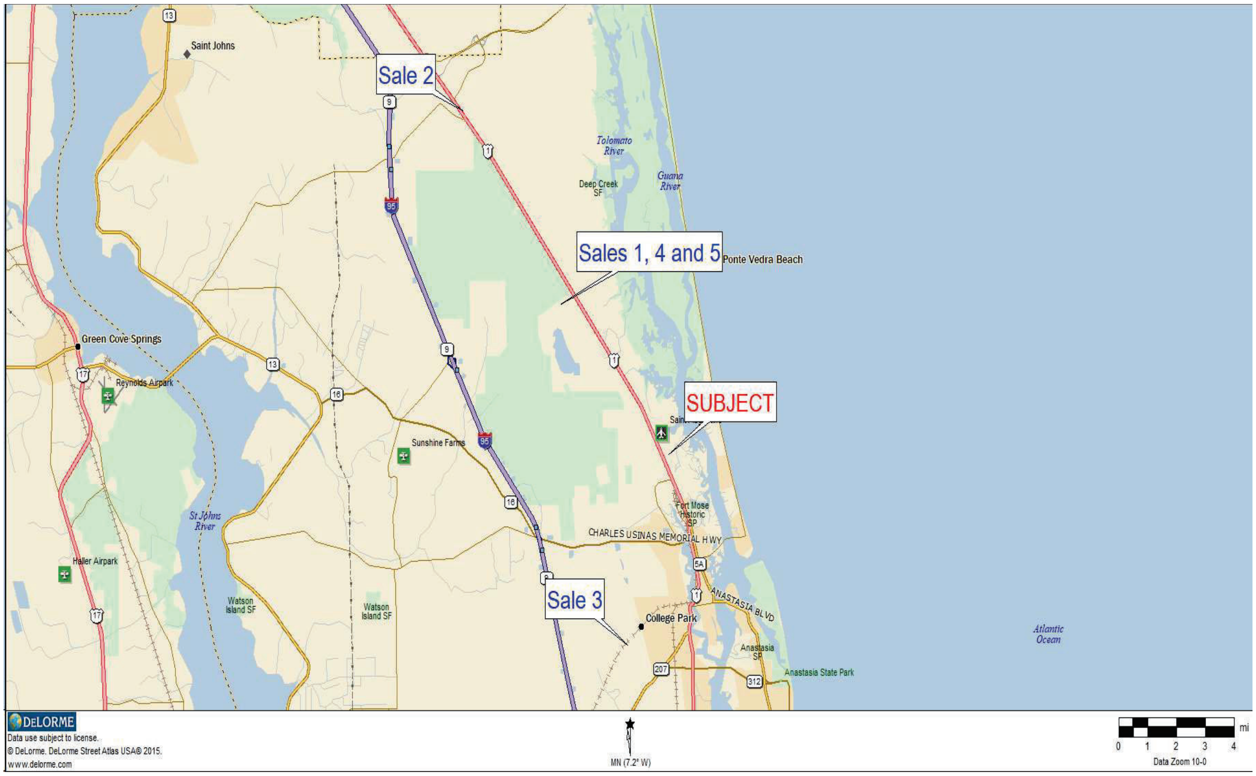
This is the recent sale for Lot 5 within the IGP Commerce Center PUD. The site contains 66,211± gross SF and roughly 64,861± buildable SF (1.489± acres) after the drainage easement has been accounted for. The parcel is part of the IGP Commerce Center PUD, which is a 17-lot industrial park located on 59.4 acres of land. The PUD has a master stormwater system and each parcel located within the PUD has offsite retention. The site was delivered as a ready to build lot.

Our site size was taken from a site plan we were provided with for the entire IGP Commerce Center.

The property previously sold on 10/4/22 for $595,900 ($9.19 psf).

Confirmed with: Bob Buckmaster - Listing Agent & Past Appraisal

LAND SALES MAP



Discussion of Vacant Land Sales

The five sales utilized in the valuation of the Subject site are summarized below:

COMPARABLE LAND SALES ADJUSTMENT CHART

Sale No.	Subject	1	2	3	4	5
Sale Date		02/24/23	03/01/22	04/29/22	06/01/22	06/09/23
Sale Price		$469,600	$650,000	$260,000	$258,400	$715,000
Property Data						
Land Area (Useable SF)	30,940	46,398	76,105	32,829	40,054	64,861
Zoning	AD	PUD	CHT	IW	PUD	PUD
Land Use	AD	IND	MU	IND	IND	IND
Sale Price SF		**$10.12**	**$8.54**	**$7.92**	**$6.45**	**$11.02**

As can be seen from the above chart, these sales were analyzed on a price per square foot basis. The unadjusted range of values of the sales was from $6.45 to $11.02 per square foot.

Property Rights Conveyed

Each of the sales considered conveyed the right of the fee simple interest and no adjustments were necessary.

Financing

The next adjustment required to each sale is for favorable or untypical financing which would affect the sale price of a property. We were able to verify the financing on each of the transactions. All of the sales were purchased cash to seller and no adjustments were required.

Conditions of Sale

All of the sales were arms length and no adjustment for condition of sale was warranted.

Market Conditions

From early 2012 to the present, values appeared to have stabilized, with increases in rents and occupancy rates being experienced in most areas over the past three years, as demand has picked up. Market participants and active brokers who specialize in real estate like the subject are reporting that market conditions were improving, and property values were increasing. In, general, we tend to agree that overall market conditions were improving. Despite the Covid-19 pandemic, demand for vacant land has still remained strong and market conditions within the Subject’s submarket have still been improving. Brokers are of the opinion that value increases at a minimum of 4% to 6% per year were reasonable for the subject’s market area. Therefore, we have elected to adjust the sales for market conditions at 5.0% per year.

It should also be noted that beginning in March of 2022 the Federal Reserve started to raise its benchmark interest rate to combat inflation. Since this time the Federal Reserve has raised rates a total of 11 times, for a total rate since early 2022 of 5.25%, bringing the overnight borrowing rate to its highest level in over 20 years. What overall impact these rate hikes have had on commercial real estate values is unclear at this time. However, in talking with commercial brokers in the area, it is clear that it has caused a slowdown in sales activity towards the end of 2022.

Location/Site Prominence

Sales 1, 2, 4 and 5 are each located in close proximity to the Subject, just off US Highway 1. Each of these sales were considered to be similar.

Sale 3 is located within an industrial park which stems from Holmes Blvd. Holmes Blvd is inferior to the Subject's close location to US Highway 1. This sale required an upward adjustment for its inferior location.

Site Size

The comparables ranged in size from 32,829 to 76,105 square feet. Based upon the economies of scale, smaller sites tend to sell for a higher price per square foot than larger sites, considering all other characteristics are equal. The sales were adjusted accordingly.

Access

The Subject has access from Estrella Avenue, which stems from US Highway 1. All of the Sales were considered to be similar as compared to the Subject in this aspect.

Physical Characteristics

No adjustment was required.

Zoning/Development Potential

The Subject is zoned Airport Development has a land use designation of Airport District. While a vast amount of commercial uses are permitted under the zoning/land use designation, there is a height restriction for properties located within the Airport District. Each sale required a small downward adjustment.

Offsite Retention

The Subject has offsite retention. Sale 2 has onsite retention and required an upward adjustment for this factor. The remaining sales were each located in industrial parks with master stormwater retention and no other adjustments were necessary.

Miscellaneous

No other adjustments were required.

Conclusion

After adjustments, the sales ranged in price from $6.15 to $10.58 per square foot, with the average price being $8.90 per square foot, and the median price being $9.29 per square foot. Therefore, based on the above sales, it is our opinion that the Market Value of the Subject site is $9.00 per square foot calculated as follows:

30,940 SF @ $9.00 Per SF = $278,460, or $280,000 Rd.

COMPARABLE LAND SALES ADJUSTMENT CHART

Sale No.	Subject	1	2	3	4	5
Sale Date		02/24/23	03/01/22	04/29/22	06/01/22	06/09/23
Sale Price		$469,600	$650,000	$260,000	$258,400	$715,000
Property Data						
Land Area (Useable SF)	30,940	46,398	76,105	32,829	40,054	64,861
Zoning	AD	PUD	CHT	IW	PUD	PUD
Land Use	AD	IND	MU	IND	IND	IND
Sale Price SF		**$10.12**	**$8.54**	**$7.92**	**$6.45**	**$11.02**
Property Rights Conveyed		0.00%	0.00%	0.00%	0.00%	0.00%
Financing		0.00%	0.00%	0.00%	0.00%	0.00%
Conditions of Sale		0.00%	0.00%	0.00%	0.00%	0.00%
Market Condition Adjustment		2.00%	7.00%	6.50%	6.00%	1.00%
Adjusted Unit Price Range		**$10.32**	**$9.14**	**$8.43**	**$6.84**	**$11.13**
Physical Adjustments						
Location/Site Prominence		0.00%	0.00%	10.00%	0.00%	0.00%
Site Size		0.00%	5.00%	0.00%	0.00%	5.00%
Road Access		0.00%	0.00%	0.00%	0.00%	0.00%
Physical Characteristics		0.00%	0.00%	0.00%	0.00%	0.00%
Zoning/Development Potential		-10.00%	-10.00%	-10.00%	-10.00%	-10.00%
Off-site Retention		0.00%	15.00%	0.00%	0.00%	0.00%
Miscellaneous		0.00%	0.00%	0.00%	0.00%	0.00%
Total Adjustment		**-10.00%**	**10.00%**	**0.00%**	**-10.00%**	**-5.00%**
Adjusted Price Per SF		**$9.29**	**$10.05**	**$8.43**	**$6.15**	**$10.58**

Avg. adjusted price Usable SF	**$8.90**
Med. Adjusted price Usable SF	**$9.29**

Market Ground Rent Estimate:

The next step in this analysis involves analyzing several recent ground leases and their respective beginning land prices/values. An annual rate of return will be derived from each comparable. An annual rate of return will be concluded from the comparable data and applied to the subject's concluded land value to yield a supportable market ground rent estimate for the subject.

We obtained ground rent information and starting land values from several outparcels located in the Atlantic North retail development, which is located in the northwest quadrant of Atlantic Boulevard and Kernan Boulevard in Jacksonville, Duval County, Florida. While not located in the St. Augustine market, these comparables are located in the Jacksonville MSA (of which the subject market is a part of). The following chart summarizes the information confirmed with the development's owner representative:

GROUND LEASE RATE OF RETURN STUDY

Rent:	1	2	3	4
Location:	Kernan Blvd. North Of Atl. Blvd. Jacksonville, FL	NWC Of Atl. Blvd. & Kernan Blvd. Jacksonville, FL	NS Of Atl. Blvd. West Of Marketplace Drive Jacksonville, FL	NWC Of Atl. Blvd. & Marketplace Drive Jacksonville, FL
Tax Parcel #	Part Of 167445-0500	Part Of 167445-0500	Part of 167445-0190	Part of 167445-0190
Tenant(s):	Med Express	Scrubble Car Wash	Whatburger	RaceTrac Petroleum
Lease Start	2017	2019	2020	2020
Land Size (Acres)	1.30	1.55	1.24	1.97
Land Size (SF)	56,628	67,518	54,014	85,813
Base Year Annual Rent	$92,500	$120,000	$115,000	$192,000
Base Rent/Acre/Year	$71,154	$77,419	$92,742	$97,462
Base Year Land Value	$1,132,560	$1,350,360	$1,350,360	$2,145,330
Rate Of Return	8.17%	8.89%	8.52%	8.95%

Annual rates of return ranging from 8.17% to 8.95% were derived from the market data confirmed for this analysis.

For further support of a market oriented annual rate of return we have consulted with RealtyRates.com which is an investor survey outlining land lease rates of returns for various property types (see chart below). According to the RealtyRates.com 2nd Quarter of 2023 Investor Survey, the IRR range for industrial land leases is from 6.81% to 12.01%, with the average reported being 9.43%. In addition, the cap rate reported was from 4.21% to 11.51% with the average being 8.43%. This is in-line with the rate of return expected from most developer's that we have talked with in the past, all of which indicated that they typically look for an 7% to 10% return on leased land. This is also in-line with our ground lease rate survey from the Jacksonville area, which showed an indicated range of 8.17% to 8.95%.

RealtyRates.com INVESTOR SURVEY - 2nd Quarter 2023* LAND LEASES						
	Capitalization Rates			Discount Rates		
Property Type	**Min.**	**Max.**	**Avg.**	**Min.**	**Max.**	**Avg.**
Apartments	3.86%	10.55%	7.99%	6.46%	11.05%	8.99%
Golf	4.40%	15.67%	10.14%	7.00%	16.17%	11.14%
Health Care/Senior Housing	4.30%	11.85%	8.56%	6.90%	12.35%	9.56%
Industrial	4.21%	11.51%	8.43%	6.81%	12.01%	9.43%
Lodging	4.37%	15.60%	8.72%	6.97%	16.10%	9.72%
Mobile Home/RV Park	4.26%	14.15%	9.27%	6.86%	14.65%	10.27%
Office	4.22%	11.35%	8.09%	6.82%	11.85%	9.09%
Restaurant	4.89%	17.75%	9.93%	7.49%	18.25%	10.93%
Retail	4.00%	11.50%	8.53%	6.60%	12.00%	9.53%
Self-Storage	4.22%	11.65%	9.46%	6.82%	12.15%	10.46%
Special Purpose	5.00%	17.35%	10.26%	7.36%	19.92%	10.57%
All Properties	3.86%	17.75%	9.03%	6.46%	18.25%	9.91%

*1st Quarter 2023 Data

Based on the above information, an 8.0% annual rate of return was concluded to be reasonable for the subject analysis. Multiplying the concluded land value of $280,000 times 8.0% equals an estimated annual market ground rent of $22,400 per year, which equates to just over $.72 per square foot of land. This estimate is effective as of August 8, 2023.

Market Value of the Subject Site as-is	$280,000
Annualized Expected Rate of Return	x .08
Annual Market Rent	**$ 22,400** ($0.72 psf)

ADDENDUM

QUALIFICATIONS - RONALD N. PACETTI

Resident of Florida since birth, licensed by Real Estate Commission, State of Florida since 1987.

Formal Education

Bachelor of Science in Business Administration, 1986 from
University of Florida, Gainesville, Florida.

Master of Arts in Real Estate, 1989 from University of
Florida, Gainesville, Florida.

Real Estate Education

University of Florida Courses, Sponsored by the Appraisal Institute:

Real Estate Analysis, 1986
Real Estate Law, 1988
Real Estate Feasibility, 1988
Real Estate Valuation I and II, 1987, 1989
Case Studies in Real Estate Valuation, 1989
Valuation Analysis and Report Writing, 1989
Real Estate Finance, 1988

Recent Courses and Seminars:

*3-Hour Florida Appraisal Laws and Regulations - October 2022
*Business Practices and Ethics - October 2022
*Cool Tools - New Technology for RE Appraisers - November 2022
*Comparative Analysis - November 2022
*7-Hour National USPAP Update Course - September 2022
**Small Hotel/Motel Valuation - September 2020
*Appraising Automobile Dealerships - August 2020
*Appraisal of Medical Office Buildings - August 2020

QUALIFICATIONS - RONALD N. PACETTI - Continued

Memberships and Professional Affiliations

Member Appraisal Institute, MAI Designation 9277, 1992
Licensed Real Estate Salesman 0490317, State of Florida
State Certified General Appraiser Licensed No. RZ 677, State of Florida

Appraisal Experience

Started Pacetti Appraisal Services in July, 1994.
Appraiser, Clark, Hunter & Associates, March, 1992 to June, 1994.
Associate Appraiser, Callaway & Price, Inc., May, 1988 to February, 1992.
Staff Appraiser, Dub Clark & Associates, March, 1987 to August, 1987.

Types of Properties Appraised

Appraisals made on the following types of property throughout the State of Florida for individuals, attorneys, insurance companies, banks, corporations, government agencies, and mortgage companies.

Acreage
Apartment Buildings
Bed and Breakfast
Commercial Buildings
Condemnation
Condominiums (Individual Units and Discounted Sellouts of Total Projects)
Country Clubs
Duplexes
Easements
Farms
Foreclosures
Golf Courses
Industrial Buildings
Medical Buildings
Mobile Home Parks
Office Buildings
Office Condominiums
Recreation Leases
Residences
Radio Towers
Service Stations
Shopping Centers
Special Purpose
Store Buildings
Subdivisions
Vacant Commercial Land
Vacant Industrial Land
Warehouses
R.V. Parks

APPRAISER LICENSES

Ron DeSantis, Governor

Melanie S. Griffin, Secretary

STATE OF FLORIDA
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION

FLORIDA REAL ESTATE APPRAISAL BD

THE CERTIFIED GENERAL APPRAISER HEREIN IS CERTIFIED UNDER THE PROVISIONS OF CHAPTER 475, FLORIDA STATUTES

PACETTI, RONALD NEIL
1301 PLANTATION ISLAND DRIVE SOUTH
SUITE 303A
ST AUGUSTINE FL 32080

LICENSE NUMBER: RZ677

EXPIRATION DATE: NOVEMBER 30, 2024

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DRAFT

LAND LEASE, DEVELOPMENT,

AND USE AGREEMENT

BETWEEN

BALLYDUFF CONSULTING, LLC

AND

THE ST. JOHNS COUNTY AIRPORT AUTHORITY

June 10, 2024

DRAFT

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Section I – Preamble

Article 1 The Subject of the Agreement

The St. Johns County Airport Authority owns and operates the Northeast Florida Regional Airport. Ballyduff Consulting, LLC desires to lease land at the Airport, to make improvements to the land, and to construct buildings and other facilities on the land.

This Agreement establishes the terms governing the lease of the land, the improvements and facilities that will be created on the land, and the subsequent activities and uses that will occur on the land.

Article 2 The Parties

The Parties to this Agreement are:

2.01 The St. Johns County Airport Authority, a body politic and corporate existing under the laws of the State of Florida, hereinafter "Authority," and

2.02 Ballyduff Consulting, LLC, a limited liability company organized and existing under the laws of the State of Florida, with Federal Tax Identification Number 46-4826762, hereinafter "Ballyduff."

Article 3 Definitions

3.01 "Agreement" or "Lease" means this Land Lease, Development, and Use Agreement.

3.02 "Airport" means the Northeast Florida Regional Airport, having ICAO code "KSGJ" and IATA code "UST".

3.03 "Authority" means the St. Johns County Airport Authority, a political subdivision of the State of Florida, and the owner and operator of the Northeast Florida Regional Airport.

3.04 "Commencement Date" means the date Tenant first receives a Certificate of Occupancy from St. Johns County.

3.05 "Effective Date' means the date this Agreement is approved by the Authority and signed by the Tenant and the Authority.

3.06 "Environmental Laws" means any applicable federal, state, or local statute, law (including without limitation common law), rule, regulation, ordinance, code, standards, or requirement of any governmental authority in each case having the force and effect of law now or hereafter in effect and in each case as amended, including any legally binding judicial or administrative order, consent decree or judgment relating to the environment, natural resources, pollution, Hazardous Materials, landfills, public health and safety, and occupational safety in each case as amended from time to time, including without limitation, the Clean Air Act, the Comprehensive Environmental Response, Compensation, and Liability Act as amended by the Superfund Amendments and Reauthorization Act of 1986, Resource Conservation and Recovery Act, Federal Water Pollution Control Act, Toxic Substances Control Act, Oil Pollution Act, Safe Drinking Water Act, Occupational Safety and Health Act, Hazardous Materials Transportation Act, and any state or local laws implementing or analogous to the foregoing federal laws, and including without limitation, all those relating to the presence, use, production, generation, handling, transportation, treatment, storage, monitoring, disposal, distribution, labeling, testing, processing, discharge, release, control, or remediation of any Hazardous Materials, each as amended and as now or hereafter in effect.

3.07 "Fiscal Year" means the annual period beginning October 1st of each year and concluding on September 30th of each year.

3.08 "Ground Rent" means the rent payable by the Tenant for the land being leased by Authority to Tenant, as more specifically established herein.

3.09 "Hazardous Substances" means, without limitation, any:

i) substance, chemical, pollutant, contaminant, waste, mixture or other material which is or becomes defined, regulated, listed in, designated, or otherwise is or becomes classified pursuant to any Environmental Laws as a "hazardous substance", "hazardous material", "hazardous waste", "toxic substance", "solid waste", "special waste", "extremely hazardous waste", or any other formulation intended to define, list, or classify substances or materials by reason of deleterious properties or by reason of harm to human health or the environment, such as ignitability, corrosiveness, reactivity, carcinogenicity, toxicity, infectiousness, radioactivity, explosiveness, or flammability; or

ii) methane, methane gas, oil, used oil, petroleum, or petroleum derived substances, gasoline, kerosene, acetone, lead and lead based paint, asbestos, and asbestos-containing materials, radon, urea-formaldehyde, PCB's, PFAS variants, PFOA's, or PFOS's.

3.10 "Land" means the land within the surveyed Metes and Bounds corresponding to conceptual plan attached as Exhibit "A".

3.11 "Lease Year" means each successive period of twelve (12) months during the Term, beginning on the Commencement Date.

3.12 "Minimum Standards" means the Northeast Florida Regional Airport Minimum Commercial Aviation Operating Standards, as now exist or are hereafter amended, and any successor minimum standards for aeronautical activities adopted for the Airport by the Authority. As of the date of this Agreement, Minimum Standards are published in Section 9.2 of the Authority's Lease Policy and Procedures Manual (Revision Date: May, 2022).

3.13 "Premises" means the Land together with all buildings, hangars, structures, aircraft apron areas, pavements, Airport Fuel Systems, and facilities located upon the Land for Tenant's use and other related improvements now or hereafter constructed upon the Land, subject to easements, rights-of-way and any other encumbrances of record.

3.14 "Pre-existing Environmental Condition" means the presence of Hazardous Substances in violation of Environmental Laws on, in or under the Land (including soil, groundwater, and soil vapor) because of the discharge, release, disposal, storage, treatment, migration or any other activities occurring prior to the Effective Date of this Lease.

3.15 "Tenant" means Ballyduff Consulting, LLC., a limited liability company organized and existing under the laws of the State of Florida, with Federal Tax Identification Number 46-4826762, and in context, any subsequent assignee who assumes the rights and obligations of the Tenant.

3.16 "Tenant Parties" means Tenant and its subtenants, contractors, suppliers, employees, officers, licensees, agents and invitees.

3.17 "Term" means the Initial Term and any Renewal Term.

3.18 "Term Commencement" means the first day of the calendar month in which the Commencement Date occurs.

Section II – The Land

Article 4 The Land

The Land is approximately **.95 acres**, or **41,539 sq. feet** of unimproved land, located at the Airport and depicted by the conceptual site plan attached as Exhibit "A". The property rights demised by this Agreement do not include any subterranean rights, ground water rights, mineral rights, gas, or oil deposits. Prior to the Commencement Date, Tenant shall cause an updated boundary survey and legal description of the Land to be prepared and submitted to Authority. Such survey and legal description shall replace the description of the Land set out in Exhibit "A" attached hereto.

Article 5 Warranty of Title

Authority represents, that to the best of its knowledge, the Authority has good and marketable fee simple title to the Premises and that Authority has not received any pre-suit offer or notice of taking from any federal, state, county, city or local governmental entity or agency with respect to any condemnation, taking or eminent domain proceedings as to or materially affecting the Premises.

Article 6 No Other Warranties Concerning the Land

Tenant leases the Land **as is, where is**, and other than warranty of good title, **THE AIRPORT AUTHORITY MAKES NO OTHER WARRANTIES OR REPRESENTATIONS CONCERNING THE SUITABILITY OF THE LAND FOR ANY PARTICULAR PURPOSE**, including development of the Land for private use or for commercial aeronautical services. The presence or absence of Hazardous Substances on or below the Land is unknown.

Article 7 Term and Date of Term Commencement

The Term of this Agreement shall commence on the first day of the calendar month in which the Commencement Date occurs, which date shall be memorialized in a writing provided by Tenant to the Authority. Unless sooner terminated pursuant to the terms of this Agreement, the Initial Term shall terminate twenty-five (25) years from the date of Term Commencement (the "Initial Term"). By way of illustration, if the Commencement Date were to be May 15, 2024, the date of Term Commencement would be May 1, 2024 and the last day of the Initial Term would be April 30, 2049.

Article 8 Options to Renew

Provided that Tenant is not in default beyond any applicable cure period as to any of the terms or conditions of this Agreement, Tenant shall have the option to renew this Agreement for two additional periods of five (5) years (each, a "Renewal Term") by notifying Authority in writing of Tenant's intent to exercise its option to renew not later than ninety (90) days prior to the expiration of the then-current Term. During a Renewal Term all provisions of the Agreement shall remain in full force and effect except as specifically set forth herein. Unless sooner terminated pursuant to the terms of this Agreement, the Agreement will terminate at the end of any Renewal Term.

Article 9 Ground Rent

Beginning on the Commencement Date and subject to adjustment as set forth in the Agreement, Tenant shall pay Authority, in United States currency, without any prior demand or setoff whatsoever, Ground Rent in the amount of **$ 0.72 per Square Foot per year.** Ground Rent shall be payable in equal monthly installments, in advance, on the first day of each calendar month. If the Term begins (or ends) on any day other than the first (or last) day of a calendar month, the Ground Rent for the partial month shall be prorated on a per diem basis (calculated based on the actual number of days in the month).

Article 10 Rent Adjustment; Resolution of Disputed Appraisals

10.01 Annual CPI adjustment. Commencing on the first day of October of every Term Year, Ground Rent shall be adjusted in proportion to the percentage change in the Consumer Price Index for all Urban consumers – U.S. city average, all items (1982-84=100) ("CPI") during the most recently completed 12-month period. By way of illustration, if the Commencement Date were to be May 15, 2024, the first CPI adjustment would occur on October 1, 2024, and each subsequent October 1st anniversary date thereafter.

10.02 Five Year Appraisal Cycle. Commencing on the first day of October following the fiscal year during which the fifth anniversary of the Commencement date occurs (and occurring every five years thereafter,) Ground Rent shall be adjusted to reflect the then-current fair market value of land rental rates at the Airport. Such adjustment will be based on an analysis and comparison of land rental rates for other aeronautical properties serving the same function at similar airports throughout the region or state. 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 Tenant shall not be considered in the development of follow-on appraisals.

10.03 Following any such appraisal adjustment, Tenant shall pay the Ground Rents as determined by the appraisal. Authority shall deliver to Tenant the Authority's Appraisal of the updated fair market rent for the Premises, excluding the value of the Tenant's Improvements (the "Fair Market Ground Rent"). If Tenant does not accept Authority's Appraisal, then within forty-five (45) days after Tenant's receipt of Authority's Appraisal, Tenant shall appoint an appraiser to evaluate the Fair Market Ground Rent for the Premises. Each Party's respective appraiser (each a "Fee Appraiser") shall have at least one of these designations: Member of the Appraisers Institute, Senior Member of the National Association of Independent Fee Appraisers, or Society of Real Estate Appraisers, Senior

Real Property Appraiser, with at least ten (10) years of experience in the Northeast Florida real estate market. If either of the Parties learns that its Fee Appraiser is not qualified under this Article, it shall nominate another Fee Appraiser who is so qualified.

10.04 If the determinations of the Fair Market Ground Rent of the Fee Appraisers are within five percent (5%) of each other, the average of the two shall be deemed the Fair Market Ground Rent. If the difference is greater than five percent (5%), then within thirty (30) days of Tenant's nomination of its Fee Appraiser, Authority's Fee Appraiser and Tenant's Fee Appraiser shall nominate a third Fee Appraiser ("Independent Appraiser") with the qualifications set forth above. Each Fee Appraiser shall submit the name of the selected Independent Appraiser in writing to Authority and Tenant. If the Fee Appraisers fail to agree upon an Independent Appraiser, Authority and Tenant shall dismiss them, and the process under this Article shall begin anew.

10.05 Each Fee Appraiser shall submit their respective appraisal of the Fair Market Ground Rent for the Premises, excluding the value of Tenant's Improvements, to the Independent Appraiser. The appraisal reports of both Authority's Fee Appraiser and Tenant's Fee Appraiser shall certify:

i) The Fee Appraiser has no financial interest in Authority or Tenant, as the case may be, their parent, subsidiaries or affiliates, nor the construction or operations on the Premises or any adjacent realty.

ii) The Fee Appraiser is not a full-lime employee, presently or within the immediately preceding calendar year, of Authority or Tenant, as the case may be.

iii) The appraised Fair Market Ground Rent does not reflect value or consideration of Tenant's Improvements, but reflects that Authority and Tenant are willing, but not compelled to lease, that a new tenant would be substantially similar to Tenant in financial standing, and that Tenant accepts the Premises "as is", but without the Tenant's Improvements.

iv) The appraised Fair Marke Ground Rent reflects the current rental value of the Premises (excluding the value of the Tenant's Improvements) as of the date of such appraisal.

v) The Fee Appraiser has considered the restrictions on construction and use of the Premises imposed upon Authority and Tenant by this Agreement and applicable law.

10.06 Within forty-five (45) days of receipt of these appraisals, the Independent Appraiser shall provide Authority and Tenant with his written estimate of the annual Fair Market Ground Rent of the Premises, excluding the value of Tenant's Improvements. The Independent Appraiser is not bound to accept either appraisal of the Fee Appraisers in its entirety, but in the event the Independent Appraiser does not select either appraisal, the

Independent Appraiser shall submit an estimate of the annual Fair Market Ground Rent of the Premises.

10.07 If the Independent Appraiser's estimate of annual Fair Market Ground Rent of the Premises exceeds the higher or is less than the lower of the Fee Appraisers' appraisals, then the Fee Appraisers and Independent Appraiser shall be dismissed, and the process under this Article shall begin anew. Otherwise, the Fair Market Ground Rent submitted by the Independent Appraiser within the guidelines of this Article shall be the newly established Ground Rents.

10.08 Each of the Parties shall pay all of the costs and expenses associated with retaining its particular Fee Appraiser. Authority and Tenant shall each bear one-half (½) of the costs of the Independent Appraiser, if used. The process for determining Ground Rents shall be applicable for each of the adjustment events occurring every five years.

10.09 The appraisal process is not a method for calculating the rental charge, but, rather, a third-party process to determine Fair Market Ground Rent. During the course of the appraisal process set forth in this Section, the then current Ground Rents rate for the Premises shall remain unaffected.

Article 11 Other Incidental and Customary Fees

Tenant will be responsible for, and obligated to pay to Authority, any other incidental or customary fees as may be established by the Authority from time to time and which are applicable to other private users or other providers of aeronautical or non-aeronautical services at the Airport. Examples of such fees include, but are not limited to, application for employee security badge media cards, administrative fines and penalties for violations of Airport Rules and Regulations, etc.

Article 12 Licenses, Fees, Sales and Use Taxes

Tenant’s Lease will be on Triple Net terms as more particularly set forth below, with Tenant responsible for all taxes, insurance, maintenance, and utilities.

12.01 Licenses, Fees and Taxes: Tenant shall pay, on or before their respective due dates, all federal, state and local taxes and fees, and all special assessments of any kind, which are now or may hereafter be levied upon the Premises (including improvements) or the estate hereby granted, or upon Tenant, or upon the business conducted on the Premises, or upon any of Tenant's property used in connection therewith, or upon any rentals or other sums payable hereunder, including, but not limited to any *ad valorem* taxes (based upon Tenant's pro rata share according to the area of the Premises), and sales or excise taxes on rentals, and personal property taxes against tangible and intangible personal property of Tenant; provided, however, that Tenant shall have the right to contest or protest any of the foregoing in accordance with applicable legal requirements. Authority agrees to reasonably cooperate with Tenant in such contest or protest, which cooperation shall include, but not be limited to, executing any documents which must be executed by the owner of the Premises in connection with such contest or protest. Authority also agrees to deliver to Tenant, promptly after receiving the same, or thirty (30) days prior to the date such bills are due, any tax bills that Authority receives with respect to the Premises. Tenant shall maintain in current status all federal, state and local licenses and permits required for the operation of any business conducted by Tenant. Tenant may take the benefit of any applicable provisions of any statute or ordinance permitting any assessment to be paid over a period of years, and Tenant shall pay only those installments falling due during the Term of this Lease, provided, Tenant shall pay all taxes due on or before lease expiration or termination, whichever occurs first, to preclude any taxes being owed at the cessation of this Lease, to the extent such taxes are due and owed prior to the cessation of this Lease. Taxes for any partial calendar year during the Term shall be prorated.

12.02 Sales and Use Tax: Tenant hereby covenants and agrees to pay monthly to Authority any sales, use or other tax imposed pursuant to Florida Statutes, or any imposition in lieu thereof (excluding state and/or federal income tax, franchise taxes, or other taxes that may be assessed directly to Tenant by the applicable taxing authority) now or hereinafter imposed upon the rents, use or occupancy of the Premises, notwithstanding the fact that the statute, ordinance or enactment imposing the same may endeavor to impose the tax upon Authority as Authority, to the extent as applicable.

Article 13 Security Deposit

Tenant shall post a security deposit with Authority in the amount of one/twelfth the annual rental rate multiplied by the total square footage of the demised parcel (initially, $2,492.00). The Security Deposit shall serve as security for the payment of all sums due to Authority and shall also secure the performance of all obligations of Tenant to Authority. In the event of any failure by Tenant to pay any rentals or charges when due or upon any other failure to perform any of its obligations or other default under this Lease beyond applicable cure periods, then in addition to any other rights and remedies available to Authority at law or in equity, Authority shall be entitled to draw on the Security Deposit and apply same to all amounts owed. Upon notice of any such draw, Tenant shall immediately replace the Security Deposit with a sum equal to one month’s rent at the then current monthly rental rate. Tenant shall increase the amount of the Security Deposit to reflect any increases in the sums payable hereunder within thirty (30) days after notification by Authority of any such increase. The Security Deposit shall be kept in full force and effect throughout the Term of this Lease and any extension thereof and for a period of six (6) months after the termination of this Lease. The Security Deposit shall not be returned to Tenant or released by Authority until all obligations under this Lease are performed and satisfied. Prior to consent from Authority to any assignment of this Lease by Tenant, Tenant's assignee shall be required to provide a Security Deposit to Authority in accordance with the terms and conditions of this Section.

Article 14 Late Payments - Interest

For any monetary payment obligation to the Authority arising under this Agreement, Tenant shall pay to Authority interest at the maximum rate permitted by law, but not more than one and one and one-half percent (1 ½ %) per month or eighteen percent (18%) per annum, on any late payments commencing ten (10) days after the amounts are due. To the extent permitted by law, Tenant agrees that acceptance of late payments by Authority shall not constitute a waiver of Tenant's default by Authority with respect to such overdue amount, nor prevent Authority from terminating this Lease for default beyond applicable cure periods in the payment of rentals, fees or charges due to Authority pursuant to this Lease or from enforcing any other provisions, rights, or remedies granted herein, or conferred by law.

Section III – Development of the Premises

Article 15 Due Diligence Period

Commencing on the Effective Date and continuing for a period of ninety (90) days thereafter (the "Due Diligence Period"), Tenant shall have the right to enter the Premises to perform any due diligence, inspections, investigations, tests, and pre-construction activities that Tenant deems appropriate with respect to the Premises, including, but not limited to: (a) physical inspection of the Premises; (b) soil investigation; (c) environmental assessment; (d) topographic studies; and (e) engineering, utilities, and site planning studies. Tenant may extend the Due Diligence Period for ninety (90) additional days by delivering written notice to Authority. If Tenant determines that Tenant's leasing of the Premises is not feasible or desirable for any reason, Tenant may elect to terminate this Lease upon written notice to Authority on or before the expiration of the Due Diligence Period.

Article 16 General Requirements for Construction.

Tenant shall have the right to make such additions, alterations, and improvements to the Premises, including, but not limited to, the Required Improvements, as Tenant may deem necessary for its purposes, subject to Authority Director's prior written consent, which consent shall not be unreasonably withheld, conditioned, or delayed. Notwithstanding any provision of this Lease to the contrary, the following additions, alterations or improvements to the Premises shall not require Authority's review or consent, provided that a building permit or other governmental authorization is not required: (a) additions, alterations or improvements to the interior of the Premises; (b) repair or replacement of exterior improvements with materials of like kind and quality; and (c) replacement of landscaping with the same type of landscaping materials.

Article 17 Required Improvements.

Tenant shall construct the following minimum improvements on the Land: (i) aircraft hangar space totaling approximately 12,800 square feet, (ii) office space totaling approximately 3,000 square feet, and (iii) ancillary improvements necessary for the operation of the Permitted Use, including but not limited to customer parking, ramp space, utilities, infrastructure and other facilities or improvements (collectively referred to herein as the “Required Improvements”). Tenant shall submit Plans for the Required Improvements within ninety (90) days of the Effective Date hereof. Construction of the Required Improvements shall be completed no later than twenty-four (24) months following Authority’s written approval of such Plans, subject to automatic extensions as provided herein, which approval shall not be unreasonably withheld, conditioned, or delayed.

Article 18 Minimum Capital Expenditure.

Tenant shall expend not less than two-million Dollars ($2,000,000) on construction of the Required Improvements, with not less than two-hundred fifty thousand Dollars ($250,000) spent on infrastructure improvements (“Minimum Capital Expenditure”). Capital expenditure costs that may be counted towards satisfaction of the Minimum Capital Expenditure ("Approved Costs") shall include all costs paid for work performed, services rendered, and materials furnished for the construction of the Required Improvements.

Article 19 Construction Approvals.

Except as otherwise provided for herein, prior to constructing any improvements or alterations to the Premises (including, but not limited to, the Required Improvements), Tenant shall prepare detailed preliminary design and construction plans and specifications for the improvements (hereinafter collectively referred to as the "Plans) and deliver the preliminary Plans to Authority for review, comment and adjustment. Authority shall review the preliminary Plans and provide a written response to Tenant within ten (10) business days after receipt or the preliminary Plans and in the event the Authority fails to provide a written response within ten (10) days, then any days over the allotted ten (10) days until the Authority issues its written response will be automatically added to any applicable deadline for Tenant's completion of construction; provided, in the event the preliminary Plans are subject to review by another governmental authority with jurisdiction over the Airport, including, but not limited to the FAA, the timeframe for review may be extended by the amount of time necessary for such authority to complete its review. In the event Authority does not approve the preliminary Plans, Tenant will be notified of the reasons for the disapproval and the necessary modifications and/or alterations to the Plans. Tenant may then resubmit modified Plans to Authority.

For planning purposes, the Authority’s review will be substantially informed by the currently published “Leasehold Development Standards for Jacksonville International Airport, Cecil Field, Craig Airport, [and] Herlong Airport” with an effective date of May 1, 2006, with logical alterations for St. Johns County. A copy of this document has been provided to the Tenant by the Authority.

Article 20 Final Drawings

Within one hundred twenty (120) days of Tenant's receipt of a certificate of occupancy or certificate of completion, as appropriate, for improvements constructed pursuant to this Agreement, Tenant, at its sole cost and expense, shall have prepared and delivered to Authority one (1) complete set of as-built drawings in a PDF or other electronic format approved by Authority, and one (1) complete set of Auto CADD files in the latest version acceptable by Authority.

Article 21 Approved Costs

Within one hundred twenty (120) days of completion of the Required Improvements, Tenant shall provide to Authority a written examination report detailing the costs of constructing the Required Improvements, which shall include a schedule detailing the total cost of constructing the Required Improvements by category and amount; a schedule detailing the total Approved Costs of the Required Improvements by category and amount. The report shall be in a form and substance reasonably satisfactory to Authority and shall be prepared and certified by an independent Certified Public Accountant, not a regular employee of Tenant, and shall include an opinion regarding the information contained in the schedules. The report shall not contain a qualified opinion, an adverse opinion, or a disclaimer of opinion, as defined by the American Institute of Certified Public Accountants or any successor agency thereto, regarding the information contained in the required schedules.

Article 22 Construction and Performance Bonds

In accordance with the terms and conditions of this Lease, Tenant shall ensure that all improvements are constructed to completion in accordance with the approved Plans and that all Persons performing work or providing materials relating to such improvements including, but not limited to, all contractors, subcontractors, laborers, materialmen, suppliers and professionals, are paid in full for such services and materials. Prior to the commencement of any improvements to the Premises, the estimated cost of which exceeds Two Hundred Thousand Dollars ($200,000), Tenant shall cause to be made, executed and delivered to Authority at Tenant's sole cost a performance bond and a payment bond that are in an amount, form and substance reasonably satisfactory to Authority, and of a form substantially similar to those forms attached hereto as Exhibit “B”, issued by a company reasonably acceptable to Authority, and that guarantees Tenant's compliance with its obligations arising under this Section. Tenant may not subdivide improvements or phase projects for the purpose of avoiding the foregoing bond requirement. Authority shall be named as a dual obligee on the bond(s). In lieu of the bond required by this Section, Tenant may file with authority an alternative form of security in the form of cash or clean irrevocable letter of credit; provided, however, the form of the security and company issuing such security, if applicable, shall be subject to the prior written approval of Authority and shall be in accordance with Authority’s standard policies and procedures. Any such alternative form of security shall be for the same purpose and be subject to the same conditions as those applicable to the bond required by this Section.

Article 23 Contractor Requirements

Tenant shall provide the names and contact information for all contractors and subcontractors providing services at the Premises prior to the subject contractor or subcontractor commencing work. The Authority may reject any contractor and/or subcontractor for reasonable cause. Tenant shall require contractors to furnish for the benefit of Authority a public construction bond in a form approved by Authority. Tenant shall require its contractors to name Authority as a dual obligee on the bond(s). Tenant shall also require contractors to furnish satisfactory evidence of statutory Worker's Compensation insurance, comprehensive general liability insurance, comprehensive auto insurance, and physical damage insurance on a Builder's Risk form with the interest of Authority endorsed thereon, in such amounts and in such manner as Authority may reasonably require. Authority may require additional insurance for any alterations or improvements approved hereunder, in such amounts as Authority reasonably determines to be necessary.

Article 24 No Liens

The Premises are on 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. Notwithstanding the foregoing, Tenant shall pay the costs of any work done on the Premises and shall keep the Premises and all leasehold interests free and clear of liens of any kind. Should any construction, or other liens be filed against the Premises or any part thereof or any interest of Authority 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) business days. If Tenant fails to do so within the ten (10) day period, Authority may do so and thereafter Tenant shall reimburse Authority without delay all costs incurred by Authority in connection with the satisfaction of such claim.

Article 25 Title to Improvements

Tenant shall be deemed to be the owner of all improvements and alterations constructed by Tenant upon the Premises during the Term. Upon expiration or earlier termination of this Lease as provided herein, all improvements and alterations constructed or placed upon the Premises by Tenant shall become the absolute property of Authority, and Authority shall have every right, title, and interest therein, free and clear of any liens, mortgages, and other encumbrances. Upon the request of Authority, Tenant shall provide Authority with a bill of sale or other evidence of the transfer of ownership of the improvements and alterations together with evidence satisfactory to Authority that the improvements and alterations are free from liens, mortgages and other encumbrances.

Article 26 Maintenance and Repair of Improvements

Tenant shall, throughout the Term, be responsible for all repairs and maintenance of the Premises (including, but not limited to, all paved aircraft movement areas, buildings, hangars, drainage and stormwater retention infrastructure, utility infrastructure, parking and other paved areas, and other improvements made), whether such repair or maintenance be ordinary or extraordinary, structural or otherwise. Maintenance and repairs shall be of quality and class comparable to the original work, to preserve the Premises in good order, repair and first-class condition.

Article 27 Easements

Nothing in this Lease shall impair any existing utility easements, nor impair the right of access to any existing utility lines. Authority reserves the right to grant utility easements, licenses and rights-of way to others over, under, through, across or on the Premises; provided, however, that such grant or the use of any easement, license, or right of way does not interfere with Tenant's operations or reduce the value of the Required Improvements. Authority shall restore the Property and the Premises to its condition prior to the date Authority granted any such easement, license or right-of-way if any construction is performed in connection with any of the foregoing.

Article 28 Inspections and Interventions for Repairs

With the exception of the need to address any emergency or other similar exigency, Authority, with forty-eight (48) hours prior notice to Tenant, shall have the right to enter the Premises at reasonable times to inspect same for the purpose of determining whether Tenant is in compliance with the requirements of this Lease. In the event Tenant is not in compliance with this Lease, as reasonably determined by Authority, Authority shall provide Tenant with written notice of such noncompliance. Tenant shall commence corrective action to remedy such noncompliance to the satisfaction of Authority promptly after receipt of the notice of noncompliance. If corrective action is not promptly initiated and pursued in a diligent manner to completion, Authority may cause the same to be accomplished. Tenant agrees that Tenant shall assume and be liable to Authority for payment of all reasonable costs incurred by Authority, plus a twenty five percent (25%) administrative overhead fee, which costs and administrative overhead fee shall constitute additional rent hereunder and shall be due and payable within thirty (30) days of the date of Authority's written notice.

Section IV – Use of the Premises

Article 29 Permitted Use: Permitted uses of the premises are: a) the storage of aircraft within a hangar, where such aircraft are owned by a person or entity with common ownership or control of the Tenant; b) maintenance and repair of the aircraft and its associated equipment required to maintain the stored aircraft in airworthy condition; and c) administrative support functions (office functions) is support of other permissible uses.

If this Agreement, with the approval of Authority, is the subject of an assignment to a commercial aeronautical service provider, the permitted uses may be expanded and memorialized by an operating agreement.

Article 30 Prohibited Uses: Absent further approval by the Authority, prohibited uses of the premises include, but are not limited to: a) commercial aeronautical services (including aircraft storage to third parties) where such service or activity is not the subject of a separate operating agreement with the Authority; b) activities prohibited by the general rules and regulations governing all other similarly situated users and tenants of the Airport; and 3) activities not enumerated as a Permitted Use. Tenant shall use the Premises solely for the uses permitted herein and for no other purpose whatsoever. The rights granted hereunder are expressly limited to the construction, development, maintenance, and operation of the Premises for the foregoing aeronautical uses pursuant to the terms of this Agreement.

Article 31 General Use

In addition to the lease of the Premises and the privileges granted above, Authority hereby grants to Tenant the following general privileges, uses, and rights, all of which shall be subject to the terms, conditions, and covenants set forth herein and all of which shall be non-exclusive on the Airport:

31.01 The general use, in common with others, of roadways, sidewalks and other Airport facilities necessary for Tenant's operations (including airfield access), including the roadways, sidewalks, and facilities that Airport generally makes available for its aeronautical tenants and that are not specifically leased to or under the contractual control of others.

31.02 The right of ingress to and egress from the Premises over and across public roadways serving the Airport. The right of ingress to and egress from shall be subject to such laws, rules, regulations and orders as now or may hereafter have application at the Airport.

Except as expressly set forth in this Section, nothing in this Lease shall be construed to grant or convey to Tenant the right to use any space or area improved or unimproved which is leased to or under contractual control of a third party, or which Authority has not leased herein.

Article 32 Hazardous Operations

Tenant shall not do or permit to be done any act or thing upon the Premises that would invalidate any insurance policies covering the Premises or the Airport; or that constitutes a hazardous condition considering the risks normally attendant upon the operations permitted by this Agreement.

Article 33 Expiration, Default, Remedies, and Termination

33.01 Expiration. This Lease shall automatically terminate at the end of the Initial Term, unless renewed in accordance with the applicable terms herein. In the event this Lease is renewed, this Lease shall automatically terminate at the end of the Renewal Term.

33.02 Default. The occurrence of any one or more of the following events shall constitute a material default and breach of this Lease by Tenant or Authority:

i) The abandonment (as that term is defined under applicable law) of the Premises by Tenant;

ii) The failure by Tenant to make payment of rent or any other payment required to be made by Tenant hereunder, as and when due, where such failure shall continue for a period often (10) days after written notice from Authority that such payment is due;

iii) The failure by Tenant to maintain in full force and effect, the insurance limits, coverages and endorsements required by this Lease;

iv) The failure by Tenant to observe or perform any other covenants, conditions or provisions of this Lease to be observed or performed by Tenant, where such failure continues for a period of thirty (30) days after written notice thereof from Authority: provided, however, that if the nature of Tenant's default is such that more than thirty (30) days are reasonably required for its cure, then Tenant shall not be deemed to be in default if Tenant commenced such cure within such thirty (30) day period and thereafter diligently pursues such cure to completion;

v) To the extent permitted by law, (a) the making by Tenant or any guarantor thereof of any general assignment, or general arrangement for the benefit of creditors; (b) the filing by or against Tenant of a petition to have Tenant adjudged bankrupt or a petition for reorganization or arrangement under any law relating to bankruptcy [unless, in the case of a petition filed against Tenant, the same is dismissed within ninety (90) days]; (c) the appointment of a trustee or receiver to take possession of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, where possession is not restored to Tenant within ninety (90) days; or (d) the attachment, execution or other judicial seizure of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, where such seizure is not discharged within ninety (90) days;

vi) A material default by Tenant of any other agreement, permit or lease between Authority and Tenant, which default has not been cured within the applicable cure period provided in such agreement, permit or lease; or

vii) The discovery by Authority that any material information given to Authority by Tenant relating to this Lease was false, and Tenant knew such information to be false at the time it was given to Authority.

33.03 In the event of any material default or breach by Tenant, Authority may at any time thereafter, with notice or demand and without limiting any other right or remedy which

Authority may have under the law by reason of such default or breach, elect to exercise any one or more of the following remedies while concurrently taking all reasonable steps to mitigate any and all of its damages:

i) Declare the entire rent for the balance of the Term or any part thereof due and payable while subtracting any rent that it has received or will receive through another tenant on the same Premises forthwith.

ii) Terminate Tenant's right to possession of the Premises by any lawful means and reenter and retake possession of the Premises for the account of Tenant, in which case the rent and other sums hereunder shall be accelerated and due in full and Tenant shall be liable for the difference between the rent which is stipulated to be paid hereunder plus other sums as described herein and what Authority is able to recover from its good faith efforts to relet the Premises, which deficiency shall be paid by Tenant. Upon such reletting, all rentals received by Authority shall be applied, first to the payment of any indebtedness other than rent due hereunder from Tenant; second, to the payment of any reasonable costs and expenses of such reletting, which shall include all damages incurred by Authority due to Tenant's default including, but not limited to, the reasonable cost of recovering possession of the Premises including reasonable attorneys' fees, and reasonable real estate commissions paid by Authority relating to the unexpired Term of this Lease; third, to the payment of rent due and unpaid hereunder; and the residue, if any, shall be paid to Tenant.

iii) Treat this Lease as terminated and re-enter and re-take possession of the Premises.

iv) Pursue any other remedy now or hereinafter available to Tenant under the laws of the State of Florida.

33.04 Notwithstanding any provision of this Lease to the contrary, Authority shall have the right to bring an action for its damages upon the occurrence of a default by Tenant and Authority reserves all rights which laws of the State of Florida confer upon a landlord against a tenant in default; provided, however, Authority agrees that it shall not pursue specific performance of Tenant's obligation to construct the Required Improvements unless Tenant has commenced construction of the Required Improvements in which event Tenant acknowledges and agrees Authority may seek specific performance of Tenant's obligation to complete construction of the Required Improvements. Any such action is without prejudice to the Authority's rights to as an Obligee of any construction bond or performance bond.

33.05 Default by Authority. Authority shall not be in default unless Authority fails to perform obligations imposed upon Authority hereunder within thirty (30) days after written notice by Tenant to Authority, specifying wherein Authority has failed to perform such obligations; provided, however, that if the nature of Authority's obligations is such that more than thirty (30) days are required for performance then Authority shall not be in default if Authority commences performance within such thirty (30) day period and thereafter diligently prosecutes the same to completion. If any default by Authority under this Lease is not cured within the cure period set forth herein, Tenant, in addition to the right to terminate this Lease, shall have the right to pursue in a court of law any other remedy available to Tenant at law or in equity; provided, however, Authority does not herein waive any defense it might have to any such action.

33.06 Tenant's Termination Rights. Tenant may terminate this Lease by giving Authority sixty (60) days' prior written notice upon or after the happening of any one of the following events:

i) The assumption by the United States Government, or any agency or instrumentality thereof, of the operations, control or use of the Airport for national defense purposes in such a manner as to preclude Tenant, for a period of ninety (90) days or more, from using the Airport in the conduct of its business. Authority shall not be liable to Tenant if the Authority is so dispossessed, but for any time that Tenant is not able to use the Premises, the rental required of Tenant shall be abated. The foregoing provision is not intended to waive any rights or privileges which either Authority or Tenant may possess as to compensation of any kind from the United States Government, or any agency or instrumentality thereof for such an assumption of use or control of the Airport as is described in this Section.

ii) The issuance by any court of competent jurisdiction of any order preventing or restraining the use of the Airport for the purposes intended, if the same remains in force and effect for a period of ninety (90) consecutive days or more. For the period of time that such order so preventing or restraining the use of the Airport is in effect prior to any termination of this Lease, the rental required to be paid by Tenant hereunder shall be abated.

33.07 Surrender of Premises. Tenant expressly agrees that it shall immediately surrender the Premises to Authority in good condition, upon expiration or termination of this Lease, depreciation and wear from ordinary use for the purpose for which the Premises were leased being excepted. In the event Tenant shall holdover, refuse, or fail to give up the possession of the Premises at the termination of this Lease, Tenant shall be liable to Authority for any and all damages, and in addition thereto, Tenant shall also be strictly liable to pay to Authority during the entire time period of such holdover, double the rental rate charged for the period immediately preceding termination of the Lease. Tenant shall remove all of its personal property from the Premises prior to the expiration or earlier termination of this Lease. Any personal property of Tenant not removed by Tenant shall become the property of Authority.

Article 34 Assignment, Subletting, Sub-Contractors

No assignment of this Lease or sublease of all or any part of the Premises shall be permitted, except as expressly provided in this Agreement or a subsequent amendment of it.

Tenant shall not, without the prior written consent of Authority, assign or hypothecate this Lease or any interest herein or sublet the Premises or any part thereof, or permit the use of the Premises by any party other than Tenant. Any of the foregoing acts without such consent shall be void and shall, at the option of Authority, 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 Authority.

No request for, or consent to, an assignment shall be considered unless Tenant shall have paid all rentals, fees, and charges which have accrued in favor of Authority and Tenant shall have otherwise met all other legal obligations to be performed, kept, and observed by it under the terms and conditions of this Lease or as this Lease may be subsequently amended or modified. Authority reserves the right to Investigate the financial capacity of the proposed assignee prior to making its decision.

If the proposed assignment or use is consistent with Airport operations and the Authority's master planning documents, the Tenant's succession or estate plan for his family and business associates, or for other qualified aviation companies or individuals, the Authority shall not unreasonably withhold approval for an assignment of this lease to a qualified party, including subsequent assignments to a commercial aeronautical services provider eligible to execute a commercial operating agreement with the Authority.

Article 35 Indemnification

Tenant shall protect, defend, reimburse, indemnify and hold Authority and its elected officers, employees and agents and each of them free and harmless at all times from and against any and all liability, losses, expenses, costs, suits, claims, judgments, fines and damages (including reasonable attorney fees at trial and appellate levels) and causes of action of every kind and character (hereinafter collectively referred to as, "Damages"), or in which Authority is named or joined, arising out of Tenant's or a Tenant Party's development, construction, use or occupancy of the Premises or Airport by Tenant or a Tenant Party, including, but not limited to, those arising by reason of any damage to property or the environment, or bodily injury (including death) incurred or sustained by any party hereto, any agent or employee of any party hereto, and any third party or other Person whomsoever, or any governmental agency, arising out of or incident to or in connection with the condition of the Premises caused by Tenant, Tenant's or a Tenant Party's acts, omissions or operations at the Airport, or the performance, non-performance or purported performance of Tenant or any breach by Tenant or an Tenant Party of the terms of this Lease; provided, however, Tenant shall not be responsible for Damages that are solely attributable to the negligence or willful misconduct of Authority or its elected officers, employees, agents and servants or a direct result of a breach of this Lease by Authority. Nothing herein shall be deemed to abrogate Tenant's common law or statutory rights to contribution from Authority for liability legally established as attributable to Authority's negligence. Each party shall give to the other reasonable notice of any such claims or actions. Tenant recognizes the broad nature of this indemnification and hold-harmless clause, and acknowledges that Authority would not enter into this Lease without the inclusion of such clause, and voluntarily makes this covenant and expressly acknowledges the receipt of Ten Dollars ($10.00) and such other good and valuable consideration provided by Authority in support of this indemnification in accordance with the laws of the State of Florida. The obligations arising under this Article shall survive the expiration or termination of this Lease.

Article 36 Governmental Restrictions

36.01 Federal Right to Reclaim. This Lease and rights granted to Tenant hereunder are expressly subordinated and subject to whatever rights the United States government now has or in the future may acquire affecting the control, operation, regulation, and taking over of the Airport or the exclusive or non-exclusive use of the Airport by the United States government during the time of war or national emergency. This Section shall not act or be construed as a waiver of any rights Tenant may have against the United States as a result of such taking.

36.02 Federal Review. Tenant acknowledges this Lease may be subject to review or inspection by the FAA to determine satisfactory compliance with federal law or grant assurances and agrees that this Lease shall be in full force and effect and binding upon both parties pending such review or inspection by the FAA, if applicable; provided, however, that upon such review or inspection all parties hereto may agree to modify any of the terms of this Lease which shall be determined by the FAA to be in violation of existing laws, regulations, grant assurances or other requirements in order to best achieve the original intent of the Agreement.

36.03 Authority Tax Assessment Right. None of the terms, covenants and conditions of this Lease shall in any way be construed as a release or waiver on the part of Authority, as a political subdivision of the State of Florida, or the United States, or the State of Florida, or St. Johns County, or any political sub-division or district of the State of Florida with taxing authority, or any of the public officials of St. Johns County, of the right to assess, levy, and collect any *ad valorem*, non-*ad valorem*, license, personal, intangible, occupation, or other tax which shall be lawfully imposed on the Premises, the business, or property of Tenant.

36.04 Height Restriction. Tenant expressly agrees for itself, its successors and assigns, to restrict the height of structures, objects of natural growth and other obstructions on the Premises to such a height so as to comply with Title 14, Part 77 of the Code of Federal Regulations, as now or hereafter amended.

36.05 Right of Flight. Authority 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 Premises together with the right to cause in said airspace such noise as may be inherent in the operations of aircraft now known or hereafter used, for navigation of or flight in the said airspace for landing on, taking off from, or operating on the Airport.

36.06 Operation of Airport. Tenant expressly agrees for itself, its sublessees, successors and assigns to prevent any use of the Premises that would interfere with or adversely affect the operation, maintenance or development of the Airport, or otherwise constitute an Airport hazard; provided that the operation of the Premises for the uses permitted under this Lease in accordance with the terms and conditions of this Lease and the Minimum Standards shall not be deemed to interfere with or adversely affect the operation, maintenance of development of the Airport or otherwise constitute an Airport hazard.

36.07 Release. Tenant acknowledges that noise and vibration are inherent to the operation of Airport and hereby releases Authority from any and all liability relating to the same.

36.08 Exclusive Rights. Notwithstanding any provision of this Lease to the contrary, Tenant understands and agrees that the rights granted under this Lease are nonexclusive, other than the exclusive right of use of the Premises, and that Authority may grant similar privileges to another tenant or other tenants on other parts of the Airport.

Section V – General Contractual Provisions

Article 37 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 Authority, to Authority's Mailing Address and to the attention of the Executive Director, with a confirmation copy by Electronic Mail, and (b) if to Tenant, to Tenant's Mailing Address, with a confirmation copy by Electronic Mail; provided, however, notices to Tenant shall be deemed duly served or given if delivered or mailed to Tenant at the Premises. Authority and Tenant may from time to time by notice to the other designate another place for receipt of future notices.

Tenant:

Ballyduff Consulting. LLC
230 North Serenata Drive,
Unit 721
Ponte Vedra Beach, FL 32082

Authority:

Executive Director
St. Johns County Airport Authority
4900 U.S. 1 North,
St. Augustine, FL 32095

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Article 38 Relationship of the Parties – No Partnership or Joint Venture

This Agreement is not to be deemed as creating any Partnership, Joint Venture, or Service Agreement between the Authority and the Tenant.

Article 39 Venue and Choice of Law

This Lease shall be construed and enforced in accordance with the laws of the State of Florida. Venue shall be exclusively the State or Federal court of competent jurisdiction of St. Johns County, Florida. This provision shall not be construed to limit or foreclose any applicable regulatory jurisdiction of the FAA.

Article 40 Attorneys' Fees

If any action or proceeding is brought by either party against the other pertaining to or arising out of this 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.

Article 41 Waiver

The failure of either party to insist on a strict performance of any of the agreements, terms, covenants, and conditions hereof shall not be deemed a waiver of any rights or remedies such party may have for any subsequent breach, default, or non-performance, and neither party's right to insist on strict performance of this Lease shall be affected by any previous waiver or course of dealing.

Article 42 Joint Drafting

No party shall be considered the author of this Lease since the parties hereto have participated in extensive negotiations and drafting and redrafting of this document to arrive at a final Lease. Thus, the terms of this Lease shall not be strictly construed against one party as opposed to the other party based upon who drafted it.

Article 43 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.

Article 44 Successors and Assigns

The rights and obligations of this Agreement shall inure to the benefit of and bind the parties to it as well as their Authority approved successors, assigns, and sub-tenants.

Article 45 No Broker

Each party represents and warrants that it has not dealt with any real estate salesperson, agent, finder or broker in connection with this Lease and further agrees to indemnify, defend and hold harmless the other party from and against any claims or demands of any such salesperson, agent, finder or broker claiming to be owed a commission from such party in connection with this Lease.

Article 46 Force Majeure

No delay in or a failure by either party in the performance of its obligation under this Lease shall constitute a default under this Lease to the extent that such delay or failure of performance could not be prevented by such party's exercise of reasonable diligence and results from acts of God, fire or other casualty, war, public disturbance, other labor disturbances not attributable to the failure of Tenant to perform its obligations under any applicable labor contract or law and directly and adversely affecting Tenant, and/or any other cause beyond such party's reasonable control (any, a "Force Majeure Event"). With respect to Tenant's obligation to construct the Required Improvements, and without limiting the generality of the foregoing, the following shall constitute Force Majeure Events: (A) any Pre-existing Hazardous Substances at, on, or under the Land discovered by Tenant during the demolition of the existing improvements or construction of the Required Improvements that were not identified in any Inspections conducted by Tenant pursuant to Section 3.03, and/or (B) failure of the Authority, FAA or other governmental entity with oversight over the Premises to issue or deliver any permit, license or consent needed for the construction of the Required Improvements through no fault, delay, action or inaction of Tenant. Tenant agrees to use reasonable efforts to minimize the delay and other adverse effects of any Force Majeure Event. If any Force Majeure Event results in Tenant's inability to construct the Required Improvements in accordance with the terms of this Lease or to operate the Premises in accordance with the terms and conditions of this Lease, Tenant shall have the right to terminate this Lease upon sixty (60) days prior written notice to Authority.

Article 47 Estoppel Certificates. Each party agrees, at any time and from time to time upon not less than twenty (20) days prior written notice by the other party, to execute, acknowledge and deliver to the other party a statement in writing certifying: (a) whether this Lease is in full force and effect, and if it is alleged that this Lease is not in full force and effect, setting forth the nature thereof in reasonable detail; (b) whether this Lease has been supplemented or amended, specifying the manner in which it has been supplemented or amended; (c) the date to which all rental payments have been made; (d) the commencement and expiration date of this Lease; and (e) whether or not, to the best of the knowledge of the signer of such statement, the other party is in default or may be with notice or the passage of time, or both, in keeping, observing or performing any term, covenant, agreement, provision, condition or limitation contained in this Lease and if in default, specifying each such default.

Article 48 Void if in Violation of Grant Assurances

A determination at any time by the FAA that a term or terms of this Agreement or the application in practice of a term or terms in this Agreement cause the Authority to be in violation of its Grant Assurance obligations to the FAA, such terms shall be deemed stricken and void *ab initio*. The Parties will make a good faith effort to re-negotiate any material terms so stricken in a manner that does not cause a violation of the Authority's Grant Assurances and that best preserves the original intent of the Agreement. The Authority is not aware of any FAA investigation regarding the proposed use of the subject leasehold nor is it aware of any pending or threatened Part 13 or Part 16 action that would impact the rights of the Tenant to utilize the subject properties outlined in this lease.

Article 49 Insurance

All insurance required to be carried by Tenant hereunder shall be issued by responsible insurance companies reasonably acceptable to Authority and qualified to do business in the State of Florida. Each policy shall name St. Johns County Airport Authority, and each of 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 Authority and that any coverage carried by Authority shall be excess insurance, and (iii) a waiver by the insurer of any right of subrogation against Authority, 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 Authority, 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 Authority before the date Tenant is first given the right of possession of the Premises, annually, and within thirty (30) days after any demand by Authority therefor. The authority may, at any time during the term of this Lease, request copies of insurance policies required to be maintained by Tenant hereunder. No such policy shall be cancelable except after twenty (20) days written notice to the Authority. Tenant shall furnish Authority 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, Authority may (but shall not be required to) procure said insurance on Tenant's behalf and charge the Tenant the premiums together with 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, Authority, Authority's Airport and Tenant as required by this Agreement. With reasonable notice, the amount of any policy limits described below may be adjusted from time to time by the Authority consistent with its published Minimum Standards. As of the Effective Date, coverages and policy limits are:

49.01 Commercial General Liability/Airport Liability. Tenant shall maintain Commercial General Liability/Airport Liability Insurance with limits of liability not less than Five Million Dollars ($5,000,000) each occurrence, including coverage for, but not limited to, Premises/Operations, Products/Completed Operations, Contractual Liability, Personal/ Advertising Injury and Cross Liability. This coverage shall be provided on a primary basis.

49.02 Hangarkeeper's Legal Liability. Tenant shall maintain Hangarkeeper's Legal Liability Insurance providing coverage for property damage to aircraft that are the property of others while in the care, custody, or control of Tenant (when such aircraft are not in flight), in an amount not less than Five Million Dollars ($5,000,000) each occurrence.

49.03 Business Auto Liability. Tenant shall maintain Business Automobile Liability Insurance with limits of liability not less than One Million Dollars ($1,000,000) each occurrence for owned, non-owned and hired automobiles. In the event Tenant has no owned automobiles, Tenant shall maintain only Hired & Non-Owned Auto Liability Insurance. This coverage may be satisfied by way of endorsement to the Commercial General Liability policy, or a separate Business Auto Liability policy. This coverage shall be provided on a primary basis.

49.04 Workers' Compensation & Employers' Liability. Tenant shall maintain Workers' Compensation & Employers Liability in accordance with state and federal law. This coverage shall be provided on a primary basis.

49.05 Storage Tank Third-Party Liability and/or similar Environmental Impairment Liability. Tenant shall maintain Third-Party Storage Tank Pollution Liability Insurance, or similar Environmental Impairment Liability Insurance at a minimum limit not less than One Million Dollars ($1,000,000) per occurrence at each location and Two Million Dollars ($2,000,000) annual aggregate at each location providing coverage for damages against, but not limited to, third-party liability, clean up, corrective action including assessment, remediation and defense costs. In the event the policy includes a self-insured retention or deductible in excess of One Hundred Thousand Dollars ($100,000), Tenant shall provide a copy of Tenant's most recent annual report or audited financial statements to Authority at Authority's request and Authority may reject or accept a higher self-insured retention or deductible based on Tenant's financial condition.

49.06 Umbrella or Excess Liability. In addition to the above, Tenant shall maintain coverage under Umbrella or Excess Liability Insurance at an aggregate limit not less than the highest "each occurrence" limit for the Commercial General Liability/ Airport Liability, Business Auto Liability or Environmental Impairment Liability policy. Authority shall be specifically endorsed as an "Additional Insured" on the Umbrella or Excess Liability policy, unless the Certificate of Insurance notes the Umbrella or Excess Liability policy provides coverage on a "Follow-Form" basis.

49.07 Property, Wind & Flood Insurance. Tenant shall maintain, subject to reasonable deductibles approved by Authority:

i) Property insurance in an amount not less than one hundred percent (100%) of the total replacement cost of the buildings, betterments and improvements, including those made by or on behalf of Tenant as well as Tenant's contents located on the Premises.

The settlement clause shall be on a Replacement Cost basis. Coverage shall be written with a Special - Cause of Loss (All-Risk) form and include an endorsement for Ordinance & Law in an amount not less than twenty-five percent (25%) of the Property insurance limit. This coverage shall be provided on a primary basis.

ii) Flood insurance, regardless of the flood zone, in an amount not less than one hundred percent (100%) of the total replacement cost of the buildings, betterments and improvements, including, but not limited to, those made by or on behalf of Tenant as well as Tenant's contents, located on the Premises, or the maximum amount available from the National Flood Insurance Program. This coverage shall be provided on a primary basis.

49.08 Certificate of Insurance. Prior to the Commencement Date, Tenant shall provide Airport with a certificate of insurance, or certificates of insurance, evidencing limits, coverages and endorsements required herein. All certificates of insurance shall include a minimum thirty (30) day endeavor to notify due to cancellation or non-renewal of coverage. In the event coverage is cancelled or is not renewed during the Term or any extension thereof, Tenant shall provide Authority a new certificate of insurance or certificates of insurance evidencing replacement coverage no later than thirty (30) days prior to the expiration or cancellation of the coverage.

49.09 Waiver of Subrogation. By entering into this Lease, Tenant agrees to a Waiver of Subrogation for each policy required to be maintained or maintained by Tenant pursuant to or in connection with this Lease. When required by the insurer, or should a policy condition not permit an insured to enter into a pre-loss agreement to waive subrogation without an endorsement, Tenant shall notify the insurer and request the policy be endorsed with a Waiver of Transfer of Rights of Recovery Against Others, or its equivalent. This Waiver of Subrogation requirement shall not apply to any policy, a condition to which the policy specifically prohibits such an endorsement, or voids coverage should Tenant enter into such an agreement on a pre-loss basis. Nothing contained in this Section shall be construed as an obligation of Tenant to provide a Waiver of Subrogation in the event that Tenant's insurer will not provide it.

49.10 Premiums and Proceeds. Tenant shall not keep, use, sell or offer for sale in or upon the Premises any article which may be prohibited by any condition, provision, or limitation of the property, flood or wind insurance policies. Tenant shall be responsible for all premiums, including increases, for property, flood and wind insurance policies and compliance with any terms of such policies. Subject to the terms of any Leasehold Mortgage or financing arrangement entered into by Tenant, Tenant agrees that all property, flood and windstorm insurance proceeds shall be made available for use to promptly replace, repair or rebuild the building, betterments and improvements, including, but not limited to, those made by or behalf of Tenant.

49.11 Deductibles, Coinsurance, & Self-Insured Retention. Tenant shall be fully and solely responsible for any deductible, coinsurance penalty, or self-insured retention; including any losses, damages, or expenses not covered due to an exhaustion of limits or failure to comply with the policy.

49.12 Right to Review or Adjust Insurance. The Authority may review, modify, reject or accept any required policies of insurance, including, but not limited to, limits, coverages or endorsements, required by this Article from time to time throughout the Term and any extension thereof. The Authority may also reject any insurer or self-insurance plan providing coverage because of poor financial condition or failure to operate legally. In such event, Authority shall provide Tenant a written notice of rejection, and Tenant shall comply within thirty (30) days of receipt of the notice.

49.13 No Representation of Coverage Adequacy. Tenant acknowledges the limits, coverages and endorsements required by this Article are intended to minimize liability for Authority. Tenant agrees that it will not rely upon the requirements of this Article when assessing the extent or determining appropriate types or limits of insurance coverage to protect Tenant against any loss exposures, whether as a result of this Lease or otherwise.

Article 50 Damage, Destruction, or Condemnation of the Premises

50.01 Removal of Debris. If the Premises, or any portion thereof, are damaged by fire, the elements or other casualty, Tenant shall promptly remove all debris resulting from such damage from the Premises and shall promptly take such actions and cause such repairs to be made to the Premises as will place the Premises in a neat and orderly condition and as are necessary for the safety of Persons entering upon the Premises. If Tenant fails to promptly comply with the provisions of this Section, the Authority may take such measures as it deems necessary to render the Premises in a neat, orderly, and safe condition. Tenant agrees that Tenant shall fully assume and be liable to Authority for payment of any costs incurred by Authority, plus a twenty-five percent (25%) administrative overhead fee, which costs and administrative overhead fee, shall be due and payable to Authority within thirty (30) days from the date of written notice provided by Authority.

50.02 Tenant's Obligations. Tenant assumes full responsibility for the condition of the Premises and the character, acts and conduct of all Persons admitted to the Premises by or with the actual or constructive consent of Tenant or with the consent of any person acting for or on behalf of Tenant. If the Premises, or any portion thereof, is damaged in any way whatsoever, whether by an act of God or by the act, default or negligence of Tenant, or a Tenant Party or any Person admitted to the Premises by Tenant, Tenant shall at its sole cost and expense restore the Premises to the condition existing prior to such damage. Tenant shall commence restoration within sixty (60) days and shall diligently pursue such restoration to completion in accordance with the construction requirements set forth in this

Agreement; provided, however, that if the nature of the damage is such that more than sixty (60) days are reasonably required Tenant shall commence restoration as soon as reasonably practicable under the circumstances taking into consideration the extent of the damage. All repairs and restoration shall be made by Tenant at Tenant's sole cost and expense, in accordance with the construction requirements contained herein. If Tenant fails to restore the Premises as required by this Section, Authority shall have the right to enter the Premises and perform the necessary restoration. Tenant agrees that Tenant shall fully assume and be liable to Authority for payment of the reasonable costs of restoration plus a twenty five percent (25%) administrative overhead fee, which costs and administrative overhead fee, shall be due and payable to Authority within thirty (30) days from the date of the written notice provided by Authority.

50.03 Insurance Proceeds. Except as otherwise provided for herein, upon receipt by Tenant of the proceeds of any insurance policy or policies required hereunder, the proceeds shall be deposited in an escrow account approved by Authority so as to be available to pay for the cost of any required repair, replacement or rebuilding. The proceeds shall be disbursed during construction to pay the cost of such work. If the amount of the insurance proceeds is insufficient to pay the costs of the required repair, replacement or rebuilding of damaged improvements, Tenant shall pay any additional sums required to complete the required repair, replacement or rebuilding into the escrow account. If the amount of the insurance proceeds is in excess of the costs of the required repair, replacement or rebuilding, the excess amount shall be remitted to Tenant.

50.04 Condemnation of the Entire Premises. If the entire Premises shall be taken or condemned for a public or quasi-public use or purpose by a competent governmental entity, or if such a portion of the Premises shall be so taken that the balance cannot reasonably be used for the same purpose and with substantially the same utility to Tenant as immediately prior to such taking, then in any of such events, this Lease shall terminate upon delivery of possession to the condemning authority, and any award, compensation or damages ("Award") shall be paid as follows: (a) the net present value of the Ground Rent payable for the remainder of the Initial Term or Renewal Term then in effect plus the present value of the reversionary interest in the Property shall be paid to and be the sole property of Authority (such present values shall be determined using a mutually agreed upon discount rate), and (b) the remainder of the Award, if any, shall be paid to and be the sole property of Tenant. The amounts payable to each party shall be determined by the court or other body before which the condemnation or taking is to be adjudicated or determined, taking into account the requirements of this Lease.

50.05 Partial Condemnation. If only a part of the Premises shall be so taken or condemned, but this Lease is not terminated pursuant to Section 14.04 above, Tenant, at its sole cost and expense, shall promptly repair and restore the Premises and all improvements to a complete architectural unit and the Ground Rent will be adjusted accordingly on a per square foot basis of the Property so taken. During the period of repair, Ground Rent and

Improvement/Building Rent shall abate as to the portion of the Premises being repaired. In no event shall Tenant be required to expend an amount in excess of the amount of the Award in connection with the performance of its obligations under this Section.

Article 51 Rules and Regulations; Airport Citizenship

Tenant covenants and agrees to observe and obey, and to require Tenant Parties, sub-Tenants, and Contractors, to observe and obey such rules and regulations of the Authority (including amendments and supplements thereto) regulating the conduct and operations of Tenant and others on the Premises as may from time to time be promulgated. Tenant's obligation to require such observance and obedience on the part of its sub-contractors, sub-tenants, guests, invitees, and business visitors shall pertain only while such Persons are on or in occupancy of any portion of the Premises. Tenant shall conduct its operations hereunder in an orderly and commercially reasonable manner, considering the nature of such operations so as not to unreasonably interfere with the operations of other tenants at the Airport. Reasonable activities include:

51.01 Noise and Vibrations: Tenant shall comply with the reasonable noise mitigation measures established by Authority to mitigate noise impacts of Tenant's operations outside the boundaries of the Airport, such as utilizing designated areas for engine run-up activities.

51.02 Conduct of Tenant: Tenant shall control the conduct, demeanor and appearance of the Tenant's employees and other invitees upon the Premises and, upon objection from Authority concerning the conduct of any such persons, shall immediately take all reasonable steps necessary to remove the cause of objection.

51.03 Disposal of Waste Materials: Tenant shall remove from the Premises or otherwise dispose of in a manner approved by Authority all garbage, debris and other waste materials (whether solid or liquid) arising out of the use or occupancy of the Premises or out of any operations conducted thereon. Garbage, debris and other non-hazardous waste materials may be temporarily stored on the Premises in suitable garbage and waste receptacles.

51.04 Nuisance: Tenant shall not commit any physical nuisance on the Premises and shall not do or permit any of its subtenants to do anything which would result in the creation, commission or maintenance of such nuisance on the Premises.

51.05 Vehicular Parking: Tenant shall not allow Tenant Parties to park vehicles within the grassed areas of the Premises or in other areas of the Airport that are not common unassigned parking areas or not leased or licensed to Tenant without the prior consent of Authority, which consent may be granted or withheld in Authority's sole and absolute discretion.

51.06 Accessibility of Utility Systems: Tenant shall not unreasonably interfere with the effectiveness or accessibility of the utilities systems installed or located on or about the

Premises that are also used by other occupants, customers or users of the Airport, including electric vehicle charging stations or similar-type utilities that may be installed by Authority or utility provider at a later date. This provision shall in no event require Tenant to modify or relocate any utilities systems that are approved by Authority as part of the Required Improvements.

51.07 Overloading Paved Areas: Tenant shall not overload any aircraft apron or taxi lane, vehicle roadway, or parking surface, hangar, or office floor or other paved area on the Premises and shall repair any floor, including supporting members, and any paved area damaged by overloading.

51.08 Testing of Fire Systems: From time to time and as often as reasonably required by Authority or any governmental authority having jurisdiction, Tenant shall conduct pressure, water flow, and other appropriate tests of the fire extinguishing system and apparatus which are located on the Premises.

51.09 Storage of Flammable Liquids: All flammable liquids that are kept or stored at the Premises must be handled, stored, and used in accordance with all applicable federal, state and local laws and regulations, and consistent with industry best practices.

Article 52 Non-Discrimination in Authority Contracts

Tenant warrants and represents to Authority that all of its employees are treated equally during employment without regard to race, color, national origin, religion, ancestry, sex, age, familial status, marital status, sexual orientation, gender identity and expression, disability, or genetic information. Tenant has submitted to Authority a copy of its non-discrimination policy, which is consistent with the above.

52.01 In the event Tenant is acting as a Contractor for the purpose of compliance with Contract Provision Guidelines for Obligated Sponsors and Airport Improvement Program Projects, Issued on May 24, 2023, during the performance of this contract, the Contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the "Contractors"), agrees as follows: Compliance with Regulations: The Contractor (hereinafter includes consultants) will comply with the Title VI List of Pertinent Nondiscrimination Acts and Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.

52.02 Nondiscrimination: The Contractor, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The Contractor will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR part 21.

52.03 Solicitations for Subcontracts, including Procurements of Materials and Equipment: In all solicitations, either by competitive bidding or negotiation made by the Contractor for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by the Contractor of the contractor's obligations under this contract and the Nondiscrimination Acts and Authorities on the grounds of race, color, or national origin.

52.04 Information and Reports: The Contractor will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the Sponsor or the Federal Aviation Administration to be pertinent to ascertain compliance with such Nondiscrimination Acts and Authorities and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, the Contractor will so certify to the Sponsor or the Federal Aviation Administration, as appropriate, and will set forth what efforts it has made to obtain the information.

52.05 Sanctions for Noncompliance: In the event of a Contractor's noncompliance with the non-discrimination provisions of this contract, the Sponsor will impose such contract sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:

i) Withholding payments to the Contractor under the contract until the Contractor complies; and/or

ii) Cancelling, terminating, or suspending a contract, in whole or in part.

52.06 Incorporation of Provisions: The Contractor will include the provisions of paragraphs one through six in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations, and directives issued pursuant thereto. The Contractor will take action with respect to any subcontract or procurement as the Sponsor or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the Contractor becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the Contractor may request the Sponsor to enter into any litigation to protect the interests of the Sponsor. In addition, the Contractor may request the United States to enter into the litigation to protect the interests of the United States

Article 53 Federal Non-Discrimination Covenants

Tenant, for himself/herself, his/her heirs, 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:

53.01 In the event facilities are constructed, maintained, or otherwise operated on the property described in this lease for a purpose for which a Federal Aviation Administration activity, facility, or program is extended or for another purpose involving the provision of similar services or benefits, the Tenant will maintain and operate such facilities and services in compliance with all requirements imposed by the Nondiscrimination Acts and Regulations listed in the Title VI List of Pertinent Nondiscrimination Acts and Authorities (as may be amended), such that no person on the grounds of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities.

53.02 With respect to licenses, leases, permits, etc., in the event of breach of any of the above Nondiscrimination covenants, (Title of Sponsor) will have the right to terminate the (lease, license, permit, etc.) and to enter, re-enter, and repossess said lands and facilities thereon, and hold the same as if the (lease, license, permit, etc.) had never been made or issued.

53.03 With respect to a deed, in the event of breach of any of the above Nondiscrimination covenants, the St. Johns County Airport Authority will have the right to enter or re-enter the lands and facilities thereon, and the above-described lands and facilities will there upon revert to and vest in and become the absolute property of the St. Johns County Airport Authority) and its assigns.

In the event of breach of any of the above nondiscrimination covenants, Authority shall have the right to terminate this Lease and to enter, re-enter, and repossess the Premises, and hold the same as if this Lease had never been made or issued.

Article 54 <u>Other Contractual Provisions</u>

54.01 <u>Accord and Satisfaction – Allocation of Payments</u> No payment by Tenant or receipt by Authority 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 Authority may accept such check or payment without prejudice to Authority's right to recover the balance of the Rent or pursue any other remedy provided for in this Lease. In connection with the foregoing, Authority 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.

54.02 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.

54.03 Captions, Articles and Section – Numbers The captions appearing within the body of this Lease have been inserted as a matter of organizational 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.

54.04 Consent. Notwithstanding anything contained in this Lease to the contrary, Tenant shall have no claim, and hereby waives the right to any claim against Authority for money damages by reason of any refusal, withholding or delaying by Authority 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.

54.05 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 Authority's request, deliver a certified copy of a resolution of its board of directors authorizing such execution.

54.06 Counterparts. This Lease may be executed in multiple counterparts, all of which shall constitute one and the same Lease.

54.07 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 Authority shall not be binding on Authority notwithstanding any time interval, until Authority has in fact signed and delivered this Lease to Tenant.

54.08 Further Assurances. The parties agree to promptly sign all ministerial documents reasonably requested to give effect to the provisions of this Lease.

54.09 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.

54.10 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 survive or 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.

54.11 Recording. Tenant shall not record this Lease.

54.12 Entire Agreement. The parties agree that this Lease sets forth the entire agreement between the parties with respect to its subject matter, and there are no promises or understandings other than those stated herein. None of the provisions, terms and conditions contained in this Lease may be added to, modified, superseded or otherwise altered except by written instrument executed by the parties hereto.

54.13 Incorporation by References. Exhibits attached hereto and referenced herein shall be deemed to be incorporated in this Lease by such reference.

54.14 Severability. A final judicial determination by a civil 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.

54.15 Successors and Assigns. This Lease shall apply to and bind the heirs, personal representatives, and permitted successors and assigns of the parties.

54.16 Time of the Essence. Time is of the essence of this Lease.

54.17 Waiver. No delay or omission in the exercise of any right or remedy of Authority 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 Authority 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 and shall not be a waiver of late fees or associated delinquent penalties.

54.18 Authority's consent to or approval of any act by Tenant requiring Authority's consent or approval shall not be deemed to waive or render unnecessary Authority's consent to or approval of any subsequent act by Tenant. Any waiver by Authority 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.

End of Terms

DRAFT

Effective Date: May 6, 2024

BALLYDUFF CONSULTING, LLC

By: ______________________________

Its: ______________________________

Printed Name: ______________________________

Witnessed: ________________________

Printed Name:______________________________

THE ST. JOHNS COUNTY AIRPORT AUTHORITY

By: ______________________________

Its: ______________________________

Printed Name: ______________________________

Witnessed: ________________________

Printed Name:______________________________

APPROVED BY THE BOARD OF DIRECTORS OF THE ST. JOHNS COUNTY AIRPORT AUTHORITY ON:

Date: ______________________________

PREPARED BY, AND APPROVED AS TO FORM:

____
Chad S. Roberts, Esq.
The Roberts Firm, pllc
Aviation Counsel to the St. Johns County Airport Authority

Exhibit "A"

Exhibit "B"

DRAFT

PAYMENT BOND FORM

ST. JOHNS COUNTY AIRPORT AUTHORITY

KNOW ALL MEN BY THESE PRESENTS that ______________, hereinafter referred to as Principal, and ___________________, a corporation organized under the laws of the State of _________________ and licensed to do business in the State of Florida, hereinafter referred to as Surety, are held and firmly bound unto the St. Johns County Airport Authority, as Obligee, hereinafter referred to as Lessor, in the Penal Sum of _______________ DOLLARS ($), for the payment of which sum well and truly made, Principal and Surety bind ourselves, our heirs, personal representatives, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, Principal has leased from Lessor real property at Northeast Florida Regional Airport, in accordance with the Land Lease, Development, and Use Agreement dated __________________ which is incorporated herein by reference, made a part hereof, and is hereinafter referred to as the Lease, and

WHEREAS, Principal has by written agreement dated ______________ entered into a contract, hereinafter referred to as the Contract, with __________________, hereinafter referred to as Contractor, for the construction of improvements to the above-described real property; and

WHEREAS, under the terms of the Lease, Principal is required to indemnify and hold harmless Lessor from and against any and all claims of claimants, as defined in Sections 255.05(1) and 713.01(16), Florida Statutes, for improvements to the above-described real property, and is also required to provide a bond protecting the rights of such claimants to payment for services, labor, materials or supplies used directly or indirectly in the prosecution of the improvements to the above-described real property; and

WHEREAS, Surety is authorized to do business in the State of Florida;

NOW, THEREFORE, the condition of this obligation is such that if Principal shall promptly make payments to all claimants as defined in Sections 255.05(1) and 713.01(16), Florida Statutes, supplying Principal and/or Contractor with services, labor, materials, or supplies, used directly or indirectly by Principal and/or Contractor in the prosecution of the improvements to the above-described real property as provided for in Section 1.14 of the Lease and in the Contract, then this obligation shall be void; otherwise, it shall remain in full force and effect, subject, however, to the following conditions:

This bond is furnished for the purpose of complying with the requirements of Section 255.05, Florida Statutes, to the extent applicable; and for the purpose of exempting any legal or equitable interest in real property owned by Lessor or the Principal from liens, and complying with the requirements of Section 713.23, Florida Statutes, to the extent applicable. It is a specific condition of this bond that a claimant's right of action on the bond is limited to the provisions of

Sections 255.05 and 713.23, Florida Statutes, including, but not limited to, the one-year time limitation within which suits may be brought.

Therefore, a claimant, except a laborer, who is not in privity with the Principal and who has not received payment for his services, labor, materials or supplies shall, within forty-five (45) days after beginning to furnish services, labor, materials or supplies for the prosecution of the work, furnish the Principal with a notice that he intends to look to the bond for protection. Any claimant who has not received payment for his services, labor, materials or supplies shall, within ninety (90) days after performance of the services or labor or completion of delivery of the materials or supplies, deliver to the Principal and to the Surety written notice of the performance of the services or labor or delivery of the materials or supplies and of the nonpayment. No action for the services, labor, materials or supplies may be instituted against the Principal or the Surety unless both notices have been given. No action shall be instituted against the Principal or the Surety on the bond after one (1) year from the performance of the services or labor or completion of the delivery of the materials or supplies.

The Surety's obligations hereunder shall remain in full force and effect notwithstanding (i) amendments or modifications to the Lease or Contract entered into by Lessor, Principal and/or Contractor without the Surety's knowledge or consent, (ii) waivers of compliance with or any default under the Lease or Contract granted by Lessor to Principal or by Principal to Contractor without the Surety's knowledge or consent, (iii) the discharge of Principal from its obligations under the Lease or Contract as a result of any proceeding initiated under The United States Bankruptcy Code, as the same may be amended, or any similar state or federal law, or any limitation of the liability of Principal or its estate as a result of any such proceeding, or (iv) any other action taken by Lessor, Principal or Contractor that would, in the absence of this clause, result in the release or discharge by operation of law of the Surety from its obligations hereunder.

Any changes in or under the Lease or Contract and compliance or noncompliance with any formalities connected with the Lease or Contract or the changes therein shall not affect Surety's obligations under this bond, and Surety hereby waives notice of any such changes. Further, Principal and Surety acknowledge that the Penal Sum of this bond shall increase or decrease in accordance with approved changes or other modifications to the Lease and/or the Contract.

IN WITNESS WHEREOF, the Principal and Surety have executed this instrument under their several seals on the _____ day of _______________, the name and corporate seal of each corporate party being hereto affixed, and these presents fully signed by its undersigned representative, pursuant to authority of its governing body.

Signed, sealed and delivered in the presence of : ________________________________
PRINCIPAL

____

________________________________ By: ________________________________
Name:
Title:

(SEAL)

____
SURETY

________________________________ By: ________________________________
Name:
Title:

(SEAL)

____
(Countersigned by Florida Registered Agent)

Note: If Principal and Surety are corporations, the respective corporate seals shall be affixed and attached.

Surety shall execute and attach a certified copy of Power-of-Attorney appointing individual Attorney-in-Fact for execution of Payment Bond on behalf of Surety.

PERFORMANCE BOND FORM

ST. JOHNS COUNTY AIRPORT AUTHORITY

KNOW ALL MEN BY THESE PRESENTS that _________________________, hereinafter referred to as Principal, and ________________, a corporation organized under the laws of the State of ____________ and licensed to do business in the State of Florida, hereinafter referred to as Surety, are held and firmly bound unto the St. Johns County Airport Authority as Obligee, hereinafter referred to as Lessor, in the Penal Sum of ______________________________ Dollars ($______________) for the payment of which sum well and truly made, Principal and Surety bind ourselves, our heirs, personal representatives, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, Principal has leased from Lessor real property at the Northeast Florida Regional Airport, in accordance with the Land Lease, Development, and Use Agreement, dated ______________ which is incorporated herein by reference, made a part hereof, and is hereinafter referred to as the Lease; and

WHEREAS, Principal has by written agreement dated ___________, entered into a contract, hereinafter referred to as the Contract, with ________________ , hereinafter referred to as Contractor, for the construction of improvements to the above-described real property in accordance with the plans and specifications prepared by________________, dated ____________________, which were approved by Lessor, and which are incorporated herein by reference and made a part hereof, and which are hereinafter referred to as the Plans and Specifications; and

WHEREAS, under the terms of the Lease, Principal is permitted or required to complete the improvements to the above-described property in accordance with the Plans and Specifications and the requirements of the Lease, and is also required to provide a bond guaranteeing the faithful performance of such improvements by the Principal and the Contractor or such replacement contractors as Principal may employ; and

WHEREAS, Surety is authorized to do business in the State of Florida;

NOW, THEREFORE, the condition of this obligation is such that if Principal, by and through Contractor or such replacement contractors as Principal may employ:

Promptly and faithfully completes and performs such improvements in accordance with the Plans and Specifications, the Contract, and the provisions the Land Lease, Development, and Use Agreement in the time and manner prescribed therein,

Pays Lessor all losses, damages, (liquidated or actual), including, but not limited to, damages caused by delays in performance of the Principal or the Contractor, expenses, costs and attorneys' fees, including those incurred in appellate proceedings, that Lessor sustains resulting directly or indirectly from failure of the Principal or the Contractor to complete the improvements in accordance with the Plans and Specifications or the terms of the Contract, or from any breach or default by Principal or the Contractor under the provisions of the Lease in connection therewith., and

Pays Lessor all losses, damages, expenses, costs, attorneys' fees and other legal costs (including, but not limited to, those for investigative and legal support services), including those incurred in appellate proceedings, that the Lessor sustains resulting directly or indirectly from conduct of the Principal or the Contractor, including, but not limited to, want of care or skill, negligence, patent infringement, or intentionally wrongful conduct on the part of the Principal or the Contractor, their officers, agents, employees or any other person or entity for whom the Principal or the Contractor are responsible, then this bond is void; otherwise it shall remain in full force and effect.

In the event that the Principal, individually or by and through the Contractor or such replacement contractors as Principal may employ, shall fail to complete the improvements in accordance with the Plans and Specifications or the terms of the Contract, or to perform any of the terms, covenants and conditions of Section 4.3 of the Lease during the period in which this Performance Bond is in effect, the Surety shall remain liable to the Lessor for all such loss or damage, including reasonable attorneys' fees and other legal costs resulting from any failure to perform up to the amount of the Penal Sum.

In the event that the Surety fails to fulfill its obligations under this Performance Bond, then the Surety shall also indemnify and save the Lessor harmless from any and all loss, damage, cost and expense, including reasonable attorneys' fees and other legal costs for all trial and appellate proceedings, resulting directly or indirectly from the Surety's failure to fulfill its obligations hereunder. This paragraph shall survive the termination or cancellation of this Performance Bond. The obligations set forth in this paragraph shall not be limited by the Penal Sum of this Bond.

The Surety's obligations hereunder shall be direct and immediate and not conditional or contingent upon Lessor's pursuit of its remedies against Principal, and shall remain in full force and effect notwithstanding: (i) amendments or modifications to the Lease or the Contract entered into by Lessor, Principal and/or Contractor without the Surety's knowledge or consent, (ii) waivers of compliance with or any default under the Lease or the Contract granted by Lessor to Principal or by Principal to Contractor without the Surety's knowledge or consent, (iii) the discharge of Principal from its obligations under the Lease or the Contract as a result of any proceeding initiated under The Bankruptcy Code of 1978, as the same may be amended, or any similar state or federal law, or any limitation of the liability of Principal or its estate as a result of any such proceedings, or (iv) any other action taken by Lessor or Principal or Contractor that would, in the absence of this clause, result in the release or discharge by operation of law of the Surety from its obligations hereunder.

The institution of suit upon this Bond is subject to a statute of limitations of four (4) years for claims arising out of the actual construction of improvements and five (5) years for all other claims arising out of this written contract, as set forth in Section 95.11, Florida Statutes.

Any changes in or under the Lease or the Contract and compliance or noncompliance with any formalities connected with the Lease or the Contract or the changes therein shall not affect Surety's obligations under this bond, and Surety hereby waives notice of any such changes. Further, Principal and Surety acknowledge that the Penal Sum of this bond shall increase or decrease in accordance with approved changes or other modifications to the Lease and/or the Contract.

IN WITNESS WHEREOF, the Principal and Surety have executed this instrument under their several seals on the ____ day of ________________, the name and corporate seal of each corporate party being hereto affixed, and these presents fully signed by its undersigned representative, pursuant to the authority of its governing body.

Signed, sealed and delivered in the presence of :

____
PRINCIPAL

____

____

By: ______________________________
Name:
Title:

(SEAL)

____
SURETY

____

By: ______________________________
Name:
Title:

____

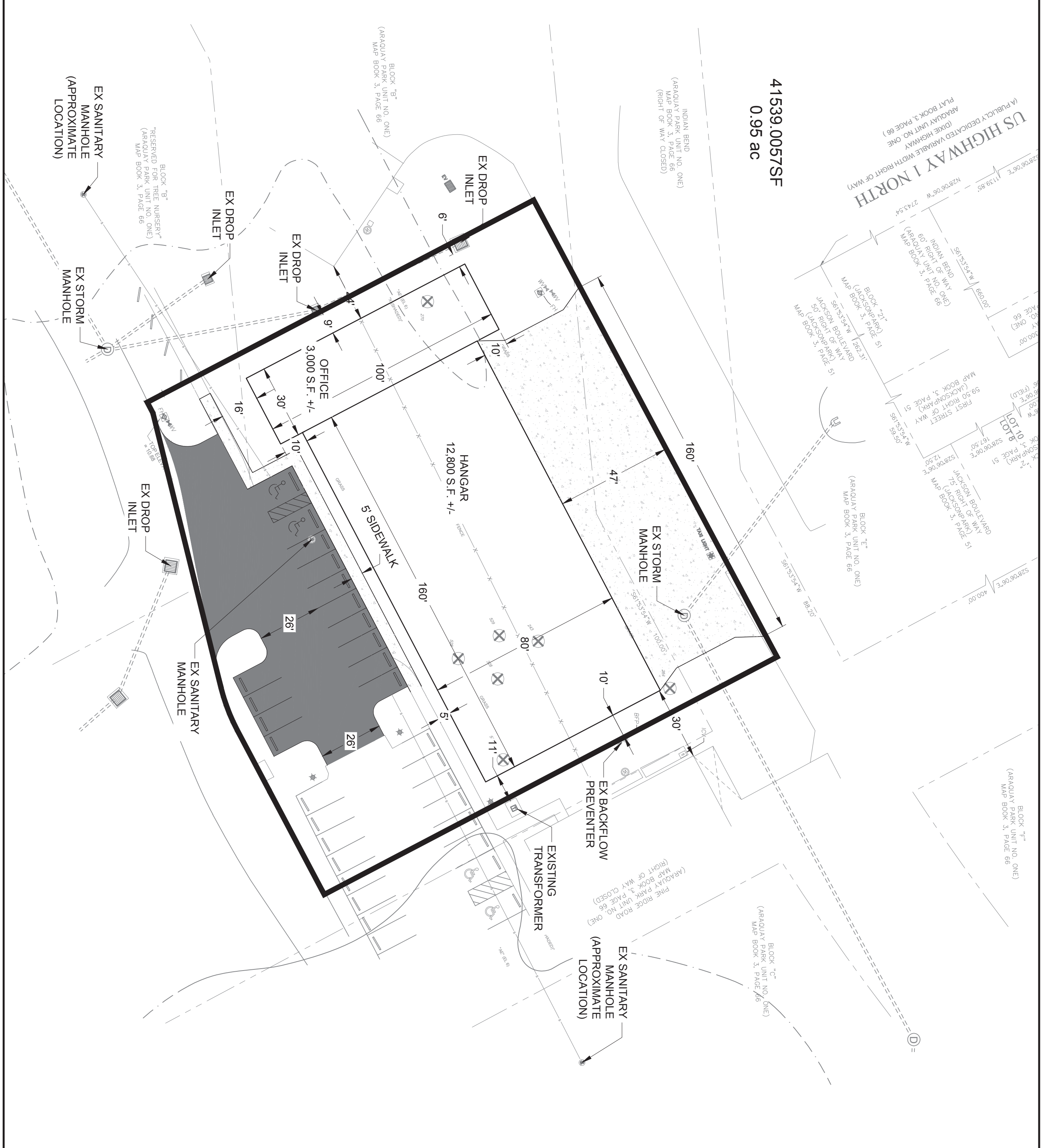
(SEAL)

____
(Countersigned by Florida Registered Agent)

NOTE: If Principal and Surety are corporations, the respective corporate seals shall be affixed and attached.

Surety shall execute and attach a certified copy of Power of Attorney Appointing Individual Attorney-In Fact for execution of Performance Bond on behalf of Surety.

S:\PROJECTS\23000\23242 - SOLANO HANGAR\ENG\DRAWINGS\CONCEPT\23242 - CONCEPT PLAN.DWG_09-SITE PLAN, 2/3/2024 1:02 PM, Dylan Scanlon, MATTHEWS | DCCM, INC.




VICINITY MAP
N.T.S.

CONCEPT PLAN SOLANO HANGAR ST JOHNS COUNTY PREPARED FOR	MATTHEWS | DCCM P.O. BOX 3126, 7 WALDO STREET ST. AUGUSTINE, FL 32084 PHONE: 904.826.1334 • FAX: 904.826.4547 INFO@MDGINC.COM	DSGN BY: NRH DWG BY: NRH CHK BY: ARA DATE: JOB No.: 23242	REGISTERED ENGINEER ALEX R. ACREE, P.E. CA#26535 FL#73155

SHEET No. 1 OF 1

REVISIONS

NO.	DATE	DESCRIPTION

This item has been digitally signed and sealed by ENGINEER OF RECORD on the date adjacent to the seal.
Printed copies of this document are not considered signed and sealed and the signature must be verified on any electronic copies.

ST. AUGUSTINE/ST JOHNS COUNTY AIRPORT AUTHORITY

Briefing Memorandum

To: Board of Directors
From: Courtney Pittman, Interim Executive Director
Date: March 11, 2026
Subject: Airfield Capacity Enhancement Study (Phase 1) – FDOT PTGA 433126-7-94-01

I. Purpose

The purpose of this briefing is to present the proposed scope and strategic rationale for initiating the Airfield Capacity Enhancement Study (Phase 1) and to request Board direction on whether to proceed under FDOT PTGA Project No. 433126-7-94-01 or return the funds to FDOT.

This study is intended to determine when St. Augustine Airport (SGJ) will exceed practical airfield capacity and to establish a defensible roadmap for phased operational and infrastructure improvements.

II. Background

SGJ currently supports approximately 140,000–150,000 annual aircraft operations. The airport's practical Annual Service Volume (ASV) is approximately 200,000 operations, placing current utilization near 70% of practical capacity without excessive delay.

The FDOT PTGA provides:

- Project: 433126-7-94-01
- Total Study Cost: $125,000
    - FDOT (80%): $100,000
    - Authority (20%): $25,000
- Expiration: October 27, 2027
- Board Action Required: Proceed with study or return funds in full to FDOT.

Given continued regional growth, expanding corporate aviation activity, and flight training operations, proactive capacity planning is strategically prudent.

III. Study Objectives

The proposed study will:

1. Validate existing airfield capacity assumptions using FAA-approved modeling tools.
2. Identify operational bottlenecks (hourly, daily, and seasonal—not solely annual totals).
3. Forecast aviation demand over 5-, 10-, and 20-year horizons.
4. Evaluate capacity-enhancing alternatives before concluding that a new runway is necessary.
5. Establish measurable operational trigger points for future capital investment.

6. Develop a phased implementation strategy aligned with funding eligibility and land availability.

The study will align with FAA Advisory Circulars 150/5070-6B (Master Planning) and 150/5060-5 (Airport Capacity and Delay).

IV. Key Analytical Components

A. Existing Conditions Assessment

- Runway 13/31 and Runway 6/24 geometry
- Taxiway configuration and separation standards
- Fleet mix and training operations
- Weather impacts (VFR/IFR rates)
- Tower constraints
- Peak-hour saturation analysis

B. Capacity Validation

- Confirm 200,000 ASV using FAA Airfield Capacity Model (ACM)
- Evaluate mix index and touch-and-go impacts
- Identify peak-hour capacity thresholds

C. Demand Forecasting

- Low, moderate, and high-growth scenarios
- Regional population growth impacts
- Corporate and training expansion
- Fleet mix evolution
- Peak month and peak hour projections

V. Alternatives Analysis

The study will evaluate a structured range of alternatives:

Alternative 1 – Optimize Existing Runway 13-31

- Taxiway improvements
- Run-up area expansion
- Hold short reconfiguration
- High-speed exit analysis

Alternative 2 – Extend Taxiway B (Full-Length Parallel)

- Separation compliance
- Environmental and permitting impacts
- ATC and airspace implications

Alternative 3 – West-Side 3,000'–4,000' Runway (West of US-1)

- Orientation and separation standards
- Airspace integration
- ATC coordination
- Land availability
- Environmental impacts

Alternative 4 – Operational Segmentation

- Dedicate 4,000' runway to training/light GA
- Preserve 8,000' runway for jets/turboprops
- Reduce mix index and increase effective capacity

The intent is to exhaust operational and geometry improvements before concluding that additional runway infrastructure is required.

VI. Infrastructure & Environmental Considerations

A potential west-side runway would require:

- Big Oak Road access upgrades
- Water, sewer, and stormwater extensions
- Electrical and fuel infrastructure
- Secure perimeter expansion
- Wetlands mitigation and environmental screening
- Preliminary airspace obstruction review (FAA Form 7460)

Estimated order-of-magnitude costs:

- 4,000' runway + taxiway: $15–25M+
- Infrastructure extensions: $10–30M+
- GA development: $10–25M+
- Environmental mitigation: variable (millions)

Infrastructure and landside costs may exceed airfield construction costs.

VII. Deliverable

The primary deliverable will answer:

- When will SGJ exceed practical ASV?
- When should the Authority begin planning and design for additional capacity?
- What operational trigger points justify capital investment?
- What phased strategy aligns with FAA and FDOT funding eligibility?

VIII. Strategic Considerations

Proceeding with the study provides:

- Data-driven capital planning
- Regulatory alignment with FAA standards
- Land-use protection west of US-1 before incompatible development occurs
- Improved eligibility positioning for future AIP and FDOT funding
- Risk mitigation against unplanned peak-hour saturation

Returning funds may delay planning and reduce future funding competitiveness.

IX. Fiscal Impact

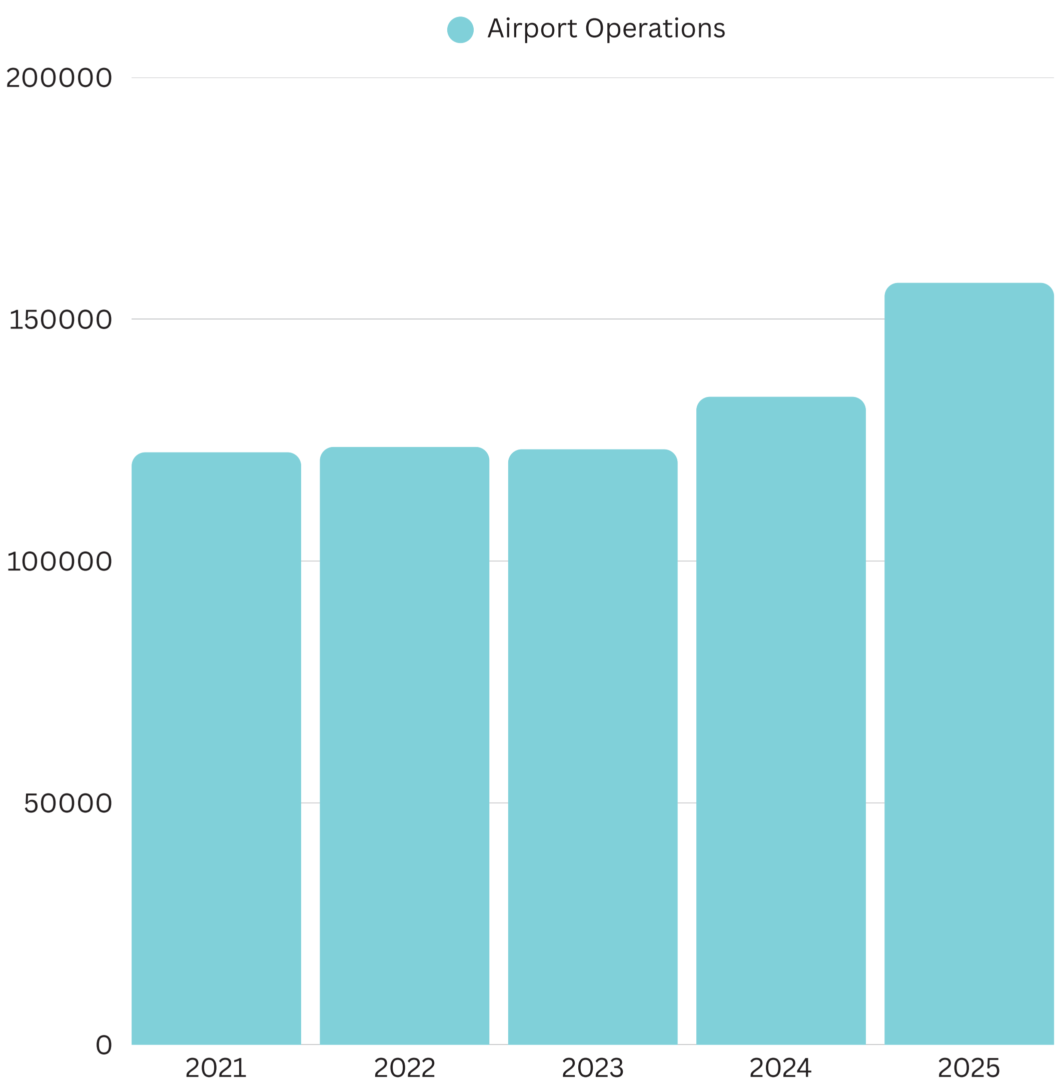
Authority match required: $25,000.

The study does not commit the Authority to any runway construction; it establishes analytical groundwork and measurable triggers.

X. Recommendation

Staff recommends proceeding with the Airfield Capacity Enhancement Study (Phase 1) under FDOT PTGA 433126-7-94-01.

Board direction is requested.



Totals

2021- 122,479

2022-123,587

2023-123,099

2024-133,957

2025-157,518

ST. AUGUSTINE/ST JOHNS COUNTY AIRPORT AUTHORITY

Briefing Memorandum

To: Board of Directors
From: Courtney Pittman, Interim Executive Director
Date: March 11, 2026
Subject: Approval of FDOT Public Transportation Grant Agreement (PTGA) – Hangar and Taxilane Development

I. Purpose

The purpose of this briefing is to present a Public Transportation Grant Agreement (PTGA) from the Florida Department of Transportation (FDOT) Aviation Office for Board consideration and to request authorization for the Executive Director to execute the agreement on behalf of the St. Augustine–St. Johns County Airport Authority.

II. Background

The Florida Department of Transportation provides funding support to publicly owned airports through the Aviation Grant Program (CSFA 55.004) to assist with aviation infrastructure development and improvements.

The proposed agreement provides financial assistance to the Authority for the design and construction of new hangar facilities and associated taxilanes at Northeast Florida Regional Airport (SGJ).

These improvements support the airport's continued development of aviation infrastructure, including additional hangar capacity, airfield access improvements, and associated operational enhancements.

III. Project Overview

Project: NE FL REG APT Design and Construct Hangar & Taxilanes
FDOT Financial Management Number: 433126-2-94-26
Location: Northeast Florida Regional Airport – St. Augustine, Florida

The project includes the development of new aviation facilities and supporting infrastructure, including:

- Construction of hangar facilities
- Associated taxilanes and aircraft access areas
- Pavement improvements including aprons and driveways
- Drainage and stormwater improvements
- Utilities and supporting infrastructure
- Lighting, signage, fencing, and security systems
- Survey, geotechnical analysis, design, and construction inspection services

The project will also include improvements to airport ground access areas, parking areas, and drainage infrastructure necessary to support the development.

IV. Financial Summary

The total estimated project cost is $2,000,000.

Funding participation is structured as follows:

Funding Source	Amount	Percentage
FDOT Aviation Grant	$1,000,000	50%
Airport Authority Local Match	$1,000,000	50%
Total Project Cost	$2,000,000	100%

State funding is provided through multiple FDOT aviation funding sources within the Aviation Grant Program.

V. Agreement Term

The agreement will become effective upon execution by both parties and will remain in effect through March 31, 2029, unless extended by written agreement between FDOT and the Airport Authority.

VI. Grant Administration and Compliance

Under the terms of the PTGA, the Authority agrees to:

- Administer the project in accordance with FDOT grant requirements
- Maintain appropriate financial records and documentation
- Submit invoices and progress reports for reimbursement
- Maintain project records for audit purposes
- Ensure compliance with applicable federal, state, and local laws and regulations

Eligible costs will be reimbursed by FDOT based on approved project deliverables and supporting documentation submitted by the Authority.

VII. Strategic Importance

This project supports several strategic objectives of the Airport Authority, including:

- Expanding hangar capacity to support continued aviation growth
- Improving airfield access and aircraft circulation

- Leveraging state funding to reduce local capital expenditure
- Advancing infrastructure improvements identified in the airport's Capital Improvement Program (CIP)

State participation in this project reinforces the airport's role within Florida's statewide aviation system and supports continued economic development activity at SGJ.

VIII. Attachments

The following document is provided for Board review:

• FDOT Public Transportation Grant Agreement (PTGA) – Financial Project No. 433126-2-94-26

IX. Board Action Requested

Staff recommend that the Board:

1. Approve the Public Transportation Grant Agreement (PTGA) with the Florida Department of Transportation for the Hangar and Taxilane Development Project.
2. Adopt the required authorizing resolution for execution of the PTGA.
3. Authorize the Executive Director to execute the agreement and associated documents necessary to administer the grant.

X. Next Steps

Upon Board approval, staff will:

- Execute the PTGA with FDOT
- Coordinate project implementation with engineering consultants and contractors
- Administer grant reporting and reimbursement requirements
- Provide periodic updates to the Board regarding project progress

PUBLIC TRANSPORTATION GRANT AGREEMENT

Financial Project Number(s): (item-segment-phase-sequence)		Fund(s):	DDR,DPTO	FLAIR Category:	088719
433126-2-94-26		Work Activity Code/Function:	215	Object Code:	751000
		Federal Award Identification Number (FAIN) – Transit only:	N/A	Org. Code:	55022020228
				Vendor Number:	VF591163738001
Contract Number:		Federal Award Date:	N/A		
CFDA Number:	N/A	Agency UEI Number:			
CFDA Title:	N/A				
CSFA Number:	55.004				
CSFA Title:	Aviation Grant Program				

THIS PUBLIC TRANSPORTATION GRANT AGREEMENT ("Agreement") is entered into ____________________________, by and between the State of Florida, Department of Transportation, ("Department"), and St Johns County Airport Authority, ("Agency"). The Department and the Agency are sometimes referred to in this Agreement as a "Party" and collectively as the "Parties."

NOW, THEREFORE, in consideration of the mutual benefits to be derived from joint participation on the Project, the Parties agree to the following:

1. **Authority.** The Agency, by Resolution or other form of official authorization, a copy of which is attached as **Exhibit "D", Agency Resolution** and made a part of this Agreement, has authorized its officers to execute this Agreement on its behalf. The Department has the authority pursuant to Section(s) 332.007, Florida Statutes, to enter into this Agreement.

2. **Purpose of Agreement.** The purpose of this Agreement is to provide for the Department's participation in NE FL REG APT DESIGN AND CONSTRUCT HANGAR & TAXILANES PFL0013097, as further described in **Exhibit "A", Project Description and Responsibilities**, attached and incorporated into this Agreement ("Project"), to provide Department financial assistance to the Agency, state the terms and conditions upon which Department funds will be provided, and to set forth the manner in which the Project will be undertaken and completed.

3. **Program Area.** For identification purposes only, this Agreement is implemented as part of the Department program area selected below (select all programs that apply):

   X **Aviation**
   _ **Seaports**
   _ **Transit**
   _ **Intermodal**
   _ **Rail Crossing Closure**
   _ **Match to Direct Federal Funding** (Aviation or Transit)
   (Note: Section 15 and Exhibit G do not apply to federally matched funding)
   _ **Other**

4. **Exhibits.** The following Exhibits are attached and incorporated into this Agreement:

   X Exhibit A: Project Description and Responsibilities
   X Exhibit B: Schedule of Financial Assistance
   _ *Exhibit B1: Deferred Reimbursement Financial Provisions
   _ *Exhibit B2: Advance Payment Financial Provisions
   _ *Exhibit B3: Alternative Advanced Pay (Transit Bus Program)
   X *Exhibit C: Terms and Conditions of Construction
   X Exhibit D: Agency Resolution
   X Exhibit E: Program Specific Terms and Conditions
   X Exhibit E1: Prohibition Based on Health Care Choices
   _ Exhibit E2: Exterior Vehicle Wrap, Tinting, Paint, Marketing and Advertising (Transit)

X Exhibit E3: Geoengineering and Weather Modification Reporting (Aviation)
X Exhibit E4: Energy Policy Goals Reporting
X Exhibit F: Contract Payment Requirements
X *Exhibit G: Audit Requirements for Awards of State Financial Assistance
__ *Exhibit H: Audit Requirements for Awards of Federal Financial Assistance
__ *Exhibit I: Certification of Disbursement of Payment to Vehicle and/or Equipment Vendor
__ *Additional Exhibit(s):

*Indicates that the Exhibit is only attached and incorporated if applicable box is selected.

5. **Time.** Unless specified otherwise, all references to “days” within this Agreement refer to calendar days.

6. **Term of Agreement.** This Agreement shall commence upon full execution by both Parties (“Effective Date”) and continue through March 31, 2029. If the Agency does not complete the Project within this time period, this Agreement will expire unless an extension of the time period is requested by the Agency and granted in writing by the Department prior to the expiration of this Agreement. Expiration of this Agreement will be considered termination of the Project. The cost of any work performed prior to the Effective Date or after the expiration date of this Agreement will not be reimbursed by the Department.

   a. __ If this box is checked the following provision applies:

   Unless terminated earlier, work on the Project shall commence no later than the __ day of __, or within __ days of the issuance of the Notice to Proceed for the construction phase of the Project (if the Project involves construction), whichever date is earlier. The Department shall have the option to immediately terminate this Agreement should the Agency fail to meet the above-required dates.

7. **Amendments, Extensions, and Assignment.** This Agreement may be amended or extended upon mutual written agreement of the Parties. This Agreement shall not be renewed. This Agreement shall not be assigned, transferred, or otherwise encumbered by the Agency under any circumstances without the prior written consent of the Department.

8. **Termination or Suspension of Project.** The Department may, by written notice to the Agency, suspend any or all of the Department’s obligations under this Agreement for the Agency’s failure to comply with applicable law or the terms of this Agreement until such time as the event or condition resulting in such suspension has ceased or been corrected.

   a. Notwithstanding any other provision of this Agreement, if the Department intends to terminate the Agreement, the Department shall notify the Agency of such termination in writing at least thirty (30) days prior to the termination of the Agreement, with instructions to the effective date of termination or specify the stage of work at which the Agreement is to be terminated.

   b. The Parties to this Agreement may terminate this Agreement when its continuation would not produce beneficial results commensurate with the further expenditure of funds. In this event, the Parties shall agree upon the termination conditions.

   c. If the Agreement is terminated before performance is completed, the Agency shall be paid only for that work satisfactorily performed for which costs can be substantiated. Such payment, however, may not exceed the equivalent percentage of the Department’s maximum financial assistance. If any portion of the Project is located on the Department’s right-of-way, then all work in progress on the Department right-of-way will become the property of the Department and will be turned over promptly by the Agency.

   d. In the event the Agency fails to perform or honor the requirements and provisions of this Agreement, the Agency shall promptly refund in full to the Department within thirty (30) days of the termination of the Agreement any funds that were determined by the Department to have been expended in violation of the Agreement.

e. The Department reserves the right to unilaterally cancel this Agreement for failure by the Agency to comply with the Public Records provisions of Chapter 119, Florida Statutes.

9. Project Cost:

a. The estimated total cost of the Project is $2,000,000. This amount is based upon **Exhibit "B", Schedule of Financial Assistance**. The timeline for deliverables and distribution of estimated amounts between deliverables within a grant phase, as outlined in **Exhibit "B", Schedule of Financial Assistance**, may be modified by mutual written agreement of the Parties and does not require execution of an **Amendment to the Public Transportation Grant Agreement**. The timeline for deliverables and distribution of estimated amounts between grant phases requires an amendment executed by both Parties in the same form as this Agreement.

b. The Department agrees to participate in the Project cost up to the maximum amount of $1,000,000 and, the Department's participation in the Project shall not exceed 50.00% of the total eligible cost of the Project, and as more fully described in **Exhibit "B", Schedule of Financial Assistance**. The Agency agrees to bear all expenses in excess of the amount of the Department's participation and any cost overruns or deficits involved.

10. Compensation and Payment:

a. Eligible Cost. The Department shall reimburse the Agency for allowable costs incurred as described in **Exhibit "A"**, **Project Description and Responsibilities**, and as set forth in **Exhibit "B", Schedule of Financial Assistance**.

b. Deliverables. The Agency shall provide quantifiable, measurable, and verifiable units of deliverables. Each deliverable must specify the required minimum level of service to be performed and the criteria for evaluating successful completion. The Project and the quantifiable, measurable, and verifiable units of deliverables are described more fully in **Exhibit "A", Project Description and Responsibilities**. Modifications to the deliverables in **Exhibit "A", Project Description and Responsibilities** requires a formal written amendment.

c. Invoicing. Invoices shall be submitted no more often than monthly by the Agency in detail sufficient for a proper pre-audit and post-audit, based on the quantifiable, measurable, and verifiable deliverables as established in **Exhibit "A", Project Description and Responsibilities**. Deliverables and costs incurred must be received and approved by the Department prior to reimbursement. Requests for reimbursement by the Agency shall include an invoice, progress report, and supporting documentation for the deliverables being billed that are acceptable to the Department. The Agency shall use the format for the invoice and progress report that is approved by the Department.

d. Supporting Documentation. Supporting documentation must establish that the deliverables were received and accepted in writing by the Agency and must also establish that the required minimum standards or level of service to be performed based on the criteria for evaluating successful completion as specified in **Exhibit "A", Project Description and Responsibilities** has been met. All costs invoiced shall be supported by properly executed payrolls, time records, invoices, contracts, or vouchers evidencing in proper detail the nature and propriety of charges as described in **Exhibit "F", Contract Payment Requirements**.

e. Travel Expenses. The selected provision below is controlling regarding travel expenses:

X Travel expenses are NOT eligible for reimbursement under this Agreement.

__ Travel expenses ARE eligible for reimbursement under this Agreement. Bills for travel expenses specifically authorized in this Agreement shall be submitted on the Department's Contractor Travel Form No. 300-000-06 and will be paid in accordance with Section 112.061, Florida Statutes, and the most current version of the Department's Disbursement Handbook for Employees and Managers.

f. Financial Consequences. Payment shall be made only after receipt and approval of deliverables and costs incurred unless advance payments are authorized by the Chief Financial Officer of the State of Florida under Chapters 215 and 216, Florida Statutes, or the Department's Comptroller under Section 334.044(29), Florida Statutes. If the Department determines that the performance of the Agency is unsatisfactory, the Department shall notify the Agency of the deficiency to be corrected, which correction shall be made within a time-frame to be specified by the Department. The Agency shall, within thirty (30) days after notice from the Department, provide the Department with a corrective action plan describing how the Agency will address all issues of contract non-performance, unacceptable performance, failure to meet the minimum performance levels, deliverable deficiencies, or contract non-compliance. If the corrective action plan is unacceptable to the Department, the Agency will not be reimbursed. If the deficiency is subsequently resolved, the Agency may bill the Department for the amount that was previously not reimbursed during the next billing period. If the Agency is unable to resolve the deficiency, the funds shall be forfeited at the end of the Agreement's term.

g. Invoice Processing. An Agency receiving financial assistance from the Department should be aware of the following time frames. Inspection or verification and approval of deliverables shall take no longer than 20 days from the Department's receipt of the invoice. The Department has 20 days to deliver a request for payment (voucher) to the Department of Financial Services. The 20 days are measured from the latter of the date the invoice is received or the deliverables are received, inspected or verified, and approved.

If a payment is not available within 40 days, a separate interest penalty at a rate as established pursuant to Section 55.03(1), Florida Statutes, will be due and payable, in addition to the invoice amount, to the Agency. Interest penalties of less than one (1) dollar will not be enforced unless the Agency requests payment. Invoices that have to be returned to an Agency because of Agency preparation errors will result in a delay in the payment. The invoice payment requirements do not start until a properly completed invoice is provided to the Department.

A Vendor Ombudsman has been established within the Department of Financial Services. The duties of this individual include acting as an advocate for Agency who may be experiencing problems in obtaining timely payment(s) from a state agency. The Vendor Ombudsman may be contacted at (850) 413-5516.

h. Records Retention. The Agency shall maintain an accounting system or separate accounts to ensure funds and projects are tracked separately. Records of costs incurred under the terms of this Agreement shall be maintained and made available upon request to the Department at all times during the period of this Agreement and for five years after final payment is made. Copies of these records shall be furnished to the Department upon request. Records of costs incurred include the Agency's general accounting records and the Project records, together with supporting documents and records, of the Contractor and all subcontractors performing work on the Project, and all other records of the Contractor and subcontractors considered necessary by the Department for a proper audit of costs.

i. Progress Reports. Upon request, the Agency agrees to provide progress reports to the Department in the standard format used by the Department and at intervals established by the

Department. The Department will be entitled at all times to be advised, at its request, as to the status of the Project and of details thereof.

j. **Submission of Other Documents.** The Agency shall submit to the Department such data, reports, records, contracts, and other documents relating to the Project as the Department may require as listed in **Exhibit "E", Program Specific Terms and Conditions** attached to and incorporated into this Agreement.

k. **Offsets for Claims.** If, after Project completion, any claim is made by the Department resulting from an audit or for work or services performed pursuant to this Agreement, the Department may offset such amount from payments due for work or services done under any agreement that it has with the Agency owing such amount if, upon written demand, payment of the amount is not made within 60 days to the Department. Offsetting any amount pursuant to this paragraph shall not be considered a breach of contract by the Department.

l. **Final Invoice.** The Agency must submit the final invoice on the Project to the Department within 120 days after the completion of the Project. Invoices submitted after the 120-day time period may not be paid.

m. **Department's Performance and Payment Contingent Upon Annual Appropriation by the Legislature.** The Department's performance and obligation to pay under this Agreement is contingent upon an annual appropriation by the Legislature. If the Department's funding for this Project is in multiple fiscal years, a notice of availability of funds from the Department's project manager must be received prior to costs being incurred by the Agency. See **Exhibit "B", Schedule of Financial Assistance** for funding levels by fiscal year. Project costs utilizing any fiscal year funds are not eligible for reimbursement if incurred prior to funds approval being received. The Department will notify the Agency, in writing, when funds are available.

n. **Limits on Contracts Exceeding $25,000 and Term more than 1 Year.** In the event this Agreement is in excess of $25,000 and has a term for a period of more than one year, the provisions of Section 339.135(6)(a), Florida Statutes, are hereby incorporated:

> "The Department, during any fiscal year, shall not expend money, incur any liability, or enter into any contract which, by its terms, involves the expenditure of money in excess of the amounts budgeted as available for expenditure during such fiscal year. Any contract, verbal or written, made in violation of this subsection is null and void, and no money may be paid on such contract. The Department shall require a statement from the comptroller of the Department that funds are available prior to entering into any such contract or other binding commitment of funds. Nothing herein contained shall prevent the making of contracts for periods exceeding 1 year, but any contract so made shall be executory only for the value of the services to be rendered or agreed to be paid for in succeeding fiscal years; and this paragraph shall be incorporated verbatim in all contracts of the Department which are for an amount in excess of $25,000 and which have a term for a period of more than 1 year."

o. **Agency Obligation to Refund Department.** Any Project funds made available by the Department pursuant to this Agreement that are determined by the Department to have been expended by the Agency in violation of this Agreement or any other applicable law or regulation shall be promptly refunded in full to the Department. Acceptance by the Department of any documentation or certifications, mandatory or otherwise permitted, that the Agency files shall not constitute a waiver of the Department's rights as the funding agency to verify all information at a later date by audit or investigation.

p. **Non-Eligible Costs.** In determining the amount of the payment, the Department will exclude all Project costs incurred by the Agency prior to the execution of this Agreement, costs incurred after the expiration of the Agreement, costs that are not provided for in **Exhibit "A"**, **Project Description and Responsibilities**, and as set forth in **Exhibit "B", Schedule of Financial Assistance**, costs agreed to be borne by the Agency or its contractors and subcontractors for not meeting the Project commencement and final invoice time lines, and costs attributable to goods or services received under a contract or other arrangement that has not been approved in writing by the Department. Specific unallowable costs may be listed in **Exhibit "A"**, **Project Description and Responsibilities.**

11. **General Requirements.** The Agency shall complete the Project with all practical dispatch in a sound, economical, and efficient manner, and in accordance with the provisions in this Agreement and all applicable laws.

a. **Necessary Permits Certification.** The Agency shall certify to the Department that the Agency's design consultant and/or construction contractor has secured the necessary permits.

b. **Right-of-Way Certification.** If the Project involves construction, then the Agency shall provide to the Department certification and a copy of appropriate documentation substantiating that all required right-of-way necessary for the Project has been obtained. Certification is required prior to authorization for advertisement for or solicitation of bids for construction of the Project, even if no right-of-way is required.

c. **Notification Requirements When Performing Construction on Department's Right-of-Way.** In the event the cost of the Project is greater than $250,000.00, and the Project involves construction on the Department's right-of-way, the Agency shall provide the Department with written notification of either its intent to:

i. Require the construction work of the Project that is on the Department's right-of-way to be performed by a Department prequalified contractor, or

ii. Construct the Project utilizing existing Agency employees, if the Agency can complete said Project within the time frame set forth in this Agreement.

d. _ If this box is checked, then the Agency is permitted to utilize its own forces and the following provision applies: **Use of Agency Workforce.** In the event the Agency proceeds with any phase of the Project utilizing its own forces, the Agency will only be reimbursed for direct costs (this excludes general overhead).

e. _ If this box is checked, then the Agency is permitted to utilize **Indirect Costs: Reimbursement for Indirect Program Expenses** (select one):

i. _ Agency has selected to seek reimbursement from the Department for actual indirect expenses (no rate).

ii. _ Agency has selected to apply a de minimus rate of 15% to modified total direct costs. Note: The de minimus rate is available only to entities that have never had a negotiated indirect cost rate. When selected, the de minimus rate must be used consistently for all federal awards until such time the agency chooses to negotiate a rate. A cost policy statement and de minimis certification form must be submitted to the Department for review and approval.

iii. _ Agency has selected to apply a state or federally approved indirect cost rate. A federally approved rate agreement or indirect cost allocation plan (ICAP) must be submitted annually.

f. **Agency Compliance with Laws, Rules, and Regulations, Guidelines, and Standards.** The Agency shall comply and require its contractors and subcontractors to comply with all terms and conditions of this Agreement and all federal, state, and local laws and regulations applicable to this Project.

g. **Claims and Requests for Additional Work.** The Agency shall have the sole responsibility for resolving claims and requests for additional work for the Project. The Agency will make best efforts to obtain the Department's input in its decisions. The Department is not obligated to reimburse for claims or requests for additional work.

12. **Contracts of the Agency:**

a. **Approval of Third Party Contracts.** The Department specifically reserves the right to review and approve any and all third party contracts with respect to the Project before the Agency executes or obligates itself in any manner requiring the disbursement of Department funds, including consultant and purchase of commodities contracts, or amendments thereto. If the Department chooses to review and approve third party contracts for this Project and the Agency fails to obtain such approval, that shall be sufficient cause for nonpayment by the Department. The Department specifically reserves unto itself the right to review the qualifications of any consultant or contractor and to approve or disapprove the employment of the same. If Federal Transit Administration (FTA) funds are used in the Project, the Department must exercise the right to third party contract review.

b. **Procurement of Commodities or Contractual Services.** It is understood and agreed by the Parties hereto that participation by the Department in a project with the Agency, where said project involves the purchase of commodities or contractual services where purchases or costs exceed the Threshold Amount for CATEGORY TWO per Section 287.017, Florida Statutes, is contingent on the Agency complying in full with the provisions of Section 287.057, Florida Statutes. The Agency's Authorized Official shall certify to the Department that the Agency's purchase of commodities or contractual services has been accomplished in compliance with Section 287.057, Florida Statutes. It shall be the sole responsibility of the Agency to ensure that any obligations made in accordance with this Section comply with the current threshold limits. Contracts, purchase orders, task orders, construction change orders, or any other agreement that would result in exceeding the current budget contained in **Exhibit "B", Schedule of Financial Assistance**, or that is not consistent with the Project description and scope of services contained in **Exhibit "A", Project Description and Responsibilities** must be approved by the Department prior to Agency execution. Failure to obtain such approval, and subsequent execution of an amendment to the Agreement if required, shall be sufficient cause for nonpayment by the Department, in accordance with this Agreement.

c. **Consultants' Competitive Negotiation Act.** It is understood and agreed by the Parties to this Agreement that participation by the Department in a project with the Agency, where said project involves a consultant contract for professional services, is contingent on the Agency's full compliance with provisions of Section 287.055, Florida Statutes, Consultants' Competitive Negotiation Act. In all cases, the Agency's Authorized Official shall certify to the Department that selection has been accomplished in compliance with the Consultants' Competitive Negotiation Act.

d. **Disadvantaged Business Enterprise (DBE) Policy and Obligation.** It is the policy of the Department that DBEs, as defined in 49 C.F.R. Part 26, as amended, shall have the opportunity to participate in the performance of contracts financed in whole or in part with Department funds under this Agreement. The DBE requirements of applicable federal and state laws and regulations apply to this Agreement. The Agency and its contractors agree to ensure that DBEs have the opportunity to participate in the performance of this Agreement. In this regard, all recipients and contractors shall take all necessary and reasonable steps in accordance with applicable federal and state laws and regulations to ensure that the DBEs have the opportunity to compete for and perform contracts. The Agency and its contractors and subcontractors shall not discriminate on the basis of race, color, national origin or sex in the award and performance of contracts, entered pursuant to this Agreement.

13. **Maintenance Obligations**. In the event the Project includes construction or the acquisition of commodities then the following provisions are incorporated into this Agreement:

    a. The Agency agrees to accept all future maintenance and other attendant costs occurring after completion of the Project for all improvements constructed or commodities acquired as part of the Project. The terms of this provision shall survive the termination of this Agreement.

14. **Sale, Transfer, or Disposal of Department-funded Property:**

    a. The Agency will not sell or otherwise transfer or dispose of any part of its title or other interests in real property, facilities, or equipment funded in any part by the Department under this Agreement without prior written approval by the Department.

    b. If a sale, transfer, or disposal by the Agency of all or a portion of Department-funded real property, facilities, or equipment is approved by the Department, the following provisions will apply:

    i. The Agency shall reimburse the Department a proportional amount of the proceeds of the sale of any Department-funded property.

    ii. The proportional amount shall be determined on the basis of the ratio of the Department funding of the development or acquisition of the property multiplied against the sale amount, and shall be remitted to the Department within ninety (90) days of closing of sale.

    iii. Sale of property developed or acquired with Department funds shall be at market value as determined by appraisal or public bidding process, and the contract and process for sale must be approved in advance by the Department.

    iv. If any portion of the proceeds from the sale to the Agency are non-cash considerations, reimbursement to the Department shall include a proportional amount based on the value of the non-cash considerations.

    c. The terms of provisions “a” and “b” above shall survive the termination of this Agreement.

    i. The terms shall remain in full force and effect throughout the useful life of facilities developed, equipment acquired, or Project items installed within a facility, but shall not exceed twenty (20) years from the effective date of this Agreement.

    ii. There shall be no limit on the duration of the terms with respect to real property acquired with Department funds.

15. **Single Audit.** The administration of Federal or State resources awarded through the Department to the Agency by this Agreement may be subject to audits and/or monitoring by the Department. The following requirements do not limit the authority of the Department to conduct or arrange for the conduct of additional audits or evaluations of Federal awards or State financial assistance or limit the authority of any state agency inspector general, the State of Florida Auditor General, or any other state official. The Agency shall comply with all audit and audit reporting requirements as specified below.

Federal Funded:

a. In addition to reviews of audits conducted in accordance with 2 CFR Part 200, Subpart F – Audit Requirements, monitoring procedures may include but not be limited to on-site visits by Department staff and/or other procedures, including reviewing any required performance and financial reports, following up, ensuring corrective action, and issuing management decisions on weaknesses found through audits when those findings pertain to Federal awards provided through the Department by this Agreement. By entering into this Agreement, the Agency agrees to comply and cooperate fully with any monitoring procedures/processes deemed appropriate by the Department. The Agency further agrees to comply and cooperate with any inspections, reviews, investigations, or audits deemed necessary by the Department, State of Florida Chief Financial Officer (CFO), or State of Florida Auditor General.

b. The Agency, a non-Federal entity as defined by 2 CFR Part 200, Subpart F – Audit Requirements, as a subrecipient of a Federal award awarded by the Department through this Agreement, is subject to the following requirements:

i. In the event the Agency expends a total amount of Federal awards equal to or in excess of the threshold established by 2 CFR Part 200, Subpart F – Audit Requirements, the Agency must have a Federal single or program-specific audit conducted for such fiscal year in accordance with the provisions of 2 CFR Part 200, Subpart F – Audit Requirements. **Exhibit "H", Audit Requirements for Awards of Federal Financial Assistance**, to this Agreement provides the required Federal award identification information needed by the Agency to further comply with the requirements of 2 CFR Part 200, Subpart F – Audit Requirements. In determining Federal awards expended in a fiscal year, the Agency must consider all sources of Federal awards based on when the activity related to the Federal award occurs, including the Federal award provided through the Department by this Agreement. The determination of amounts of Federal awards expended should be in accordance with the guidelines established by 2 CFR Part 200, Subpart F – Audit Requirements. An audit conducted by the State of Florida Auditor General in accordance with the provisions of 2 CFR Part 200, Subpart F – Audit Requirements, will meet the requirements of this part.

ii. In connection with the audit requirements, the Agency shall fulfill the requirements relative to the auditee responsibilities as provided in 2 CFR Part 200, Subpart F – Audit Requirements.

iii. In the event the Agency expends less than the threshold established by 2 CFR Part 200, Subpart F – Audit Requirements, in Federal awards, the Agency is exempt from Federal audit requirements for that fiscal year. However, the Agency must provide a single audit exemption statement to the Department at FDOTSingleAudit@dot.state.fl.us no later than nine months after the end of the Agency's audit period for each applicable audit year. In the event the Agency expends less than the threshold established by 2 CFR Part 200, Subpart F – Audit Requirements, in Federal awards in a fiscal year and elects to have an audit conducted in accordance with the provisions of 2 CFR Part 200, Subpart F – Audit Requirements, the cost of the audit must be paid from non-Federal resources (*i.e.*, the cost of such an audit must be paid from the Agency's resources obtained from other than Federal entities).

iv. The Agency must electronically submit to the Federal Audit Clearinghouse (FAC) at https://harvester.census.gov/facweb/ the audit reporting package as required by 2 CFR Part 200, Subpart F – Audit Requirements, within the earlier of 30 calendar days after receipt of the auditor's report(s) or nine months after the end of the audit period. The FAC is the repository of record for audits required by 2 CFR Part 200, Subpart F – Audit Requirements. However, the Department requires a copy of the audit reporting package also be submitted to FDOTSingleAudit@dot.state.fl.us within the earlier of

30 calendar days after receipt of the auditor's report(s) or nine months after the end of the audit period as required by 2 CFR Part 200, Subpart F – Audit Requirements.

v. Within six months of acceptance of the audit report by the FAC, the Department will review the Agency's audit reporting package, including corrective action plans and management letters, to the extent necessary to determine whether timely and appropriate action on all deficiencies has been taken pertaining to the Federal award provided through the Department by this Agreement. If the Agency fails to have an audit conducted in accordance with 2 CFR Part 200, Subpart F – Audit Requirements, the Department may impose additional conditions to remedy noncompliance. If the Department determines that noncompliance cannot be remedied by imposing additional conditions, the Department may take appropriate actions to enforce compliance, which actions may include but not be limited to the following:

1. Temporarily withhold cash payments pending correction of the deficiency by the Agency or more severe enforcement action by the Department;
2. Disallow (deny both use of funds and any applicable matching credit for) all or part of the cost of the activity or action not in compliance;
3. Wholly or partly suspend or terminate the Federal award;
4. Initiate suspension or debarment proceedings as authorized under 2 C.F.R. Part 180 and Federal awarding agency regulations (or in the case of the Department, recommend such a proceeding be initiated by the Federal awarding agency);
5. Withhold further Federal awards for the Project or program;
6. Take other remedies that may be legally available.

vi. As a condition of receiving this Federal award, the Agency shall permit the Department or its designee, the CFO, or State of Florida Auditor General access to the Agency's records, including financial statements, the independent auditor's working papers, and project records as necessary. Records related to unresolved audit findings, appeals, or litigation shall be retained until the action is complete or the dispute is resolved.

vii. The Department's contact information for requirements under this part is as follows:

Office of Comptroller, MS 24
605 Suwannee Street
Tallahassee, Florida 32399-0450
FDOTSingleAudit@dot.state.fl.us

State Funded:

a. In addition to reviews of audits conducted in accordance with Section 215.97, Florida Statutes, monitoring procedures to monitor the Agency's use of state financial assistance may include but not be limited to on-site visits by Department staff and/or other procedures, including reviewing any required performance and financial reports, following up, ensuring corrective action, and issuing management decisions on weaknesses found through audits when those findings pertain to state financial assistance awarded through the Department by this Agreement. By entering into this Agreement, the Agency agrees to comply and cooperate fully with any monitoring procedures/processes deemed appropriate by the Department. The Agency further agrees to comply and cooperate with any inspections, reviews, investigations, or audits deemed necessary by the Department, the Department of Financial Services (DFS), or State of Florida Auditor General.

b. The Agency, a "nonstate entity" as defined by Section 215.97, Florida Statutes, as a recipient of state financial assistance awarded by the Department through this Agreement, is subject to the following requirements:

i. In the event the Agency meets the audit threshold requirements established by Section 215.97, Florida Statutes, the Agency must have a State single or project-specific audit conducted for such fiscal year in accordance with Section 215.97, Florida Statutes; applicable rules of the Department of Financial Services; and Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General. **Exhibit "G", Audit Requirements for Awards of State Financial Assistance,** to this Agreement indicates state financial assistance awarded through the Department by this Agreement needed by the Agency to further comply with the requirements of Section 215.97, Florida Statutes. In determining the state financial assistance expended in a fiscal year, the Agency shall consider all sources of state financial assistance, including state financial assistance received from the Department by this Agreement, other state agencies, and other nonstate entities. State financial assistance does not include Federal direct or pass-through awards and resources received by a nonstate entity for Federal program matching requirements.

ii. In connection with the audit requirements, the Agency shall ensure that the audit complies with the requirements of Section 215.97(8), Florida Statutes. This includes submission of a financial reporting package as defined by Section 215.97(2)(e), Florida Statutes, and Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General.

iii. In the event the Agency does not meet the audit threshold requirements established by Section 215.97, Florida Statutes, the Agency is exempt for such fiscal year from the state single audit requirements of Section 215.97, Florida Statutes. However, the Agency must provide a single audit exemption statement to the Department at FDOTSingleAudit@dot.state.fl.us no later than nine months after the end of the Agency's audit period for each applicable audit year. In the event the Agency does not meet the audit threshold requirements established by Section 215.97, Florida Statutes, in a fiscal year and elects to have an audit conducted in accordance with the provisions of Section 215.97, Florida Statutes, the cost of the audit must be paid from the Agency's resources (*i.e.*, the cost of such an audit must be paid from the Agency's resources obtained from other than State entities).

iv. In accordance with Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General, copies of financial reporting packages required by this Agreement shall be submitted to:

Florida Department of Transportation
Office of Comptroller, MS 24
605 Suwannee Street
Tallahassee, Florida 32399-0405
FDOTSingleAudit@dot.state.fl.us

And

State of Florida Auditor General
Local Government Audits/342
111 West Madison Street, Room 401
Tallahassee, FL 32399-1450
Email: flaudgen_localgovt@aud.state.fl.us

v. Any copies of financial reporting packages, reports, or other information required to be submitted to the Department shall be submitted timely in accordance with Section 215.97, Florida Statutes, and Chapters 10.550 (local governmental entities) or

10.650 (nonprofit and for-profit organizations), Rules of the Auditor General, as applicable.

vi. The Agency, when submitting financial reporting packages to the Department for audits done in accordance with Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General, should indicate the date the reporting package was delivered to the Agency in correspondence accompanying the reporting package.

vii. Upon receipt, and within six months, the Department will review the Agency's financial reporting package, including corrective action plans and management letters, to the extent necessary to determine whether timely and appropriate corrective action on all deficiencies has been taken pertaining to the state financial assistance provided through the Department by this Agreement. If the Agency fails to have an audit conducted consistent with Section 215.97, Florida Statutes, the Department may take appropriate corrective action to enforce compliance.

viii. As a condition of receiving state financial assistance, the Agency shall permit the Department or its designee, DFS, or the Auditor General access to the Agency's records, including financial statements, the independent auditor's working papers, and project records as necessary. Records related to unresolved audit findings, appeals, or litigation shall be retained until the action is complete or the dispute is resolved.

c. The Agency shall retain sufficient records demonstrating its compliance with the terms of this Agreement for a period of five years from the date the audit report is issued and shall allow the Department or its designee, DFS, or State of Florida Auditor General access to such records upon request. The Agency shall ensure that the audit working papers are made available to the Department or its designee, DFS, or State of Florida Auditor General upon request for a period of five years from the date the audit report is issued, unless extended in writing by the Department.

16. Notices and Approvals. Notices and approvals referenced in this Agreement must be obtained in writing from the Parties' respective Administrators or their designees.

17. Restrictions, Prohibitions, Controls and Labor Provisions:

a. Convicted Vendor List. A person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a bid on a contract to provide any goods or services to a public entity; may not submit a bid on a contract with a public entity for the construction or repair of a public building or public work; may not submit bids on leases of real property to a public entity; may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity; and may not transact business with any public entity in excess of the threshold amount provided in Section 287.017, Florida Statutes, for CATEGORY TWO for a period of 36 months from the date of being placed on the convicted vendor list.

b. Discriminatory Vendor List. In accordance with Section 287.134, Florida Statutes, an entity or affiliate who has been placed on the Discriminatory Vendor List, kept by the Florida Department of Management Services, may not submit a bid on a contract to provide goods or services to a public entity; may not submit a bid on a contract with a public entity for the construction or repair of a public building or public work; may not submit bids on leases of real property to a public entity; may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity; and may not transact business with any public entity.

c. **Non-Responsible Contractors.** An entity or affiliate who has had its Certificate of Qualification suspended, revoked, denied, or have further been determined by the Department to be a non-responsible contractor, may not submit a bid or perform work for the construction or repair of a public building or public work on a contract with the Agency.

d. **Prohibition on Using Funds for Lobbying.** No funds received pursuant to this Agreement may be expended for lobbying the Florida Legislature, judicial branch, or any state agency, in accordance with Section 216.347, Florida Statutes.

e. **Unauthorized Aliens.** The Department shall consider the employment by any contractor of unauthorized aliens a violation of Section 274A(e) of the Immigration and Nationality Act. If the contractor knowingly employs unauthorized aliens, such violation will be cause for unilateral cancellation of this Agreement.

f. **Procurement of Construction Services.** If the Project is procured pursuant to Chapter 255, Florida Statutes, for construction services and at the time of the competitive solicitation for the Project, 50 percent or more of the cost of the Project is to be paid from state-appropriated funds, then the Agency must comply with the requirements of Section 255.0991, Florida Statutes.

g. **E-Verify.** The Agency shall:

   i. Utilize the U.S. Department of Homeland Security's E-Verify system to verify the employment eligibility of all new employees hired by the Agency during the term of the contract; and

   ii. Expressly require any subcontractors performing work or providing services pursuant to the state contract to likewise utilize the U.S. Department of Homeland Security's E-Verify system to verify the employment eligibility of all new employees hired by the subcontractor during the contract term.

h. **Projects with Non-profit Organizations.** Pursuant to Section 216.1366. Florida Statutes, if the Agency is a nonprofit organization as defined in Section 215.97(2)(m), Florida Statutes, the Agency shall provide documentation to indicate the amount of state funds:

   i. Allocated to be used during the full term of this Agreement for remuneration to any member of the board of directors or an officer of the Agency

   ii. Allocated under each payment by the Department to be used for remuneration of any member of the board of directors or an officer of the Agency. The documentation must indicate the amounts and recipients of the remuneration.

Such information will be posted by the Department to the Florida Accountability Contract Tracking System maintained pursuant to Section 215.985, F.S., and must additionally be posted to the Agency's website, if the Agency is a non-profit organization and maintains a website. The Agency shall utilize the Department's Form 350-090-19, Compensation to Non-Profits Using State Funds, for purposes of documenting the compensation. The subject Form is required for every contract for services executed, amended, or extended on or after July 1, 2023, with non-profit organizations.

Pursuant to Section 216.1366, F.S., the term:

i. "Officer" means a chief executive officer, chief financial officer, chief operating officer, or any other position performing and equivalent function.

ii. "Remuneration" means all compensation earned by or awarded to personnel, whether paid or accrued, regardless of contingency, including bonuses, accrued paid time off, severance payments, incentive payments, contributions to a retirement plan or in-kind payments, reimbursements, or allowances for moving expenses, vehicles and other transportation, telephone services, medical services, housing and meals.

iii. "State Funds" means funds paid from the General Revenue Fund or any state trust fund, funds allocated by the Federal Government and distributed by the state, or funds appropriated by the Federal Government and distributed by the state, or funds appropriated by the state for distribution through any grant program. The term does not include funds used for the Medicaid program.

i. Design Services and Construction Engineering and Inspection Services. If the Project is wholly or partially funded by the Department and administered by a local governmental entity, except for a seaport listed in Section 311.09, Florida Statutes, or an airport as defined in Section 332.004, Florida Statutes, the entity performing design and construction engineering and inspection services may not be the same entity.

18. Indemnification and Insurance:

a. It is specifically agreed between the Parties executing this Agreement that it is not intended by any of the provisions of any part of this Agreement to create in the public or any member thereof, a third party beneficiary under this Agreement, or to authorize anyone not a party to this Agreement to maintain a suit for personal injuries or property damage pursuant to the terms or provisions of this Agreement. The Agency guarantees the payment of all just claims for materials, supplies, tools, or labor and other just claims against the Agency or any subcontractor, in connection with this Agreement. Additionally, to the extent permitted by law and as limited by and pursuant to the provisions of Section 768.28, Florida Statutes, the Agency shall indemnify, defend, and hold harmless the State of Florida, Department of Transportation, including the Department's officers and employees, from liabilities, damages, losses, and costs, including, but not limited to, reasonable attorney's fees, to the extent caused by the negligence, recklessness, or intentional wrongful misconduct of the Agency and persons employed or utilized by the Agency in the performance of this Agreement. Nothing contained in this paragraph is intended to nor shall it constitute a waiver of the Department's or the Agency's sovereign immunity. This indemnification shall survive the termination of this Agreement. Additionally, the Agency agrees to include the following indemnification in all contracts with contractors/subcontractors and consultants/subconsultants who perform work in connection with this Agreement:

"To the fullest extent permitted by law, the Agency's contractor/consultant shall indemnify, defend, and hold harmless the Agency and the State of Florida, Department of Transportation, including the Department's officers and employees, from liabilities, damages, losses and costs, including, but not limited to, reasonable attorney's fees, to the extent caused by the negligence, recklessness or intentional wrongful misconduct of the contractor/consultant and persons employed or utilized by the contractor/consultant in the performance of this Agreement.

This indemnification shall survive the termination of this Agreement."

b. The Agency shall provide Workers' Compensation Insurance in accordance with Florida's Workers' Compensation law for all employees. If subletting any of the work, ensure that the subcontractor(s) and subconsultant(s) have Workers' Compensation Insurance for their employees in accordance with Florida's Workers' Compensation law. If using "leased employees" or employees obtained through professional employer organizations ("PEO's"), ensure that such employees are covered by Workers' Compensation Insurance through the PEO's or other leasing entities. Ensure that any equipment rental agreements that include operators or other personnel who are employees of independent contractors, sole proprietorships, or partners are covered by insurance required under Florida's Workers' Compensation law.

c. If the Agency elects to self-perform the Project, then the Agency may self-insure. If the Agency elects to hire a contractor or consultant to perform the Project, then the Agency shall carry, or cause its contractor or consultant to carry, Commercial General Liability insurance providing continuous coverage for all work or operations performed under this Agreement. Such insurance shall be no more restrictive than that provided by the latest occurrence form edition of the standard Commercial General Liability Coverage Form (ISO Form CG 00 01) as filed for use in the State of Florida. The Agency shall cause, or cause its contractor or consultant to cause, the Department to be made an Additional Insured as to such insurance. Such coverage shall be on an "occurrence" basis and shall include Products/Completed Operations coverage. The coverage afforded to the Department as an Additional Insured shall be primary as to any other available insurance and shall not be more restrictive than the coverage afforded to the Named Insured. The limits of coverage shall not be less than $1,000,000 for each occurrence and not less than a $5,000,000 annual general aggregate, inclusive of amounts provided by an umbrella or excess policy. The limits of coverage described herein shall apply fully to the work or operations performed under the Agreement, and may not be shared with or diminished by claims unrelated to the Agreement. The policy/ies and coverage described herein may be subject to a deductible and such deductibles shall be paid by the Named Insured. No policy/ies or coverage described herein may contain or be subject to a Retention or a Self-Insured Retention unless the Agency is a state agency or subdivision of the State of Florida that elects to self-perform the Project. Prior to the execution of the Agreement, and at all renewal periods which occur prior to final acceptance of the work, the Department shall be provided with an ACORD Certificate of Liability Insurance reflecting the coverage described herein. The Department shall be notified in writing within ten days of any cancellation, notice of cancellation, lapse, renewal, or proposed change to any policy or coverage described herein. The Department's approval or failure to disapprove any policy/ies, coverage, or ACORD Certificates shall not relieve or excuse any obligation to procure and maintain the insurance required herein, nor serve as a waiver of any rights or defenses the Department may have.

d. When the Agreement includes the construction of a railroad grade crossing, railroad overpass or underpass structure, or any other work or operations within the limits of the railroad right-of-way, including any encroachments thereon from work or operations in the vicinity of the railroad right-of-way, the Agency shall, or cause its contractor to, in addition to the insurance coverage required above, procure and maintain Railroad Protective Liability Coverage (ISO Form CG 00 35) where the railroad is the Named Insured and where the limits are not less than $2,000,000 combined single limit for bodily injury and/or property damage per occurrence, and with an annual aggregate limit of not less than $6,000,000. The railroad shall also be added along with the Department as an Additional Insured on the policy/ies procured pursuant to the paragraph above. Prior to the execution of the Agreement, and at all renewal periods which occur prior to final acceptance of the work, both the Department and the railroad shall be provided with an ACORD Certificate of Liability Insurance reflecting the coverage described herein. The insurance described herein shall be maintained through final acceptance of the work. Both the Department and the railroad shall be notified in writing within ten days of any cancellation, notice of cancellation, renewal, or proposed change to any policy or coverage described herein. The Department's approval or failure to disapprove any policy/ies, coverage, or ACORD Certificates shall not relieve or excuse any obligation to procure and maintain the insurance required herein, nor serve as a waiver of any rights the Department may have.

e. When the Agreement involves work on or in the vicinity of utility-owned property or facilities, the utility shall be added along with the Department as an Additional Insured on the

Commercial General Liability policy/ies procured above.

19. Miscellaneous:

a. **Environmental Regulations.** The Agency will be solely responsible for compliance with all applicable environmental regulations and for any liability arising from non-compliance with these regulations, and will reimburse the Department for any loss incurred in connection therewith.

b. **Non-Admission of Liability.** In no event shall the making by the Department of any payment to the Agency constitute or be construed as a waiver by the Department of any breach of covenant or any default which may then exist on the part of the Agency and the making of such payment by the Department, while any such breach or default shall exist, shall in no way impair or prejudice any right or remedy available to the Department with respect to such breach or default.

c. **Severability.** If any provision of this Agreement is held invalid, the remainder of this Agreement shall not be affected. In such an instance, the remainder would then continue to conform to the terms and requirements of applicable law.

d. **Agency not an agent of Department.** The Agency and the Department agree that the Agency, its employees, contractors, subcontractors, consultants, and subconsultants are not agents of the Department as a result of this Agreement.

e. **Bonus or Commission.** By execution of the Agreement, the Agency represents that it has not paid and, also agrees not to pay, any bonus or commission for the purpose of obtaining an approval of its application for the financing hereunder.

f. **Non-Contravention of State Law.** Nothing in the Agreement shall require the Agency to observe or enforce compliance with any provision or perform any act or do any other thing in contravention of any applicable state law. If any of the provisions of the Agreement violate any applicable state law, the Agency will at once notify the Department in writing so that appropriate changes and modifications may be made by the Department and the Agency to the end that the Agency may proceed as soon as possible with the Project.

g. **Execution of Agreement.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which shall constitute the same Agreement. A facsimile or electronic transmission of this Agreement with a signature on behalf of a party will be legal and binding on such party.

h. **Federal Award Identification Number (FAIN).** If the FAIN is not available prior to execution of the Agreement, the Department may unilaterally add the FAIN to the Agreement without approval of the Agency and without an amendment to the Agreement. If this occurs, an updated Agreement that includes the FAIN will be provided to the Agency and uploaded to the Department of Financial Services' Florida Accountability Contract Tracking System (FACTS).

i. **Inspector General Cooperation.** The Agency agrees to comply with Section 20.055(5), Florida Statutes, and to incorporate in all subcontracts the obligation to comply with Section 20.055(5), Florida Statutes.

j. **Law, Forum, and Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of Florida. In the event of a conflict between any portion of the contract and Florida law, the laws of Florida shall prevail. The Agency agrees to waive forum and venue and that the Department shall determine the forum and venue in which any dispute under this Agreement is decided.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the day and year written above.

AGENCY St Johns County Airport Authority

By: ______________________________

Name: ____________________________

Title: ____________________________

STATE OF FLORIDA, DEPARTMENT OF TRANSPORTATION

By: ______________________________

Name: James M. Knight, P.E.

Title: Urban Planning and Modal Administrator

STATE OF FLORIDA, DEPARTMENT OF TRANSPORTATION
Legal Review:

____

EXHIBIT A

Project Description and Responsibilities

A. Project Description (description of Agency's project to provide context, description of project components funded via this Agreement (if not the entire project)): NE FL REG APT DESIGN AND CONSTRUCT HANGAR & TAXILANES PFL0013097

B. Project Location (limits, city, county, map): St Augustine Airport/Saint Augustine, FL/Saint Johns

C. Project Scope (allowable costs: describe project components, improvement type/service type, approximate timeline, project schedule, project size): As required by 215.971, F.S., this scope of work includes but is not limited to consultant and design fees, survey and geotechnical costs, permitting, construction inspection and material testing costs, mobilization and demobilization, maintenance of traffic, erosion control, demolition, pavement (access roadways, parking lots, and sidewalks), drainage, utilities, primary and back-up power supplies, buildings (foundation, structure, roof, MEP, drainage, fire prevention, and protection), pavement marking, lighting and signage, fencing and gates, landscaping (including outdoor lighting), and indoor/outdoor security systems, including all materials, equipment, labor, and incidentals required to complete the Box and T-Hangar project. The Sponsor will comply with Aviation Program Assurances.

Taxiway Rehabilitation/Reconstruction: As required by 215.971, F.S., this scope of work includes but is not limited to consultant and design fees, survey and geotechnical costs, permitting, construction inspection and material testing costs, mobilization and demobilization, maintenance of traffic, erosion control, demolition, pavement enhancement or reconstruction (with concrete, asphalt, rejuvenators, or sealants), joint rehabilitation for PCC pavement, pavement markings (removal and new), airfield lighting system, signage improvements (includes conduits, lights, conductors, cans, lightning protection, and vault upgrades), drainage, stormwater structures, fencing and gates, and sodding, including all materials, equipment, labor, and incidentals required to rehabilitate/reconstruct the taxilanes, driveways/aprons, vehicular parking, and drainage improvements. The Sponsor will comply with Aviation Program Assurances.

D. Deliverable(s): NE FL REG APT DESIGN AND CONSTRUCT HANGAR & TAXILANES PFL0013097

The project scope identifies the ultimate project deliverables. Deliverables for requisition, payment and invoice purposes will be the incremental progress made toward completion of project scope elements. Supporting documentation will be quantifiable, measurable, and verifiable, to allow for a determination of the amount of incremental progress that has been made, and provide evidence that the payment requested is commensurate with the accomplished incremental progress and costs incurred by the Agency.

E. Unallowable Costs (including but not limited to): Travel

F. Transit Operating Grant Requirements (Transit Only):

Transit Operating Grants billed as an operational subsidy will require an expenditure detail report from the Agency that matches the invoice period. The expenditure detail, along with the progress report, will be the required deliverables for Transit Operating Grants. Operating grants may be issued for a term not to exceed three years from execution. The original grant agreement will include funding for year one. Funding for years two and three will be added by amendment as long as the grantee has submitted all invoices on schedule and the project deliverables for the year have been met.

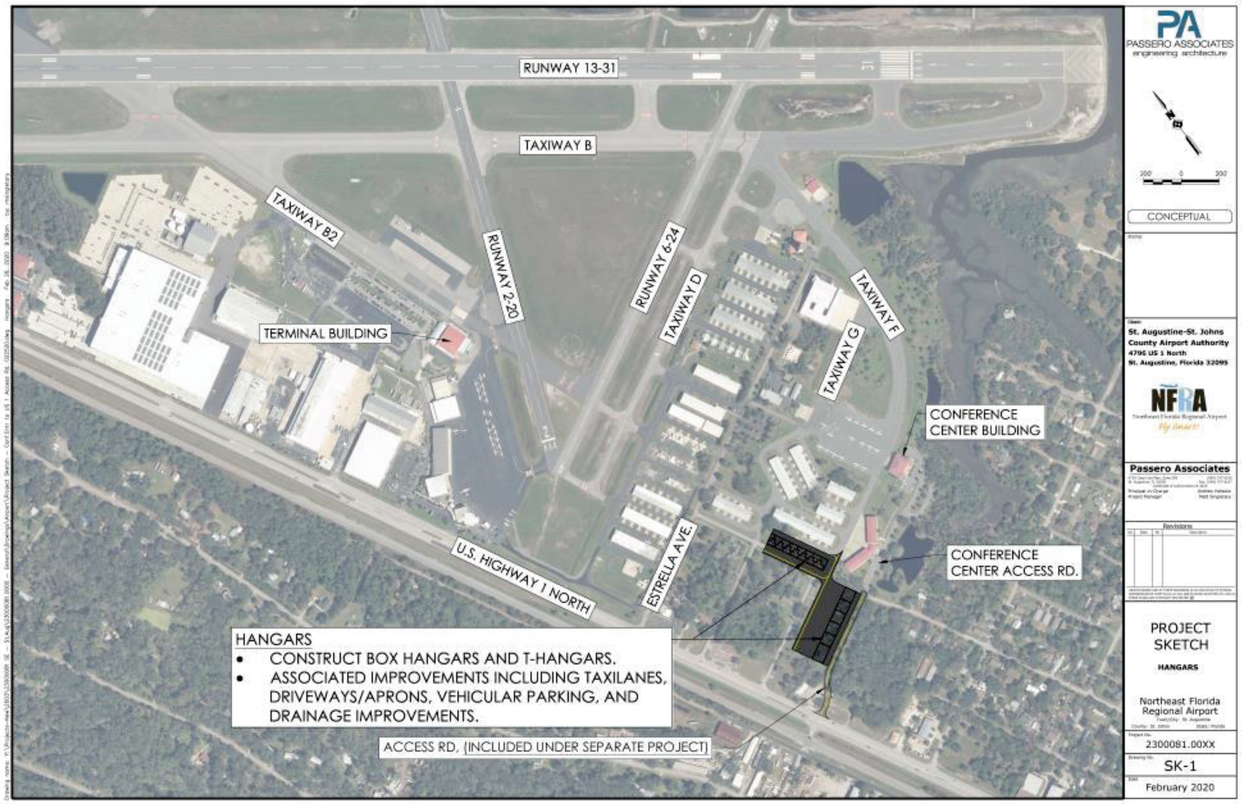

RUNWAY 13-31
TAXIWAY B
TAXIWAY B2
RUNWAY 2-20
RUNWAY 6-24
TAXIWAY D
TAXIWAY G
TAXIWAY F
TERMINAL BUILDING
CONFERENCE CENTER BUILDING
CONFERENCE CENTER ACCESS RD.
ESTRELLA AVE.
U.S. HIGHWAY 1 NORTH
HANGARS
• CONSTRUCT BOX HANGARS AND T-HANGARS.
• ASSOCIATED IMPROVEMENTS INCLUDING TAXILANES, DRIVEWAYS/APRONS, VEHICULAR PARKING, AND DRAINAGE IMPROVEMENTS.
ACCESS RD. (INCLUDED UNDER SEPARATE PROJECT)
PA
PASSERO ASSOCIATES
engineering architecture
CONCEPTUAL
St. Augustine-St. Johns
County Airport Authority
4796 US 1 North
St. Augustine, Florida 32095
NFRA
Passero Associates
Revisions
PROJECT
SKETCH
HANGARS
Northeast Florida
Regional Airport
2300081.00XX
SK-1
February 2020

EXHIBIT B

Schedule of Financial Assistance

FUNDS AWARDED TO THE AGENCY AND REQUIRED MATCHING FUNDS PURSUANT TO THIS AGREEMENT CONSIST OF THE FOLLOWING:

A. Fund Type and Fiscal Year:

Financial Management Number	Fund Type	FLAIR Category	State Fiscal Year	Object Code	CSFA/ CFDA Number	CSFA/CFDA Title or Funding Source Description	Funding Amount
433126-2-94-26	DDR	088719	2026	751000	55.004	Aviation Grant Program	$750,000.00
433126-2-94-26	DPTO	088719	2026	751000	55.004	Aviation Grant Program	$250,000.00
433126-2-94-26	LF	088719	2026	751000	55.004	Aviation Grant Program	$1,000,000.00
	Total Financial Assistance						$2,000,000.00

B. Estimate of Project Costs by Grant Phase:

Phases*	State	Local	Federal	Totals	State %	Local %	Federal %
Land Acquisition	$0.00	$0.00	$0.00	$0.00	0.00	0.00	0.00
Planning	$0.00	$0.00	$0.00	$0.00	0.00	0.00	0.00
Environmental/ Design/ Construction	$1,000,000.00	$1,000,000.00	$0.00	$2,000,000.00	50.00	50.00	0.00
Capital Equipment/ Preventative Maintenance	$0.00	$0.00	$0.00	$0.00	0.00	0.00	0.00
Match to Direct Federal Funding	$0.00	$0.00	$0.00	$0.00	0.00	0.00	0.00
Mobility Management (Transit Only)	$0.00	$0.00	$0.00	$0.00	0.00	0.00	0.00
Totals	$1,000,000.00	$1,000,000.00	$0.00	$2,000,000.00			

*Shifting items between these grant phases requires execution of an Amendment to the Public Transportation Grant Agreement.

Scope Code and/or Activity Line Item (ALI) (Transit Only)	
Common Name/UZA Name (Transit Only)	

BUDGET/COST ANALYSIS CERTIFICATION AS REQUIRED BY SECTION 216.3475, FLORIDA STATUTES:

I certify that the cost for each line item budget category (grant phase) has been evaluated and determined to be allowable, reasonable, and necessary as required by Section 216.3475, Florida Statutes. Documentation is on file evidencing the methodology used and the conclusions reached.

Victoria Kutney

Department Grant Manager Name

Signature   Date

EXHIBIT C

TERMS AND CONDITIONS OF CONSTRUCTION

1. **Design and Construction Standards and Required Approvals.**

   a. The Agency understands that it is responsible for the preparation and certification of all design plans for the Project. The Agency shall hire a qualified consultant for the design phase of the Project or, if applicable, the Agency shall require their design-build contractor or construction management contractor to hire a qualified consultant for the design phase of the Project.

   b. Execution of this Agreement by both Parties shall be deemed a Notice to Proceed to the Agency for the design phase or other non-construction phases of the Project. If the Project involves a construction phase, the Agency shall not begin the construction phase of the Project until the Department issues a Notice to Proceed for the construction phase. Prior to commencing the construction work described in this Agreement, the Agency shall request a Notice to Proceed from the Department's Project Manager, Victoria Kutney (email: victoria.kutney@dot.state.fl.us) or from an appointed designee. Any construction phase work performed prior to the execution of this required Notice to Proceed is not subject to reimbursement.

   c. The Agency will provide one (1) copy of the final design plans and specifications and final bid documents to the Department's Project Manager prior to bidding or commencing construction of the Project.

   d. The Agency shall require the Agency's contractor to post a payment and performance bond in accordance with applicable law(s).

   e. The Agency shall be responsible to ensure that the construction work under this Agreement is performed in accordance with the approved construction documents, and that the construction work will meet all applicable Agency and Department standards.

   f. Upon completion of the work authorized by this Agreement, the Agency shall notify the Department in writing of the completion of construction of the Project; and for all design work that originally required certification by a Professional Engineer, this notification shall contain an Engineer's Certification of Compliance, signed and sealed by a Professional Engineer, the form of which is attached to this Exhibit. The certification shall state that work has been completed in compliance with the Project construction plans and specifications. If any deviations are found from the approved plans or specifications, the certification shall include a list of all deviations along with an explanation that justifies the reason to accept each deviation.

2. **Construction on the Department's Right of Way.** If the Project involves construction on the Department's right-of-way, then the following provisions apply to any and all portions of the Project that are constructed on the Department's right-of-way:

   a. The Agency shall hire a qualified contractor using the Agency's normal bid procedures to perform the construction work for the Project. The Agency must certify that the installation of the Project is completed by a Contractor prequalified by the Department as required by Section 2 of the Standard Specifications for Road and Bridge Construction (2016), as amended, unless otherwise approved by the Department in writing or the Contractor exhibits past project experience in the last five years that are comparable in scale, composition, and overall quality to the site characterized within the scope of services of this Project.

b. Construction Engineering Inspection (CEI) services will be provided by the Agency by hiring a Department prequalified consultant firm including one individual that has completed the Advanced Maintenance of Traffic Level Training, unless otherwise approved by the Department in writing. The CEI staff shall be present on the Project at all times that the contractor is working. Administration of the CEI staff shall be under the responsible charge of a State of Florida Licensed Professional Engineer who shall provide the certification that all design and construction for the Project meets the minimum construction standards established by Department. The Department shall approve all CEI personnel. The CEI firm shall not be the same firm as that of the Engineer of Record for the Project. The Department shall have the right, but not the obligation, to perform independent assurance testing during the course of construction of the Project. Notwithstanding the foregoing, the Department may issue a written waiver of the CEI requirement for portions of Projects involving the construction of bus shelters, stops, or pads.

c. The Project shall be designed and constructed in accordance with the latest edition of the Department's Standard Specifications for Road and Bridge Construction, the Department Design Standards, and the Manual of Uniform Traffic Control Devices (MUTCD). The following guidelines shall apply as deemed appropriate by the Department: the Department Structures Design Manual, AASHTO Guide Specifications for the Design of Pedestrian Bridges, AASHTO LRFD Bridge Design Specifications, Florida Design Manual, Manual for Uniform Minimum Standards for Design, Construction and Maintenance for Streets and Highways (the "Florida Green Book"), and the Department Traffic Engineering Manual. The Agency will be required to submit any construction plans required by the Department for review and approval prior to any work being commenced. Should any changes to the plans be required during construction of the Project, the Agency shall be required to notify the Department of the changes and receive approval from the Department prior to the changes being constructed. The Agency shall maintain the area of the Project at all times and coordinate any work needs of the Department during construction of the Project.

d. The Agency shall notify the Department a minimum of 48 hours before beginning construction within Department right-of-way. The Agency shall notify the Department should construction be suspended for more than 5 working days. The Department contact person for construction is __.

e. The Agency shall be responsible for monitoring construction operations and the maintenance of traffic (MOT) throughout the course of the Project in accordance with the latest edition of the Department Standard Specifications, section 102. The Agency is responsible for the development of a MOT plan and making any changes to that plan as necessary. The MOT plan shall be in accordance with the latest version of the Department Design Standards, Index 600 series. Any MOT plan developed by the Agency that deviates from the Department Design Standards must be signed and sealed by a professional engineer. MOT plans will require approval by the Department prior to implementation.

f. The Agency shall be responsible for locating all existing utilities, both aerial and underground, and for ensuring that all utility locations be accurately documented on the construction plans. All utility conflicts shall be fully resolved directly with the applicable utility.

g. The Agency will be responsible for obtaining all permits that may be required by other agencies or local governmental entities.

h. It is hereby agreed by the Parties that this Agreement creates a permissive use only and all improvements located on the Department's right-of-way resulting from this Agreement shall become the property of the Department. Neither the granting of the permission to use the Department right of way nor the placing of facilities upon the Department property shall operate to create or vest any property right to or in the Agency, except as may otherwise be provided in separate agreements. The Agency shall not acquire any right, title, interest or estate in Department right of way, of any nature or kind whatsoever, by virtue of the execution, operation, effect, or performance of this Agreement including, but not limited to, the Agency's use, occupancy or possession of Department right of way. The Parties agree that this Agreement does not, and shall not be construed to, grant credit for any future transportation concurrency requirements pursuant to Chapter 163, F.S.

i. The Agency shall not cause any liens or encumbrances to attach to any portion of the Department's property, including but not limited to, the Department's right-of-way.

j. The Agency shall perform all required testing associated with the design and construction of the Project. Testing results shall be made available to the Department upon request. The Department shall have the right to perform its own independent testing during the course of the Project.

k. The Agency shall exercise the rights granted herein and shall otherwise perform this Agreement in a good and workmanlike manner, with reasonable care, in accordance with the terms and provisions of this Agreement and all applicable federal, state, local, administrative, regulatory, safety and environmental laws, codes, rules, regulations, policies, procedures, guidelines, standards and permits, as the same may be constituted and amended from time to time, including, but not limited to, those of the Department, applicable Water Management District, Florida Department of Environmental Protection, the United States Environmental Protection Agency, the United States Army Corps of Engineers, the United States Coast Guard and local governmental entities.

l. If the Department determines a condition exists which threatens the public's safety, the Department may, at its discretion, cause construction operations to cease and immediately have any potential hazards removed from its right-of-way at the sole cost, expense, and effort of the Agency. The Agency shall bear all construction delay costs incurred by the Department.

m. The Agency shall be responsible to maintain and restore all features that might require relocation within the Department right-of-way.

n. The Agency will be solely responsible for clean up or restoration required to correct any environmental or health hazards that may result from construction operations.

o. The acceptance procedure will include a final "walk-through" by Agency and Department personnel. Upon completion of construction, the Agency will be required to submit to the Department final as-built plans and an engineering certification that construction was completed in accordance to the plans. Submittal of the final as-built plans shall include one complete set of the signed and sealed plans on 11" X 17" plan sheets and an electronic copy prepared in Portable Document Format (PDF). Prior to the termination of this Agreement, the Agency shall remove its presence, including, but not limited to, all of the Agency's property, machinery, and equipment from Department right-of-way and shall restore those portions of Department right of way disturbed or otherwise altered by the Project to substantially the same condition that existed immediately prior to the commencement of the Project.

p. If the Department determines that the Project is not completed in accordance with the provisions of this Agreement, the Department shall deliver written notification of such to the Agency. The Agency shall have thirty (30) days from the date of receipt of the Department's written notice, or such other time as the Agency and the Department mutually agree to in writing, to complete the Project and provide the Department with written notice of the same (the "Notice of Completion"). If the Agency fails to timely deliver the Notice of Completion, or if it is determined that the Project is not properly completed after receipt of the Notice of Completion, the Department, within its discretion may: 1) provide the Agency with written authorization granting such additional time as the Department deems appropriate to correct the deficiency(ies); or 2) correct the deficiency(ies) at the Agency's sole cost and expense, without Department liability to the Agency for any resulting loss or damage to property, including, but not limited to, machinery and equipment. If the Department elects to correct the deficiency(ies), the Department shall provide the Agency with an invoice for the costs incurred by the Department and the Agency shall pay the invoice within thirty (30) days of the date of the invoice.

q. The Agency shall implement best management practices for erosion and pollution control to prevent violation of state water quality standards. The Agency shall be responsible for the correction of any erosion, shoaling, or water quality problems that result from the construction of the Project.

r. Portable Traffic Monitoring Site (PTMS) or a Telemetry Traffic Monitoring Site (TTMS) may exist within the vicinity of your proposed work. It is the responsibility of the Agency to locate and avoid damage to these sites. If a PTMS or TTMS is encountered during construction, the Department must be contacted immediately.

s. During construction, highest priority must be given to pedestrian safety. If permission is granted to temporarily close a sidewalk, it should be done with the express condition that an alternate route will be provided, and shall continuously maintain pedestrian features to meet Americans Disability Act (ADA) standards.

t. Restricted hours of operation will be as follows, unless otherwise approved by the Department's District Construction Engineer or designee (insert hours and days of the week for restricted operation):

u. Lane closures on the state road system must be coordinated with the Public Information Office at least two weeks prior to the closure. The contact information for the Department's Public Information Office is:

Insert District PIO contact info:

Note: (Highlighted sections indicate need to confirm information with District Office or appropriate DOT person managing the Agreement)

3. **Engineer's Certification of Compliance.** The Agency shall complete and submit and if applicable Engineer's Certification of Compliance to the Department upon completion of the construction phase of the Project.

ENGINEER'S CERTIFICATION OF COMPLIANCE

PUBLIC TRANSPORTATION GRANT AGREEMENT
BETWEEN
THE STATE OF FLORIDA, DEPARTMENT OF TRANSPORTATION
and ____

PROJECT DESCRIPTION: ____

DEPARTMENT CONTRACT NO.: ____

FINANCIAL MANAGEMENT NO.: ____

In accordance with the Terms and Conditions of the Public Transportation Grant Agreement, the undersigned certifies that all work which originally required certification by a Professional Engineer has been completed in compliance with the Project construction plans and specifications. If any deviations have been made from the approved plans, a list of all deviations, along with an explanation that justifies the reason to accept each deviation, will be attached to this Certification. Also, with submittal of this certification, the Agency shall furnish the Department a set of "as-built" plans for construction on the Department's Right of Way certified by the Engineer of Record/CEI.

By: ________________________________, P.E.

SEAL:

Name: ________________________________

Date: ________________________________

EXHIBIT D

AGENCY RESOLUTION

PLEASE SEE ATTACHED

EXHIBIT E

PROGRAM SPECIFIC TERMS AND CONDITIONS - AVIATION
AVIATION PROGRAM ASSURANCES

A. General.

1. The assurances herein shall form an integral part of the Agreement between the Department and the Agency.

2. These assurances delineate the obligations of the Parties to this Agreement to ensure their commitment and compliance with specific provisions of **Exhibit "A", Project Description and Responsibilities**, and **Exhibit "B", Schedule of Financial Assistance**, as well as serving to protect public investment in public-use airports and the continued viability of the Florida Aviation System.

3. The Agency shall comply with the assurances as specified in this Agreement.

4. The terms and assurances of this Agreement shall remain in full force and effect throughout the useful life of a facility developed; equipment acquired; or Project items installed within a facility for an airport development or noise compatibility program project, but shall not exceed 20 years from the effective date of this Agreement.

5. There shall be no limit on the duration of the terms and assurances of this Agreement regarding Exclusive Rights and Airport Revenue so long as the property is used as a public airport.

6. There shall be no limit on the duration of the terms and assurances of this Agreement with respect to real property acquired with funds provided by this Agreement.

7. Subject to appropriations, the Department shall continue to comply with its financial commitment to this Project under the terms of this Agreement, until such time as the Department may determine that the Agency has failed to comply with the terms and assurances of this Agreement.

8. An Agency that has been determined by the Department to have failed to comply with either the terms of these Assurances, or the terms of the Agreement, or both, shall be notified, in writing, by the Department, identifying the specifics of the non-compliance and any corrective action by the Agency to remedy the failure.

9. Failure by the Agency to satisfactorily remedy the non-compliance shall absolve the Department's continued financial commitment to this Project and immediately require the Agency to repay the Department the full amount of funds expended by the Department on this Project.

10. Any history of failure to comply with the terms and assurances of an Agreement will jeopardize the Agency's eligibility for further state funding of airport projects by the Department.

B. Agency Compliance Certification.

1. **General Certification.** The Agency hereby certifies, with respect to this Project, it will comply, within its authority, with all applicable, current laws and rules of the State of Florida and applicable local governments, as well as Department policies, guidelines, and requirements, including but not limited to, the following (latest version of each document):

   a. **Florida Statutes (F.S.)**
      - Chapter 163, F.S., Intergovernmental Programs
      - Chapter 329, F.S., Aircraft: Title; Liens; Registration; Liens
      - Chapter 330, F.S., Regulation of Aircraft, Pilots, and Airports
      - Chapter 331, F.S., Aviation and Aerospace Facilities and Commerce
      - Chapter 332, F.S., Airports and Other Air Navigation Facilities
      - Chapter 333, F.S., Airport Zoning

b. **Florida Administrative Code (FAC)**
   - Chapter 73C-41, FAC, Community Planning; Governing the Procedure for the Submittal and Review of Local Government Comprehensive Plans and Amendments
   - Chapter 14-60, FAC, Airport Licensing, Registration, and Airspace Protection
   - Section 62-256.300, FAC, Open Burning, Prohibitions
   - Section 62-701.320(13), FAC, Solid Waste Management Facility Permit Requirements, General, Airport Safety

c. **Local Government Requirements**
   - Airport Zoning Ordinance
   - Local Comprehensive Plan

d. **Department Requirements**
   - Eight Steps of Building a New Airport
   - Florida Airport Revenue Use Guide
   - Florida Aviation Project Handbook
   - Guidebook for Airport Master Planning
   - Airport Compatible Land Use Guidebook

2. **Construction Certification.** The Agency hereby certifies, with respect to a construction-related project, that all design plans and specifications will comply with applicable federal, state, local, and professional standards, as well as Federal Aviation Administration (FAA) Advisory Circulars (AC's) and FAA issued waivers thereto, including but not limited to, the following:

a. **Federal Requirements**
   - FAA AC 70/7460-1, Obstruction Marking and Lighting
   - FAA AC 150/5300-13, Airport Design
   - FAA AC 150/5370-2, Operational Safety on Airports During Construction
   - FAA AC 150/5370-10, Standards for Specifying Construction of Airports

b. **Local Government Requirements**
   - Local Building Codes
   - Local Zoning Codes

c. **Department Requirements**
   - Manual of Uniform Minimum Standards for Design, Construction and Maintenance for Streets and Highways (Commonly Referred to as the "Florida Green Book")
   - Manual on Uniform Traffic Control Devices
   - Section 14-60.007, FAC, Airfield Standards for Licensed Airports
   - Standard Specifications for Construction of General Aviation Airports
   - Design Guidelines & Minimum Standard Requirements for T-Hangar Projects

3. **Land Acquisition Certification.** The Agency hereby certifies, regarding land acquisition, that it will comply with applicable federal and/or state policies, regulations, and laws, including but not limited to the following:

a. **Federal Requirements**
   - Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970
   - National Environmental Policy of 1969
   - FAA Order 5050.4, National Environmental Policy Act Implementing Instructions for Airport Projects
   - FAA Order 5100.37B, Land Acquisition and Relocation Assistance for Airport Projects

b. **Florida Requirements**
   - Chapter 73, F.S., Eminent Domain (re: Property Acquired Through Condemnation)
   - Chapter 74, F.S., Proceedings Supplemental to Eminent Domain (re: Condemnation)
   - Section 286.23, F.S., Public Business: Miscellaneous Provisions

C. Agency Authority.

1. **Legal Authority.** The Agency hereby certifies, with respect to this Agreement, that it has the legal authority to enter into this Agreement and commit to this Project; that a resolution, motion, or similar action has been duly adopted or passed as an official act of the airport sponsor's governing body authorizing this Agreement, including assurances contained therein, and directing and authorizing the person identified as the official representative of the governing body to act on its behalf with respect to this Agreement and to provide any additional information as may be required.

2. **Financial Authority.** The Agency hereby certifies, with respect to this Agreement, that it has sufficient funds available for that portion of the Project costs which are not paid by the U.S. Government or the State of Florida; that it has sufficient funds available to assure future operation and maintenance of items funded by this Project, which it will control; and that authority has been granted by the airport sponsor governing body to commit those funds to this Project.

D. Agency Responsibilities. The Agency hereby certifies it currently complies with or will comply with the following responsibilities:

1. **Accounting System.**

   a. The Agency shall create and maintain a separate account to document all of the financial transactions related to the airport as a distinct entity.

   b. The accounting records shall be kept by the Agency or its authorized representative in accordance with Generally Accepted Accounting Principles and in an accounting system that will facilitate an effective audit in accordance with the 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and Section 215.97, F.S., Florida Single Audit Act.

   c. The Department has the right to audit and inspect all financial records of the Agency upon reasonable notice.

2. **Good Title.**

   a. The Agency holds good title, satisfactory to the Department, to the airport or site thereof, or gives assurance, satisfactory to the Department, that good title will be obtained.

   b. For noise compatibility program projects undertaken on the airport sponsor's property, the Agency holds good title, satisfactory to the Department, to that portion of the property upon which state funds will be expended, or gives assurance, satisfactory to the Department, that good title will be obtained.

3. **Preserving Rights and Powers.**

   a. The Agency shall 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 and assurances of this Agreement without the written approval of the Department. Further, the Agency shall act promptly to acquire, extinguish, or modify, in a manner acceptable to the Department, any outstanding rights or claims of right of others which would interfere with such performance by the Agency.

   b. If an arrangement is made for management and operation of the airport by any entity or person other than the Agency or an employee of the Agency, the Agency shall reserve sufficient rights and authority to ensure that the airport will be operated and maintained in accordance with the terms and assurances of this Agreement.

4. **Hazard Removal and Mitigation.**

a. For airport hazards located on airport controlled property, the Agency shall clear and protect terminal airspace required for instrument and visual operations at the airport (including established minimum flight altitudes) by removing, lowering, relocating, marking, or lighting or otherwise mitigating existing airport hazards and by preventing the establishment or creation of future airport hazards.

b. For airport hazards not located on airport controlled property, the Agency shall work in conjunction with the governing public authority or private land owner of the property to clear and protect terminal airspace required for instrument and visual operations at the airport (including established minimum flight altitudes) by removing, lowering, relocating, marking, or lighting or otherwise mitigating existing airport hazards and by preventing the establishment or creation of future airport hazards. The Agency may enter into an agreement with surrounding property owners or pursue available legal remedies to remove potential hazards to air navigation.

5. Airport Compatible Land Use.

a. The Agency assures that appropriate airport zoning ordinances are in place consistent with Section 333.03, F.S., or if not in place, that it will take appropriate action necessary to ensure local government adoption of an airport zoning ordinance or execution of an interlocal agreement with another local government body having an airport zoning ordinance, consistent with the provisions of Section 333.03, F.S.

b. The Agency assures that it will disapprove or oppose any attempted alteration or creation of objects, natural or man-made, dangerous to navigable airspace or that would adversely affect the current or future levels of airport operations.

c. The Agency assures that it will disapprove or oppose any attempted change in local land use development regulations that would adversely affect the current or future levels of airport operations by creation or expansion of airport incompatible land use areas.

6. Consistency with Local Government Plans.

a. The Agency assures the Project is consistent with the currently existing and planned future land use development plans approved by the local government having jurisdictional responsibility for the area surrounding the airport.

b. The Agency assures that it has given fair consideration to the interest of local communities and has had reasonable consultation with those parties affected by the Project.

c. The Agency shall consider and take appropriate actions, if deemed warranted by the Agency, to adopt the current, approved Airport Master Plan into the local government comprehensive plan.

7. Consistency with Airport Master Plan and Airport Layout Plan.

a. The Agency assures that the project, covered by the terms and assurances of this Agreement, is consistent with the most current Airport Master Plan.

b. The Agency assures that the Project, covered by the terms and assurances of this Agreement, is consistent with the most current, approved Airport Layout Plan (ALP), which shows:

1) The boundaries of the airport and all proposed additions thereto, together with the boundaries of all offsite areas owned or controlled by the Agency 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; and
3) The location of all existing and proposed non-aviation areas on airport property and of all existing improvements thereon.

c. The Agency assures that it will not make or permit any changes or alterations on the airport or any of its facilities that are not consistent with the Airport Master Plan and the Airport Layout Plan, as approved by the Department.

d. Original Airport Master Plans and Airport Layout Plans and each amendment, revision, or modification thereof, will be subject to the approval of the Department.

8. Airport Financial Plan.

a. The Agency assures that it will develop and maintain a cost-feasible Airport financial plan to accomplish the projects necessary to achieve the proposed airport improvements identified in the Airport Master Plan and depicted in the Airport Layout Plan, and any updates thereto. The Agency's Airport financial plan must comply with the following conditions:

1) The Airport financial plan will be a part of the Airport Master Plan.
2) The Airport financial plan will realistically assess project phasing considering availability of state and local funding and likelihood of federal funding under the FAA's priority system.
3) The Airport financial plan will not include Department funding for projects that are inconsistent with the local government comprehensive plan.

b. All Project cost estimates contained in the Airport financial plan shall be entered into and kept current in the Florida Aviation Database (FAD) Joint Automated Capital Improvement Program (JACIP) website.

9. Airport Revenue. The Agency assures that all revenue generated by the airport will be expended for capital improvement 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 air transportation of passengers or property, or for environmental or noise mitigation purposes on or off the airport.

10. Fee and Rental Structure.

a. The Agency assures that it will maintain a fee and rental structure for facilities and services at the airport that it will make the airport as self-sustaining as possible under the circumstances existing at the particular airport.

b. If this Agreement results in a facility that will be leased or otherwise produce revenue, the Agency assures that the price charged for that facility will be based on the market value.

11. Public-Private Partnership for Aeronautical Uses.

a. If the airport owner or operator and a person or entity that owns an aircraft or an airport tenant or potential tenant agree that an aircraft hangar or tenant-specific facility, respectively, is to be constructed on airport property for aircraft storage or tenant use at the expense of the aircraft owner or tenant, the airport owner or operator may grant to the aircraft owner or tenant of the facility a lease that is subject to such terms and conditions on the facility as the airport owner or operator may impose, subject to approval by the Department.

b. The price charged for said lease will be based on market value, unless otherwise approved by the Department.

12. Economic Nondiscrimination.

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

1) The Agency 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.

2) The Agency 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.

b. The Agency assures that each airport Fixed-Based Operator (FBO) shall be subject to the same rates, fees, rentals, and other charges as are uniformly applicable to all other FBOs making the same or similar uses of such airport and utilizing the same or similar facilities.

13. Air and Water Quality Standards. The Agency assures that all projects involving airport location, major runway extension, or runway location will be located, designed, constructed, and operated so as to comply with applicable air and water quality standards.

14. Operations and Maintenance.

a. The Agency assures that the airport and all facilities, which are necessary to serve the aeronautical users of the airport, 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 and state agencies for maintenance and operation, as well as minimum standards established by the Department for State of Florida licensing as a public-use airport.

1) The Agency assures that it will not cause or permit any activity or action thereon which would interfere with its use for airport purposes.
2) Except in emergency situations, any proposal to temporarily close the airport for non-aeronautical purposes must first be approved by the Department.
3) The Agency assures that it will have arrangements for promptly notifying airmen of any condition affecting aeronautical use of the airport.

b. Nothing contained herein shall be construed to require that the airport be operated for aeronautical use during temporary periods when adverse weather conditions interfere with safe airport operations.

15. Federal Funding Eligibility.

a. The Agency assures it will take appropriate actions to maintain federal funding eligibility for the airport and it will avoid any action that renders the airport ineligible for federal funding.

b. If the Agency becomes ineligible for federal funding of airport projects, such determination will render the Agency ineligible for state funding of airport projects.

16. Project Implementation.

a. The Agency assures that it will begin making expenditures or incurring obligations pertaining to this Project within one year after the effective date of this Agreement.

b. The Agency may request a one-year extension of this one-year time period, subject to approval by the Department District Secretary or designee.

c. Failure of the Agency to make expenditures, incur obligations or receive an approved extension may allow the Department to terminate this Agreement.

17. Exclusive Rights. The Agency assures that it will not permit any exclusive right for use of the airport by any person providing, or intending to provide, aeronautical services to the public.

18. Airfield Access.

a. The Agency assures that it will not grant or allow general easement or public access that opens onto or crosses the airport runways, taxiways, flight line, passenger facilities, or any area used for emergency equipment, fuel, supplies, passengers, mail and freight, radar, communications, utilities, and landing systems, including but not limited to flight operations, ground services, emergency services, terminal facilities, maintenance, repair, or storage, except for those normal airport providers responsible for standard airport daily services or during special events at the airport open to the public with limited and controlled access.

b. The Agency assures that it will not grant or allow general easement or public access to any portion of the airfield from adjacent real property which is not owned, operated, or otherwise controlled by the Agency without prior Department approval.

19. Retention of Rights and Interests. The Agency will not sell, lease, encumber, or otherwise transfer or dispose of any part of its title or other interests in the real property shown as airport owned or controlled on the current airport layout plan without prior written approval by the Department. It will not sell, lease, encumber, terminate, waive, or otherwise transfer or dispose of any part of its title, rights, or other interest in existing noise easements or avigation easements on any property, airport or non-airport, without prior written approval by the Department. These assurances shall not limit the Agency's right to lease airport property for airport-compatible purposes.

20. Consultant, Contractor, Scope, and Costs.

a. The Department has the right to disapprove the Agency's employment of consultants, contractors, and subcontractors for all or any part of this Project if the specific consultants, contractors, or subcontractors have a record of poor project performance with the Department.

b. Further, the Department maintains the right to disapprove the proposed Project scope and cost of professional services.

21. Planning Projects. For all planning projects or other aviation studies, the Agency assures that it will:

a. Execute the project per the approved project narrative or with approved modifications.

b. Furnish the Department with such periodic project and work activity reports as indicated in the approved scope of services.

c. Make such project materials available for public review, unless exempt from public disclosure.

1) Information related to airport security is considered restricted information and is exempt from public dissemination per Sections 119.071(3) and 331.22 F.S.
2) No materials prepared under this Agreement shall be subject to copyright in the United States or any other country.

d. Grant the Department unrestricted authority to publish, disclose, distribute, and otherwise use any of the material prepared in connection with this Agreement.

e. If the Project involves developing an Airport Master Plan or an Airport Layout Plan, and any updates thereto, it will be consistent with provisions of the Florida Aviation System Plan, will identify reasonable future growth of the airport and the Agency will comply with the Department airport master planning guidebook, including:

1) Provide copies, in electronic and editable format, of final Project materials to the Department, including computer-aided drafting (CAD) files of the Airport Layout Plan.
2) Develop a cost-feasible financial plan, approved by the Department, to accomplish the projects described in the Airport Master Plan or depicted in the Airport Layout Plan, and any updates thereto. The cost-feasible financial plan shall realistically assess Project phasing considering availability of state and local funding and federal funding under the FAA's priority system.
3) Enter all projects contained in the cost-feasible plan in the Joint Automated Capital Improvement Program (JACIP).

f. The Agency understands and agrees that Department approval of this Agreement or any planning material developed as part of this Agreement does not constitute or imply any assurance or commitment on the part of the Department to approve any pending or future application for state aviation funding.

g. The Agency will submit master planning draft and final deliverables for Department and, if required, FAA approval prior to submitting any invoices to the Department for payment.

22. Land Acquisition Projects. For the purchase of real property, the Agency assures that it will:

a. Laws. Acquire the land in accordance with federal and/or state laws governing such action.

b. Administration. Maintain direct control of Project administration, including:

1) Maintain responsibility for all related contract letting and administrative procedures related to the purchase of real property.
2) Secure written Department approval to execute each agreement for the purchase of real property with any third party.
3) Ensure a qualified, State-certified general appraiser provides all necessary services and documentation.
4) Furnish the Department with a projected schedule of events and a cash flow projection within 20 calendar days after completion of the review appraisal.
5) Establish a Project account for the purchase of the land.
6) Collect and disburse federal, state, and local project funds.

c. Reimbursable Funds. If funding conveyed by this Agreement is reimbursable for land purchase in accordance with Chapter 332, F.S., the Agency shall comply with the following requirements:

1) The Agency shall apply for a FAA Airport Improvement Program grant for the land purchase within 60 days of executing this Agreement.
2) If federal funds are received for the land purchase, the Agency shall notify the Department, in writing, within 14 calendar days of receiving the federal funds and is responsible for reimbursing the Department within 30 calendar days to achieve normal project federal, state, and local funding shares per Chapter 332, F.S.
3) If federal funds are not received for the land purchase, the Agency shall reimburse the Department within 30 calendar days after the reimbursable funds are due in order to achieve normal project state and local funding shares as described in Chapter 332, F.S.
4) If federal funds are not received for the land purchase and the state share of the purchase is less than or equal to normal state and local funding shares per Chapter 332, F.S., when reimbursable funds are due, no reimbursement to the Department shall be required.

d. New Airport. If this Project involves the purchase of real property for the development of a new airport, the Agency assures that it will:

1) Apply for federal and state funding to construct a paved runway, associated aircraft parking apron, and connecting taxiway within one year of the date of land purchase.
2) Complete an Airport Master Plan within two years of land purchase.
3) Complete airport construction for basic operation within 10 years of land purchase.

e. Use of Land. The Agency assures that it shall use the land for aviation purposes in accordance with the terms and assurances of this Agreement within 10 years of acquisition.

f. Disposal of Land. For the disposal of real property the Agency assures that it will comply with the following:
1) For land purchased for airport development or noise compatibility purposes, the Agency shall, when the land is no longer needed for such purposes, dispose of such land at fair market value and/or make available to the Department an amount equal to the state's proportionate share of its market value.

2) Land will be considered to be needed for airport purposes under this assurance if:

a) It serves aeronautical purposes such as a runway protection zone or as a noise buffer.
b) Revenue from uses of such land contributes to airport financial self-sufficiency.

3) Disposition of land under Sections D.22.f.1. or D.22.f.2. of this Exhibit, above, shall be subject to retention or reservation of any interest or right therein needed to ensure such land will only be used for purposes compatible with noise levels related to airport operations.
4) Revenues from the sale of such land must be accounted for as outlined in Section D.1. of this Exhibit, and expended as outlined in Section D.9. of this Exhibit.

23. Construction Projects. The Agency assures that it will:

a. Project Certifications. Certify Project compliances, including:

1) Consultant and contractor selection comply with all applicable federal, state and local laws, rules, regulations, and policies.
2) All design plans and specifications comply with federal, state, and professional standards and applicable FAA advisory circulars, as well as the minimum standards established by the Department for State of Florida licensing as a public-use airport.
3) Completed construction complies with all applicable local building codes.
4) Completed construction complies with the Project plans and specifications with certification of that fact by the Project Engineer.

b. Design Development. For the plans, specifications, construction contract documents, and any and all other engineering, construction, and contractual documents produced by the Engineer, which are hereinafter collectively referred to as "plans", the Engineer will certify that:

1) The plans shall be developed in accordance with sound engineering and design principles, and with generally accepted professional standards.
2) The plans shall be consistent with the intent of the Project as defined in Exhibit A and Exhibit B of this Agreement.
3) The Project Engineer shall perform a review of the certification requirements listed in Section B.2. of this Exhibit, Construction Certification, and make a determination as to their applicability to this Project.
4) Development of the plans shall comply with all applicable laws, ordinances, zoning and permitting requirements, public notice requirements, and other similar regulations.

c. Inspection and Approval. The Agency assures that:

1) The Agency 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 Department, as applicable, for the Project.
2) The Agency assures that it will allow the Department to inspect the work and that it will provide any cost and progress reporting, as may be required by the Department.
3) The Agency assures that it will take the appropriate corrective action necessary, as required by the Department, for work which does not conform to the Department standards.

d. Pavement Preventive Maintenance. The Agency assures that for a project involving replacement or reconstruction of runway or taxiway pavement it has implemented an airport pavement maintenance management program and that it will use such program for the useful life of any pavement constructed, reconstructed, or repaired with state financial assistance at the airport.

24. Noise Mitigation Projects. The Agency assures that it will:

a. Government Agreements. For all noise compatibility projects that are carried out by another unit of local government or are on property owned by a unit of local government other than the Agency, the Agency shall enter into an agreement with that government body.

1) The local agreement, satisfactory to the Department, shall obligate the unit of local government to the same terms and assurances that apply to the Agency.
2) The Agency assures that it will take steps to enforce the local agreement if there is substantial non-compliance with the terms of the local agreement.

b. Private Agreements. For noise compatibility projects on privately owned property:

1) The Agency shall enter into an agreement with the owner of that property to exclude future actions against the airport.
2) The Agency assures that it will take steps to enforce such agreement if there is substantial non-compliance with the terms of the agreement.

- End of Exhibit E -

Exhibit E1

PROGRAM SPECIFIC TERMS AND CONDITIONS

(Prohibition on Discrimination Based on Health Care Choices)

This exhibit forms an integral part of the Agreement between the Department and the Agency.

1. **Statutory Reference.** Section 339.08, F.S. and Section 381.00316, F.S.

2. **Statutory Compliance.** Pursuant to Section 339.08, F.S., the Department may not expend state funds to support a project or program of certain entities if the entity is found to be in violation of Section 381.00316, F.S. The Department shall withhold state funds until the entity is found to be in compliance with Section 381.00316, F.S. This shall apply to any of the following entities:

   a. A public transit provider as defined in s. 341.031(1), F.S.;
   b. An authority created pursuant to chapter 343, F.S., chapter 348, F.S., or chapter 349, F.S.; c. A public-use airport as defined in s. 332.004, F.S.; or
   d. A port listed in s. 311.09(1), F.S.

- End of Exhibit E1 -

EXHIBIT E3

PROGRAM SPECIFIC TERMS AND CONDITIONS - AVIATION

(Geoengineering and Weather Modification Reporting)

This exhibit forms an integral part of the Agreement between the Department and the Agency.

1. Statutory Reference. Section 403.4115, F.S. and Section 332.004, F.S.

2. Statutory Compliance. Pursuant to Section 403.4115, F.S., as a condition of receiving funds from the Department, the Agency, a public-use airport as this term is defined in Section 332.004, F.S., shall submit a monthly report beginning November 1, 2025, identifying:

a. The physical presence of any aircraft on public property, including any public infrastructure, equipped with any part, component, device, or the like which may be used to support the intentional emission, injection, release, or dispersion of air contaminants into the atmosphere within the borders of this state when such emissions occur for the express purpose of affecting temperature, weather, climate, or the intensity of sunlight; and

b. The landing, takeoff, stopover, or refueling of an aircraft equipped with the components outlined above on the physical location of the public infrastructure.

– End of Exhibit E3 –

EXHIBIT E4

PROGRAM SPECIFIC TERMS AND CONDITIONS

(Energy Policy Goals Reporting)

This exhibit forms an integral part of the Agreement between the Department and the Agency.

1. **Statutory Reference.** Section 339.135(2)(c)4, F.S. and Section 377.601(3), F.S.

2. **Statutory Compliance.** Pursuant to Section 339.135(2)(c)4, F.S., the Department shall submit a report identifying any agencies listed below that have adopted or promoted energy policy goals inconsistent with the State of Florida energy policy set forth in Section 377.601(3), F.S. to the legislative appropriation committees:

   a. A public transit provider as defined in s. 341.031(1), F.S.;
   b. An authority created pursuant to chapter 343, F.S., chapter 348, F.S., or chapter 349, F.S.;
   c. A public-use airport as defined in s. 332.004, F.S.; or
   d. A port listed in s. 311.09(1), F.S.

3. **Agency Reporting Requirements.** As a condition of receiving state funds from the Department, the Agency shall attest in the section below whether the Agency has adopted or promoted energy policy goals inconsistent with the State of Florida energy policy set forth in Section 377.601(3), F.S.:

   The Agency HAS ☐ / HAS NOT ☐ adopted or promoted energy policy goals inconsistent with the energy policy of the State of Florida set forth in Section 377.601(3), F.S.

– End of Exhibit E4 –

EXHIBIT F

Contract Payment Requirements
Florida Department of Financial Services, Reference Guide for State Expenditures
Cost Reimbursement Contracts

Invoices for cost reimbursement contracts must be supported by an itemized listing of expenditures by category (salary, travel, expenses, etc.). Supporting documentation shall be submitted for each amount for which reimbursement is being claimed indicating that the item has been paid. Documentation for each amount for which reimbursement is being claimed must indicate that the item has been paid. Check numbers may be provided in lieu of copies of actual checks. Each piece of documentation should clearly reflect the dates of service. Only expenditures for categories in the approved agreement budget may be reimbursed. These expenditures must be allowable (pursuant to law) and directly related to the services being provided.

Listed below are types and examples of supporting documentation for cost reimbursement agreements:

(1) Salaries: A payroll register or similar documentation should be submitted. The payroll register should show gross salary charges, fringe benefits, other deductions and net pay. If an individual for whom reimbursement is being claimed is paid by the hour, a document reflecting the hours worked times the rate of pay will be acceptable.

(2) Fringe Benefits: Fringe Benefits should be supported by invoices showing the amount paid on behalf of the employee (e.g., insurance premiums paid). If the contract specifically states that fringe benefits will be based on a specified percentage rather than the actual cost of fringe benefits, then the calculation for the fringe benefits amount must be shown.

Exception: Governmental entities are not required to provide check numbers or copies of checks for fringe benefits.

(3) Travel: Reimbursement for travel must be in accordance with Section 112.061, Florida Statutes, which includes submission of the claim on the approved State travel voucher or electronic means.

(4) Other direct costs: Reimbursement will be made based on paid invoices/receipts. If nonexpendable property is purchased using State funds, the contract should include a provision for the transfer of the property to the State when services are terminated. Documentation must be provided to show compliance with Department of Management Services Rule 60A-1.017, Florida Administrative Code, regarding the requirements for contracts which include services and that provide for the contractor to purchase tangible personal property as defined in Section 273.02, Florida Statutes, for subsequent transfer to the State.

(5) In-house charges: Charges which may be of an internal nature (e.g., postage, copies, etc.) may be reimbursed on a usage log which shows the units times the rate being charged. The rates must be reasonable.

(6) Indirect costs: If the contract specifies that indirect costs will be paid based on a specified rate, then the calculation should be shown.

Contracts between state agencies, and/or contracts between universities may submit alternative documentation to substantiate the reimbursement request that may be in the form of FLAIR reports or other detailed reports.

The Florida Department of Financial Services, online Reference Guide for State Expenditures can be found at this web address: https://myfloridacfo.com/docs-sf/accounting-and-auditing-libraries/manuals/agencies/reference-guide-for-state-expenditures.pdf?sfvrsn=b4cc3337_6

EXHIBIT G

AUDIT REQUIREMENTS FOR AWARDS OF STATE FINANCIAL ASSISTANCE

THE STATE RESOURCES AWARDED PURSUANT TO THIS AGREEMENT CONSIST OF THE FOLLOWING:

SUBJECT TO SECTION 215.97, FLORIDA STATUTES:~

Awarding Agency: Florida Department of Transportation
State Project Title: Aviation Grant Program
CSFA Number: 55.004
***Award Amount:** $2,000,000

*The award amount may change with amendments

Specific project information for CSFA Number 55.004 is provided at: https://apps.fldfs.com/fsaa/searchCatalog.aspx

COMPLIANCE REQUIREMENTS APPLICABLE TO STATE RESOURCES AWARDED PURSUANT TO THIS AGREEMENT:

State Project Compliance Requirements for CSFA Number 55.004 are provided at: https://apps.fldfs.com/fsaa/searchCompliance.aspx

The State Projects Compliance Supplement is provided at: https://apps.fldfs.com/fsaa/compliance.aspx

ST. AUGUSTINE/ST JOHNS COUNTY AIRPORT AUTHORITY

Briefing Memorandum

To: Board of Directors
From: Courtney Pittman, Interim Executive Director
Date: March 3, 2026
Subject: Creation of Procurement Specialist Position (Finance Department)

I. Purpose

The purpose of this briefing is to present for Board consideration the creation of a Procurement Specialist position within the Finance Department, reporting to the Controller, to strengthen internal controls, enhance regulatory compliance, and support the Authority's growing operational and capital procurement activity.

II. Background

The St. Johns County Airport Authority continues to advance a growing portfolio of capital projects, grant-funded initiatives, and operational procurements. With increased engagement involving FAA Airport Improvement Program (AIP) grants, FDOT participation, Congressionally Directed Spending (CDS), and complex contractual arrangements, procurement oversight has become increasingly technical, and compliance driven.

Currently, procurement responsibilities are distributed across staff functions. While this approach has supported day-to-day operations, the expanding scope of grant compliance, documentation standards, audit requirements, and competitive solicitation processes warrants a dedicated procurement function aligned with financial oversight.

Comparable medium-sized Florida airports, including Sarasota Bradenton International Airport, maintain formal procurement staff positions to ensure consistency, transparency, and regulatory defensibility.

III. Organizational Structure

The proposed structure places the Procurement Specialist within the Finance Department:

This model aligns procurement activity directly with financial controls, budget verification, encumbrance processes, and audit readiness, while preserving a lean and scalable organizational footprint.

IV. Position Overview

Title: Procurement Specialist
Department: Finance
Reports To: Controller
FLSA Status: Non-Exempt
Salary Range: $32,902 – $49,353 annually

Core Responsibilities Include:

- Administration of competitive solicitations (ITB, RFP, RFQ)
- Preparation of procurement and contract documentation
- Vendor file management and compliance tracking
- Coordination of bid openings and award documentation
- Budget verification coordination with Finance
- Procurement file maintenance supporting FAA, FDOT, and federal grant compliance
- Audit support and public records documentation
- Assistance with asset tracking and receiving documentation

The role focuses on implementing adopted procurement policy — not establishing policy — while ensuring disciplined documentation and internal control alignment.

V. Strategic Rationale

Creation of this position will:

1. Strengthening financial stewardship and internal controls
2. Improve audit defensibility and grant compliance documentation
3. Enhance transparency in competitive procurement processes
4. Support segregation of duties between purchasing, authorization, and payment
5. Reduce compliance risk associated with increasing capital activity
6. Establish scalable procurement infrastructure as development expands

The position aligns with best practices observed at similarly sized Florida airport authorities and reflects responsible governance growth.

VI. Fiscal Impact

The annual salary range for the position is $32,902 – $49,353. Funding would be incorporated within the approved operating budget framework or presented through a future budget amendment if required.

Long-term, the position is expected to improve financial efficiency, reduce risk exposure, and support clean audit outcomes.

VII. Recommendation

Staff recommends Board authorization to create and advertise the Procurement Specialist position within the Finance Department, reporting to the Controller, consistent with the job description provided.

Upon approval, staff will proceed with recruitment in accordance with Authority hiring procedures.

ST. AUGUSTINE/ST JOHNS COUNTY AIRPORT AUTHORITY

4796 U.S. HIGHWAY 1 NORTH, ST. AUGUSTINE, FL 32095 www.FLYNF.com 904-209-0090 / FAX 904-209-0528

Procurement Specialist

Department: Finance
Reports To: Controller
FLSA Status: Non-Exempt
Salary Range: $32,902 – $49,353 annually

Position Summary

The Procurement Specialist performs professional and technical purchasing functions in support of the St. Johns County Airport Authority's operational, capital, and grant-funded programs. Working under the general supervision of the Controller, this position is responsible for administering procurement processes, coordinating solicitations, maintaining contract documentation, ensuring compliance with federal and state requirements, and supporting internal financial controls.

The Procurement Specialist serves as a key safeguard in maintaining transparency, fiscal discipline, and regulatory compliance consistent with FAA, FDOT, and applicable Florida statutory requirements. This position does not establish policy but ensures that adopted procurement policies are implemented accurately, consistently, and defensibly.

Essential Duties and Responsibilities

Procurement Administration

- Prepare, coordinate, and administer competitive solicitations including Invitations to Bid (ITB), Requests for Proposals (RFP), Requests for Qualifications (RFQ), and related procurement documents.
- Develop and maintain standardized solicitation templates and contract forms.
- Ensure compliance with Authority procurement policies, Florida Statutes, and applicable federal grant requirements.
- Coordinate advertising, bid openings, evaluation documentation, and award recommendations.
- Prepare purchase orders and contract documents in accordance with established thresholds and approval authority.

Contract and Vendor Management

- Maintain official procurement files, vendor registrations, insurance certificates, bonds, and compliance documentation.
- Monitor contract expiration dates, renewal options, and deliverable deadlines.
- Coordinate with department heads to confirm scope alignment, performance compliance, and documentation of contract deliverables.
- Support vendor outreach and maintain accurate vendor records.

Financial and Grant Compliance Coordination

- Coordinate with the Controller to verify budget availability and encumbrances prior to procurement issuance.
- Maintain procurement documentation required for FAA Airport Improvement Program (AIP), Congressionally Directed Spending (CDS), FDOT, and other grant-funded projects.
- Assist in preparing documentation required for reimbursement requests, audits, and financial reporting.
- Ensure procurement files support clean audit trails and defensible internal controls.

Internal Controls and Transparency

- Maintain procurement records in accordance with public records retention requirements.
- Support Sunshine Law compliance by ensuring proper documentation of solicitation and award processes.
- Assist in maintaining segregation of duties between procurement, authorization, and payment processing.
- Participate in audit preparation and respond to procurement-related inquiries.

Receiving and Asset Support (As Assigned)

- Coordinate with departments to verify receipt of goods and services.
- Assist in tracking capital assets procured through Authority funds or grant programs.
- Support inventory documentation processes as needed.

Minimum Qualifications

- Associate's degree in business administration, Public Administration, Finance, Accounting, or related field; Bachelor's degree preferred.
- Minimum of three (3) years of progressively responsible experience in public procurement, purchasing, contract administration, or governmental finance.
- Experience with Florida public sector procurement requirements preferred.
- Working knowledge of federal grant compliance (FAA, FDOT, or similar) strongly preferred.
- Proficiency in Microsoft Office applications and financial management software systems.

Knowledge, Skills, and Abilities

- Knowledge of public procurement principles, competitive solicitation procedures, and contract administration.
- Understanding of Florida Sunshine Law and public records requirements.
- Ability to interpret and apply procurement policies and regulatory requirements.
- Strong organizational and documentation skills with attention to detail.
- Ability to maintain confidentiality and exercise sound professional judgment.
- Ability to communicate effectively with staff, vendors, consultants, and external agencies.
- Capacity to manage multiple projects and deadlines in a public accountability environment.

Working Conditions

Work is primarily performed in an office environment with occasional site visits to airport facilities. The position may require attendance at bid openings, pre-bid meetings, and board meetings as assigned.

Strategic Role Within the Organization

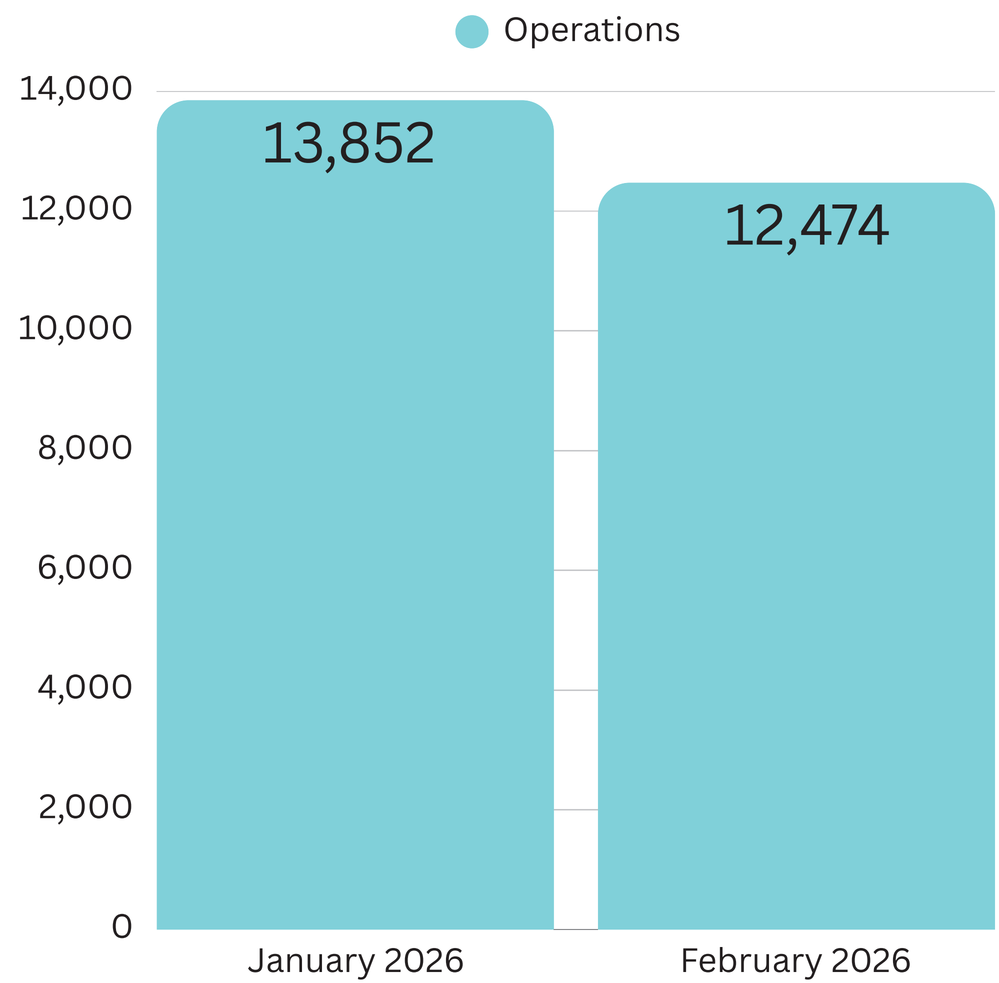
The Procurement Specialist operates within the Finance Department under the Controller to strengthen fiscal stewardship, enhance compliance controls, and support transparent, defensible procurement practices. This structure ensures alignment between purchasing activity and financial oversight while maintaining scalability as the Authority's capital program expands.

The St. Johns County Airport Authority is an Equal Opportunity Employer and participates in E-Verify.

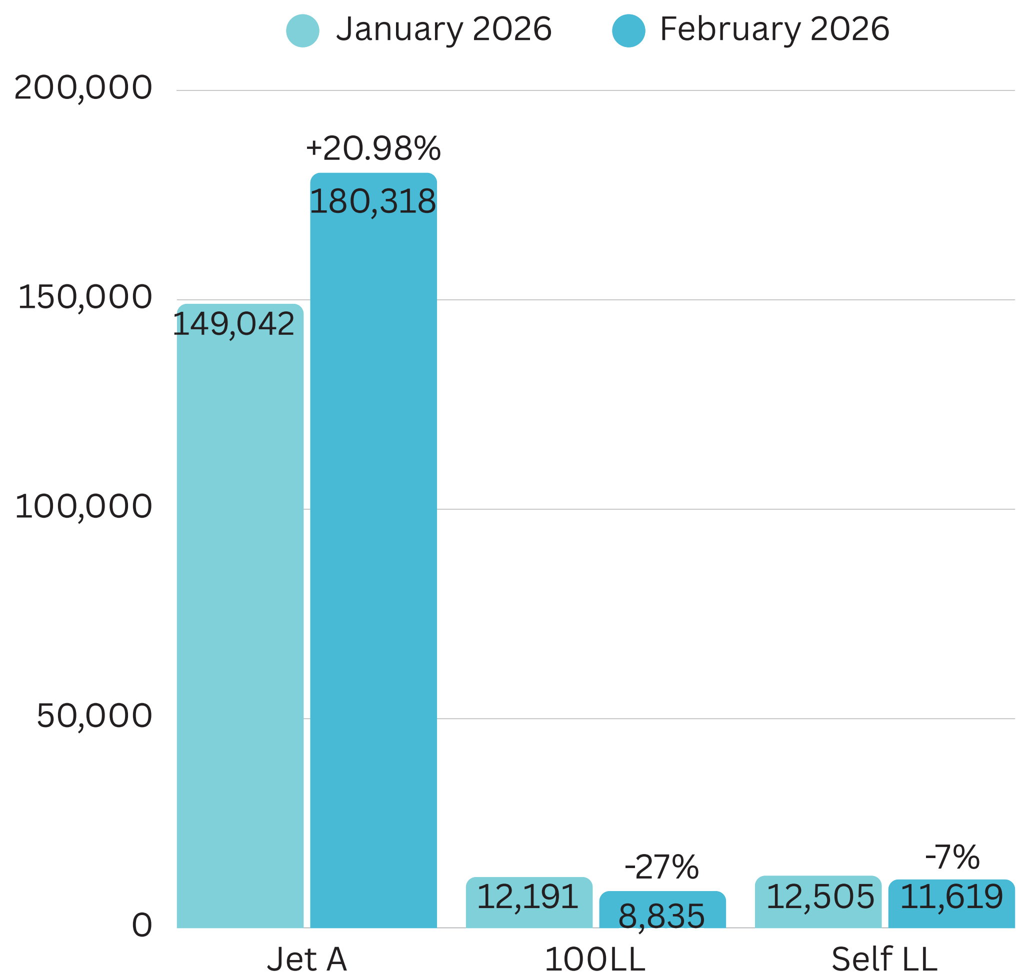
St. Augustine Airport Authority
Construction Project Summary
Fiscal Year Ending 9/30/2026

Project Name	Primary Grant #	Contractor/Vendor	Project Description	Original Contract Amount	Approved Changes	Total Contract Current Value including Changes	Net Actuals Paid to Date	Remaining to be Paid	Remarks
Design New T-Hangars	444069-1 G2F06	DiMare Construction	Construct two T-Hangar buildings A & J	$ 4,747,901		$ 4,747,901	$ 3,894,115	$ 853,786	100% Complete
Land Acqisition - Hawkeye View Lane	438048-1 G2V47			$ 3,012,500		$ 3,012,500	$ 2,117,557	$ 894,943	Grant funds remaining $423,511
Eastside Infrastructure - Job Growth Grant	G0143		Infrastructure supporting Hawkeye View Lane realignment	$ 4,892,795		$ 4,892,795	$ 8,560	$ 4,884,235	Initial design phase
Self Serve Fuel Farm Improvements	438047-1 G2T25		Design & Construct Fuel Farm	$ 562,500		$ 562,500	$ 10,000	$ 552,500	Initial design phase
Access Rd US1 to Conference Center (Casa Cola)	435026-2 G3A74		Design & construct Access Rd from US 1 to Conference Center	$ 1,156,250		$ 1,156,250	$ 198,805	$ 957,445	Initial design phase
Taxiway F Extension	433126-5 G3A71		Extend Taxiway F past Casa Cola Rd	$ 1,250,000		$ 1,250,000	$ 41,305	$ 1,208,695	Extension approved to FY 27/28
Hawkeye View Lane Realignment	435026-3 G3L10		Design & Construct Realignment of Hawkeye View Lane	$ 5,000,000		$ 5,000,000	$ 21,743	$ 4,978,258	Initial design phase

Actuals Paid totals as of 2/28/26


Operations
14,000
12,000
10,000
8,000
6,000
4,000
2,000
0
13,852
12,474
January 2026
February 2026

-13.1%


January 2026
February 2026
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150,000
100,000
50,000
0
+20.98%
149,042
180,318
12,191
-27%
8,835
12,505
-7%
11,619
Jet A
100LL
Self LL