

BROOKSVILLE – TAMPA BAY REGIONAL AIRPORT

LEASING POLICY



ATTEST:

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BOARD OF COUNTY COMMISSIONERS
HERNANDO COUNTY, FLORIDA

By: *Brian Hawkins*
Brian Hawkins, Chairman

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY

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TABLE OF CONTENTS

SECTION I GENERAL POLICY	1
Exclusive Rights.....	2
Agreement Classifications.....	2
Agreements Required.....	2
Lease/Operating Agreement Categories.....	3
SECTION II	4
GENERAL GUIDELINES FOR AIRPORT AGREEMENTS	4
Lease Application Process.....	4
Standards for Leasing Airport Property	5
Lease Proposal Review	8
Lease Application / Proposal Process	9
Approval and Authorizations	10
SECTION III	11
LEASE TERMS, RATES AND CHARGES, AND PROVISIONS	11
Lease Terms	11
Rates and Charges	12
Maintenance	12
Assignment/Subletting/Sale of Facilities Constructed	13
Public Service Goals	13
Encumbrances	13
Indemnification and Insurance	13
Taxes	14
Rules and Regulations.....	14
Appraisals.....	14
Variances.....	14
Performance Bonds	14
Relocation of Improvements	15
Zoning	15
Dominant Agreements.....	15
Other Lease Provisions.....	15
SECTION IV	16
LEASE EXPIRATION	16
Reversion.....	16
SECTION V	17
HANGAR WAITING LIST POLICY	17
FOR GENERAL AIRCRAFT HANGAR UNITS.....	17

SECTION I GENERAL POLICY

In order to promote and develop a fair and reasonable operating environment for all persons, firms, or organizations who enter into agreements with the Hernando County Board of County Commissioners, hereinafter referred to as the 'County', to conduct a commercial or non-commercial operation at its airport, hereinafter referred to as 'Airport', the following Policy is hereby adopted.

Through its Leases, and by other means, the County will ensure that the Airport is operated for the use and benefit of the public and is made available to all types, kinds and classes of aeronautical and non-aeronautical activities.

As an Airport Sponsor and recipient of Federal Aviation Administration (FAA) Airport Improvement Program (AIP) grants, the County is obligated to operate the Brooksville – Tampa Bay Regional Airport for the use and benefit of the public and to make it available to all types, kinds, and classes of aeronautical and non-aeronautical activities on fair and reasonable terms and conditions without discrimination. Further, the County leases property at the Airport for certain non-aeronautical uses to provide economic development to the community, and funding for the aeronautical activities at the Airport. Given these obligations, the County hereby establishes this policy to set forth a standardized system and process for leasing property at the Airport.

The County hereby instructs the Department Head, Airport Manager, or Designee to ensure that reasonable efforts are made when negotiating agreements (types and classifications listed below) to:

1. Promote market rents and fee structures that are intended to make the Airport as financially self-sufficient as possible.
2. Minimize operational costs in the leased areas to the County.
3. Foster growth of both aviation and non-aviation development (where appropriate) on airport property.
4. Attract private capital investment for airport development.
5. Comply with Federal Aviation Administration (FAA) and State obligations, policies and regulations.
6. Promote aeronautic and aeronautic-compatible enterprise fund activities for the benefit of the Hernando County-area community.
7. Preserve the County's investment in the Airport.
8. Facilitate orderly management of the Airport.
9. Ensure flexibility to the greatest extent possible to encourage new business.
10. Ensure consistent quality of facilities at the Airport.
11. Provide equitable and uniform treatment of all Lessees.
12. Enable conformity with the FAA approved Airport Layout Plan (ALP).
13. Make the Airport available for public use on reasonable terms without unjust discrimination.
14. Ensure persons seeking to provide a Commercial Aeronautical Activity at the Airport shall also be obligated to adhere to the requirements set forth in the Airport Minimum Standards and Airport Rules & Regulations.

Exclusive Rights

1. Federal law forbids the granting of an exclusive right to provide aeronautical services at an airport on which federal funds have been expended. An exclusive right is a power, privilege or other right excluding or debarring another from enjoying or exercising a like power, privilege or right. The County will not grant any such special privilege or monopoly in the use of public use Airport facilities.
2. It is the policy of this County not to enter into or promote any understanding, commitment, or express agreement to exclude other reasonably qualified Lessees; the presence on the Airport of only one Lessee engaged in a particular aeronautical service(s) will not, in and of itself, indicate that an exclusive right has been granted. Accordingly, those who desire to enter into a Lease with the County to engage in an aeronautical activity should neither expect nor request the County to exclude others who desire to engage in the same or similar activities. The opportunity to engage in an aeronautical activity shall be made available to those meeting reasonable qualifications and standards relevant to such activity and as space may be available at the Airport for such an activity.

Agreement Classifications

The County will entertain, at a minimum, the following four Agreement classifications:

LEASE AGREEMENTS: Shall mean a written agreement between the County and a tenant, including any leases or subleases, in which the Airport agrees to give a tenant an exclusive right to use, occupy, and control the real property for a specific term and for consideration, whether such written agreement creates a leasehold interest by an assignment, extension, modification, amendment, novation, or conversion.

SUBLEASE AGREEMENTS. These Agreements are used whereby a sub-lessee (in privity with the County) subleases some or all of the lessee's rights and obligations to a sub-lessee.

LICENSE AGREEMENTS: Shall mean an agreement, including a license, right of entry, and use permit, whereby the Airport grants a revocable, non-exclusive right to a person or entity to use airport property for a specific purpose. It is personal to that person or entity, does not transfer an interest in real property. For the purposes of this section, agreements allowing parties to utilize a tie-down or a hangar, solely for the short-term (e.g., month-to-month or year-to-year) storage of aircraft, shall be considered a license, regardless of the title by which the Airport has granted such authorization.

OPERATING AGREEMENTS: Agreements specifically granting the privilege of conducting aviation related activities or airport support operations. These are via license agreements that do not convey any interest in real property or personal property.

Agreements Required

With the exception of transient (non-based) aeronautical operators, no person, firm, organization, club, or other entity whatsoever shall be permitted to operate any business or commercial activity on airport property and engage in any commercial or non-commercial activities at the airport without an approved and fully executed lease, sublease, license, or operating agreement with the County or Airport or fully approved and executed assignment of same. The intent of this requirement is to protect the investment and privileges of bona fide operations on the airport and to ensure that fees or charges will be required from every user of the airport. Provided, however, that a business may be permitted to continue operation as a tenant at will after the expiration of an approved lease, sublease, license and/or operating agreement while renewal or extension negotiations are in progress and being conducted in

good faith and there appear to be prospects of coming to mutual agreement. The Department Head or Airport Manager shall determine whether good faith negotiations with a viable prospect mutual agreement exists.

Lease/Operating Agreement Categories

1. Flight training center.
2. Aircraft repair, maintenance, overhaul, and parts shop.
3. Avionics services.
4. Specialized commercial flying service.
5. Air ambulance services.
6. Specialized aircraft repair service.
7. Aircraft hangar storage.
8. Cargo air carrier.
9. Aircraft sales.
10. Aircraft leasing and rental.
11. Aircraft charter and taxi.
12. Aircraft management services.
13. Charter brokerage services.
14. Non-aviation land and/or building lease (landside only).
15. On airport car rental operations.
16. Food, beverage, and/or merchandising concessions.
17. Government leases.
18. Independent operators.
19. Agricultural purposes.
20. Clubs.
21. Other services as approved by the County.

SECTION II

GENERAL GUIDELINES FOR AIRPORT AGREEMENTS

The following guidelines shall be used when the Department Head or Airport Manager negotiates agreements. This policy is not all-inclusive and, where exclusions exist, application of professional airport leasing practices shall be applied on a case-by-case basis.

Airport property is generally leased on a first come, first served basis, unless specifically exempted in the "Lease Application Process." If multiple parties are interested in leasing an available parcel of Airport property, County staff shall seek competitive proposals via public advertisement on the Airport and County website and/or a newspaper of general circulation after establishing a starting rent using an appraisal process or market analysis to set market value. If competitive proposals are solicited, Airport staff, with the assistance of the Procurement Department, will abide by the Procurement Ordinances, as amended, and this policy, and will make the final selection based on criteria following under "Lease Application Process" and "Lease Proposal Review." ~~Tenants in good standing whose property adjoins a parcel available for lease (whether vacant or developed) will be given the first opportunity to lease the adjoining parcel.~~

Unless specifically exempted in the "*Lease Application Process*" or elsewhere in this Policy, all persons or businesses seeking to become tenants at the Airport must first submit a fully completed written application to the Department Head or Airport Manager, together with any additional information which may be requested by the County Management or County Attorney.

Lease requests will be reviewed and evaluated according to the stipulations outlined in this Policy, and in terms of whether the proposed use conforms to each of the following overarching goals:

1. The use is shown to be appropriate and consistent with the ALP, Master Plan, and other relevant land use planning documents that pertain to the Airport.
2. The use does not constitute a violation of any Airport Grant Assurances which have been incorporated within a Grant Agreement entered by the County.
3. The use complies with all requirements and provisions contained in the adopted policies, procedures and standards of the Airport and Hernando County.

Lease Application Process

(Note: Parties wishing to rent tie-downs, hangars, T-hangars solely for short-term (e.g. month- to-month or year-to-year) storage of aircraft, and who do not desire or need significant leasehold improvements or other special accommodations, are exempt from the following requirements.)

Any person, group of people, firm, corporation or organization desiring to conduct a commercial activity ~~of activity of any type, in a owned or leased facility, type~~ within the boundaries of the Airport must first secure written authorization from the County to do so. Written authorization from the County is typically provided in the form of a lease for building space or land area but may also be in the form of an appropriate permit allowing the activity in question to be conducted for a given period time on Airport property.

The process for obtaining authorization for a commercial activity from the County begins with an applicant submitting a written proposal which details the type of operation(s) being

proposed. Depending on the term of the lease being sought, or the size, scope, and complexity of the commercial activity, an applicant may be requested by the Airport Manager to provide some or all of the following information. In general, longer term lease requests will require more information than shorter term requests. The Lease Application should include the following:

1. A cover letter from the Applicant identifying the name of the business, a description of the services or products to be provided, and the principle(s) contact's name, phone number and email address.

2. A short description of the proposed commercial activity with sufficient narrative to adequately explain the benefits of the activity to the Airport and local community.

The amount and location (if known) of vacant property that the tenant desires to lease (accompanied by a map showing the location of the property in question). A single ~~aeronautical~~-commercial activity, although meeting all reasonable standards and qualifications, shall be limited to a lease of such space as is needed for that activity. When an Applicant seeks to lease property from the County, he/she must provide evidence of demonstrated need for the Airport property in question. The County will only agree to lease the amount of land justifiably required for the specific use. Additional land for unsubstantiated future expansions is not permitted.

3. The type of facilities which are to be constructed, purchased, or leased (whichever is relevant).

4. Descriptions and cost estimates of any proposed capital improvements to be undertaken by the applicant or proposed to be provided by another party. This specifically includes tenant improvements if the lease proposal is for an existing building.

5. The services to be offered, proposed hours of operation, projected employment broken down by number of permanent and temporary employees, full-time and part-time positions, job titles, average wage or wage scale anticipated to be paid, and the number of aircraft (if any) that are to be based and/or operated at the Airport in conjunction with the business.

6. Other information the County may require and specifically request.

Standards for Leasing Airport Property

1. **Lease Classification.** The County will address each airport lease and/or proposed airport lease for the purpose of definition and relevance to airport use according to the following classifications:

- a) **Non-commercial Hangar** – Primarily for private aircraft storage; The County will determine if smaller parcels or additional infrastructure provisions are necessary.

- b) **Non-commercial Multi-Tenant** – A proposed development of a number of private hangars under one project which affords multiple tenants the benefits of larger economy of scale to offset the burdens of project development costs.

- c) **Commercial Aviation (Fixed Base Operator - FBO)** – Any commercial service facility allowing single or multiple aviation service disciplines to be accommodated on one site.

- d) **Non-aviation Commercial/Industrial** – Any entity that provides benefit to the airport, the community, or the local economic base through services or employment provided, which remains compatible with the Airport existence. This category could

well include hotels, conference and recreational uses as permitted by zoning regulations. Because Airport property other than runways, taxiways, aids to navigation, parking, driving and landscaping areas and surrounding setbacks exists to allow development of hangars and other aviation-related facilities and uses, the County may lease any portion of the airport not needed for direct aviation use without first declaring the property surplus. Except as provided for herein, leases shall be awarded pursuant to the processes set forth in chapter 2, article VII, division 2 of the Hernando County Ordinances.

e) **Public Facility** – Government sponsored and publicly operated uses that provide benefit to the airport, aviation, or the local community are part of this category.

f) **Non-profit Entities** – A number of uses qualify as non-profit organizations and valid services that benefit not only aviation, but also a variety of public causes and concerns. Rental agreements are therefore required.

g) **Unimproved Land** – The occasional need to enter into leases and use agreements for uses which utilize larger amounts of land but without specific definition or qualification. The farming contracts maintain vast portions of airport property not otherwise utilized. Occasional airport/aircraft operations require large areas for specific short-term purposes.

2. **Requests for Additional Space.** If the need for additional space becomes apparent for or in connection with a new or expanded activity, one not authorized by the Lessee's existing Lease, the request for additional space may be treated by the County as one for a new Lease.

3. **Leases for Private Aeronautical Uses.** The County is required to operate the Airport for the maximum use and benefit of the public and must retain the ability to make reasonable provisions for essential support services for those who use the Airport; nevertheless, some private aeronautical uses may be beneficial to the County; for instance, a private flying club might be a desirable and compatible use. Proposed Leases for private aeronautical uses will be evaluated on a case-by-case basis, taking into account long-term plans for the development of the Airport, the benefits which may be derived from the proposed Lease, the potential costs of the proposed Lease to the County, the availability of suitable space, the potential for conflict or interference with the public uses of the Airport, and any other factors the County deems relevant.

4. **Adherence to Airport Layout Plan (ALP) is Required.** The ALP depicts the entire property of the airport and identifies existing facilities and plans for future development. The ALP reflects the existing and proposed allocation of areas of the airport to specific operations and support functional usage. No use, occupancy, construction, modification, or improvement that is inconsistent with the airport's FAA-approved ALP shall be allowed. The conversion of any area of the airport to a substantially different use than that shown in the approved ALP could adversely affect the safety, utility, or efficiency of the airport. Only upon a legislative determination by the board that a particular construction, modification or improvement would serve the needs of the airport, and that a change in circumstances is evident such that the need for space for such facilities or services was not anticipated at the time the most recent ALP was submitted to the FAA for approval, will the board consider making application to the FAA for approval of a revision of the ALP pursuant to the request of a tenant or prospective tenant. The requesting tenant or prospective tenant shall be responsible for all costs associated with the application to the FAA for approval of a revision of the ALP. Nothing contained in this policy shall require the county to make such an application.

5. **Development of Vacant Airport Property.** Any application for permission to develop vacant airport properties shall include, in addition to all other required materials, a site

plan depicting the nature and location of the proposed development. Development must adhere to Hernando County building standards and procedures.

6. **Liens or Encumbrances to Airport Property.** The tenant is given the right by the County to mortgage its interest in the Lease, under one or more leasehold Mortgage(s) and assign its interest in this Lease, as collateral security for such Mortgage(s) to secure any bona fide loan upon the condition that all rights acquired under such leasehold Mortgage(s) shall be subject to each and all of the covenants, conditions and restrictions set forth in the Lease.

7. **Financing Airport Development.** The County is under no obligation to provide financing, or to make any improvements to Airport property to facilitate leasehold improvements proposed by an existing or prospective Lessee. If such a Lessee cannot demonstrate the financial means to implement and pay for such development that may be an indication that the proposed development would not be in the best interests of the County or the public using the Airport. Nevertheless, once an Applicant or Lessee has demonstrated the requisite financial responsibility, the County may choose to pursue any federal, state or County funds to contribute to the leasehold improvements, if in doing so there would be no diversion of funds away from capital improvements or the Airport capital budget program planned by the County.

8. **General Rights and Privileges Granted.** Airport Leases are designed to accomplish one or more of three basic rights or privileges: the right for a Person to use the landing area and other public Airport facilities in common with others so authorized; the right to occupy Airport Property, and to use exclusively, certain designated premises; and/or the commercial privilege or the franchise right to offer goods and services to the public who use the Airport. The County will not enter any Lease without receipt of adequate consideration for the rights granted therein.

9. **Control Over Operations.** Any Lease granting the right to serve the public on the premises of the Airport shall be subject to terms and conditions reserving to the County sufficient control over operations to ensure that the Lessee will treat patrons fairly. The Lessee must agree to make available its services and facilities on fair and reasonable terms, and without unjust discrimination.

10. **Control over Aeronautical Activity and Development.** The County will enter into no Lease that would require it to divest itself of the right to take any action it considers necessary to protect the aerial approaches of the Airport against obstruction, or the right to prevent any Lessee from erecting, or permitting to be erected, any building or other structures that might limit the usefulness of the Airport or constitute a hazard to aircraft. The County will enter into no Lease that would require it to divest itself of or limit its right to develop or improve the Airport as it sees fit, regardless of the desires or views of any Lessee and without interference or hindrance from such a party.

11. **Airport Minimum Standards.** The Airport Minimum Standards set forth the qualifications which must be met by a Lessee conducting certain aeronautical activities at the Airport. They establish a basis for practical negotiations between the County and potential Lessees offering such activities; however, prospective Lessees should be aware that the County, if presented with a choice between multiple potential Lessees for a single space or facility, will give preference to Lessees who can offer the County and the public the highest standard of quality and service which may well exceed the Airport Minimum Standards for a proposed activity. Existing and prospective Lessees shall understand that the County may increase its Airport Minimum Standards from time to time, in order to ensure a higher quality of service to the public. Only in the rare circumstance, where the aviation community at the Airport has encountered difficulty in attracting a competent service entity, shall the County consider waiving an Airport Minimum Standard to allow a period of initial development. In all other

circumstances, it is the policy of the County not to enter into Leases with Lessees who cannot meet the applicable Airport Minimum Standards.

12. **Off-Premises (Through the Fence) Access.** The County will not enter into Leases which grant access to public landing areas by aircraft normally stored and serviced on land adjacent to, but not a part of the Airport.

13. **Waivers of Immunity.** The County will not enter into any lease that require it to waive any sovereign, governmental or other immunity to which it may be entitled, or that would require it to submit to the laws of any state other than those of the State of Florida.

14. **Indemnification.** Every Lessee desiring to Lease Airport property shall agree to indemnify and hold the County, its officers, officials, agents, representatives and employees from and against any and all injuries, damage or harm, of any nature whatsoever, which may result from its use or occupancy of Airport property.

Lease Proposal Review

Following receipt of an application to lease or sublease Airport land or facilities, or for an Assignment of Lease, the Airport Manager will evaluate the submitted proposal for completeness against the criteria outlined in the Lease Application Process. The Airport Manager may also perform a background investigation relative to the applicant's criminal history, credit worthiness and past business performance. Incomplete proposals will be returned to the applicant.

Following review by Airport staff, applications may be denied for one or more of the following reasons:

1. The application does not comply with or meet the provisions of this policy.
2. The applicant or their proposed operations fail to meet the qualifications, standards and requirements enforced by the Airport or Hernando County.
3. The applicant's proposed operations or construction activities will create a safety or security hazard.
4. The granting of the application will require unauthorized expenditure of County funds, labor or materials on the land or facilities described in, or related to, the application.
5. There is no appropriate or adequate available space or facilities on the Airport property to accommodate the activity of the applicant.
6. The proposed operation, development or construction contemplated does not conform to the approved Airport Layout Plan or Airport Master Plan.
7. The development or use of the area requested will result in a congestion of aircraft or buildings or will result in excessive interference with the operations of other existing tenants on the Airport, such as preventing free access and egress, or will result in depriving, without adequate compensation, an existing tenant the use of portions of their leased area.
8. A party applying, or having an interest in the business, has supplied false information, or has misrepresented a material fact in the application or in supporting documents, or has failed to make full disclosure on the application.
9. A party applying, or having an interest in the business, has a record of violating the rules and regulations of the County, or those of any other airport, or the rules and regulations of any State or Federal Agency.
10. The Applicant has a record of violating the Rules and Regulations of the Airport or of

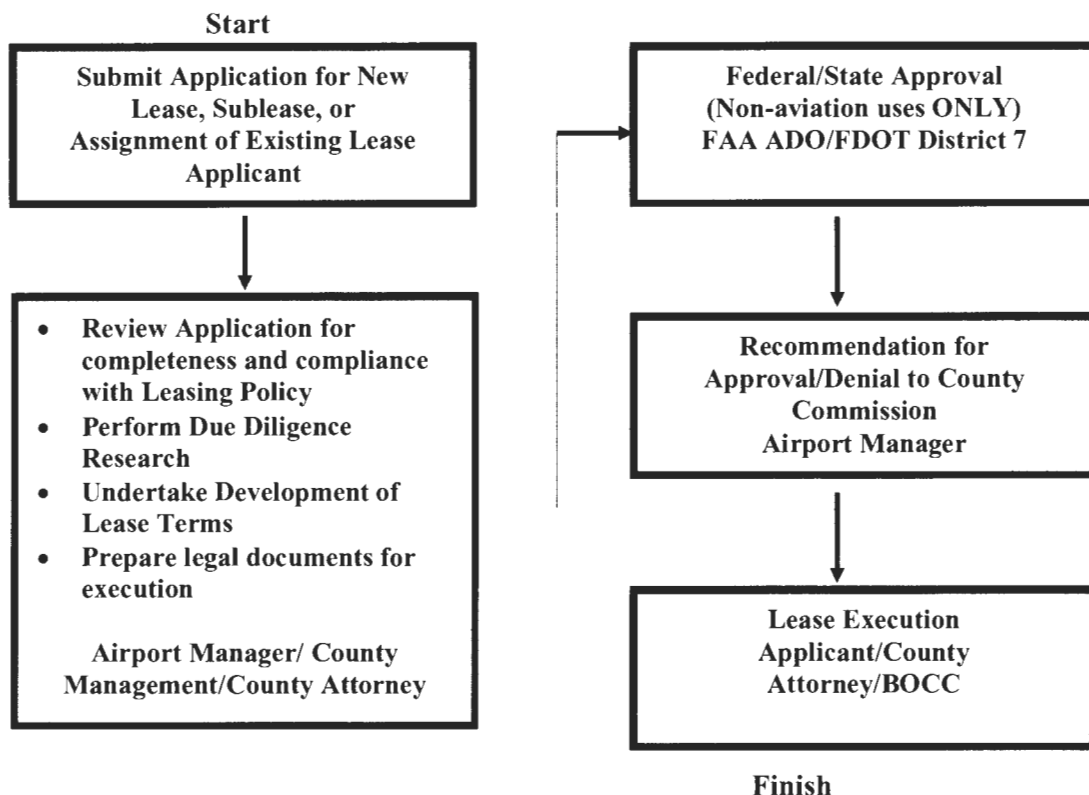
any other airport in any state, FAA regulations, or any other federal, State, or local statutes, laws, rules, or regulations.

11. The applicant has committed a crime, or violated a local ordinance, rule, or regulation, which adversely reflects on its ability to conduct the operation applied for, or otherwise renders applicant unsuitable.
12. Any other reason that would result in an activity deemed not consistent with Airport policy, or not to be in the best interest of the County and/or the Florida Aviation System.
13. The applicant proposes a “Through the Fence” operation that is inconsistent with Section 136 of the FAA Modernization and Reform Act of 2012.

The diagram shown below delineates the steps of a typical lease application process for review and approval by the County. Many of these steps are discussed in greater detail elsewhere in this policy. Depending on the size, scope and complexity of the commercial activity that is being proposed for a given parcel of land or facility, the timeframe to complete the entire application process can vary from four to eight weeks or more.

Lease Application / Proposal Process

(Typically a 6 to 8 Week Process*)



*Assumes that no reviews and/or approvals are needed from outside agencies.

Approval and Authorizations

Actions Requiring Hernando BOCC Approval:

- All commercial agreements
- Approval to extend the term of an agreement for more than 5 years
- Waiver of indemnification
- Appeals

County Administrator/County Attorney Signature Authority:

- Real estate transactions (lease amendments, consent to assignment, consent to mortgage, estoppels)
- License Agreements

Airport Manager Approvals/Signature Authority

- Non-commercial agreements
- Hangar and tie-down agreements
- Incidental uses
- Letters of default
- Consents to sub-lease
- Permit approval (commercial photography, commercial self-fueling)

SECTION III LEASE TERMS, RATES AND CHARGES, AND PROVISIONS

Lease Terms

The Term is categorized according to the following considerations:

- a) ~~Operating space within an existing building where minimal initial investment is required to start up the operation.~~
- b) ~~Long term development of unimproved land.~~
- c) ~~The designation of the facility or proposed property on the ALP.~~
- d) ~~The Lessee's proposed use of the property.~~
- e) ~~The Lessee's proposed capital investment in facilities.~~

While subject to specific negotiations between the County and each Lessee, the County would generally offer Terms as follows:

a) All leases at the airport shall be at fair market value rent (FMVR) in accordance with the regulations, rules and orders of the Federal Aviation Administration (FAA) applicable to surplus military airports. All leases shall include a provision whereby the rent is adjusted at least every five (5) years during the life of the lease, and including any renewals or extensions thereto, to reflect fair market value rent at time of adjustment. Fair market value rent shall be based upon current appraisal methodology performed in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP).

b) Pursuant to section 332.08(1)(e), Florida Statutes, property that has been designated on the ALP for aeronautical and non-aeronautical use may be leased for a term not to exceed fifty (50) years. In general, lease terms are as follows:

- Existing facilities (excluding t-hangars) owned by the county: 5 to 15 years.
- Assignment of lease: Remaining years left in lease. Additional years may be added provided significant capital improvements are made to the infrastructure.
- Leases for construction on unimproved aeronautical (airside) and non-aeronautical land (landside): All uses –30-year initial terms plus two 10-year options.

c) **Long Term Leases:** Hernando County recognizes that allowing commercial tenants to amortize their investments over a longer period of time can encourage further investment in Airport property. Options for lease renewal include:

- Assume a current lease
 - The new tenant completes the remainder of the lease with the same rate, terms, and conditions.
- Request a new ground lease
 - The new tenant may request a 30-year lease with two 10-year options at the then current land lease rate, terms, and conditions.

- End of lease or near end of lease term
 - When the lease ~~time-term~~ expires on the current lease, Airport staff will meet with the current tenant. Provided the current tenant is not in violation of their current lease, that tenant may negotiate a new lease with Hernando County at the then current land lease rate, terms, and conditions.

d) In an effort to encourage development at the airport, the airport manager, at his or her discretion, may offer leasing incentives as provided herein on all ground leases at least thirty (30) years in duration and where the tenant pays for the costs of all improvement (i.e., constructing the building and other improvements). The leasing incentives for all new non-aeronautical tenants shall be limited to the first five (5) years of the lease term and shall be based on a sliding scale in which one hundred (100) percent of fair market value rent is obtained by the fifth year. All leases shall be subject to review and approval by the Board of County Commissioners.

e) All proposed leases shall be approved by the county attorney's office as to form and legal sufficiency.

Rates and Charges

FDOT/FAA guidelines require that the Airport be as financially self-sustaining as possible. Whenever possible, rental rates for unimproved Airport land or existing hangars and related facilities used for commercial aviation activities are set at market value of the property in use. Market value will be determined through an appraisal or market analysis of comparable parcels or structures undertaken by the County. A rate adjustment based on appraisals or professional analysis will be applied to leases on either a regular basis, but no more than annually, between appraisals to facilitate parity between new and longstanding tenants. including such reasonable and uniform landing fees, rates, or charges, as may from time to time be levied for airfield operational privileges and/or services provided at the Airport.

To stimulate economic development, support aviation industry growth, and encourage airport property development, the County at its sole discretion may consider a reduced rate for the following property uses:

1. Large Scale Development
2. Aeronautical Manufacturing
3. Substantial aviation-related educational facilities (such as an FAA-certified A&P Program or a Flight Training Program)
4. Any commercial business that creates and maintains new jobs that pay, on average, no less than 115 percent of the average annual wage for Hernando County, as determined by the Hernando County Office of Economic Development

Each Airport tenant, subtenant, licensee or occupant user of the Airport shall pay the then applicable and appropriate rate or fee for such tenancy or use. Operating expenses may also be included in Airport Leases for the cost of upkeep and maintenance of common areas and facilities in and adjacent to the leased areas. A "Rate Structure" updated and approved by the County will serve as a guide when negotiating fees.

Maintenance

Airfield: The County will maintain all public use runways, taxiways and aprons. Ramps

leased or otherwise provided to sub-tenants, or any other occupants will be maintained by the sub-tenants or occupant of any description.

Land and Buildings: Tenants will be required to provide all maintenance of land and utility services to leased or licensed land and/or buildings. The County shall be sole judge of the quality of maintenance and, upon written notice, may require immediate improved maintenance. If such maintenance is not performed, the County may perform such maintenance and invoice the costs of the maintenance to the Lessee, Licensee or occupant. Non-payment of said invoice will be grounds to terminate the agreement that allows the occupant to occupy the property or conduct the activities.

Assignment/Subletting/Sale of Facilities Constructed

Tenants are entrusted with the duty of providing the highest level of services and facilities. It is therefore necessary that the tenant's activities and/or operations be subject to continuing scrutiny by the County, and that the tenant always operate in a businesslike fashion, efficiently and always with courtesy to the public and to the staff of the Airport. For these reasons the following shall always be required of tenants:

1. The tenant shall not have any right to sell, sublease, assign or transfer a lease without written approval of the County. The County may require the approval in writing of the managing officers and the chief executive officer of the tenant.
2. The County shall collect reasonable fees from tenants who lease land, hangars, buildings and/or other airport facilities constructed on airport-leased land.

Public Service Goals

The Federal Aviation Administration (FAA) contends that it is the prerogative of the airport owner to impose "Minimum Standards" to establish the threshold entry criteria for those wishing to engage in providing services to the general public on the airport. Those Minimum Standards adopted by the County for a specific airport will automatically be incorporated into each lease in order to ensure the level of public service is of a high quality, consistent with the goals of the County. Remedy clauses will be included in all lease agreements for inadequate performance, the quality of which will be determined solely by the County.

The Lessee or Licensee and all representatives must always deal in the utmost good faith with all members of the staff of the Airport, including its Department Manager, Airport Manager, or Designee. Failure to always deal in the utmost good faith shall be grounds to terminate the lease agreement.

Encumbrances

The County may permit a tenant to subordinate leasehold-owned improvements (NOT LAND) for financing purposes, with a mortgage approved by the County. If such an arrangement is permitted the mortgagee may be granted the right to cure any default including the assumption of the lease. This encumbrance provision will assist private investment in financing capital improvements, protect the mortgagee's interest, and does not endanger the interest of the County. NOTICE: Obligations to pay rent and charges to the County shall not be subordinated.

Indemnification and Insurance

To the maximum extent permitted by Florida law, the tenant shall indemnify and hold harmless Hernando County, its officers and employees and contacts from any and all

liabilities, damages, losses and costs, including, but not limited to, reasonable attorneys' fees and paralegals' fees, to the extent caused by the negligence, recklessness, or intentionally wrongful conduct of the Lessee or anyone employed or utilized by the Lessee in the performance of this Agreement. This indemnification obligation shall not be construed to negate, abridge or reduce any other rights or remedies which otherwise may be available to an indemnified party or person described in this paragraph. This does not pertain to any incident arising from the sole negligence of the County.

The Tenant shall provide all insurance deemed appropriate by the County, as determined by the Hernando County Risk Management Division.

Taxes

Federal, state, or local taxes not paid by Lessee or Licensee may be deemed sufficient cause to cancel or terminate the lease.

Rules and Regulations

Airport rules and regulations shall be a part of each lease. Such regulations may be amended from time-to-time by the County. Lessee shall also comply with any and all applicable governmental statutes, rules, orders and regulations. A violation of any Airport rule or regulation may be deemed sufficient cause for lease cancellation or termination by the County.

Appraisals

Appraisals may be used for determining the Fair Market Value (FMV) of the highest and best use of land and/or facilities the Airport leases. Appraisals shall be conducted routinely by State Certified General Appraisers. The County shall make the selection of the firm to conduct the work but may endeavor to seek reimbursement from the Lessee or Licensee of the appraised property. Once an appraisal is conducted for land and/or facilities, the County may apply the appraisal on other similar land and/or facilities for up to five (5) years. If five years have lapsed since an appraisal has been conducted, a new appraisal for that category may be conducted if it is determined that the prior appraisal is out of date. In lieu of appraisals the County may, at its option, apply airport industry standards for determining the FMV of granting privileges and leasing land and/or facilities for aviation related or airport support agreements.

Variances

Prospective tenants who cannot meet the criteria identified in this Leasing Policy may make application for variance through the Airport Manager. Upon reviewing justification for such application, the County Board may grant a variance by affirmative majority vote during one voting session. Variances are not favored and there must exist compelling reasons for the granting of any variance. The basis for the variance must always be beyond the control of the applicant for the variance. Economic hardship shall never be a valid basis upon which to grant any variance.

Performance Bonds

Each Lessee or Licensee who enters into an agreement may be required to provide the County with a surety bond equal to one year's rental. In lieu of a surety bond, a tenant may be permitted to deposit with the County an amount equal to one year's rental. Such money shall be deposited in an interest-bearing trust account. The requirement of a bond permits the County to recover damages in the event the tenant is in default. The bond or deposit serves in lieu of a lien by the County on the tenant's leasehold interest and is not objectionable from the standpoint of mortgage financing. In addition to rental deposits, construction performance bonds may be

required.

Relocation of Improvements

To protect the long-term interest of the Airport and its Lessees and Licensees, the County retains the right to relocate or replace a tenant's improvements at another location in the event property is required for developing or expansion purposes.

Zoning

All leases shall remain consistent with the Airport Master Plan, Airport Development Standards, and the Airport Layout Plan (ALP), as well as the Hernando County Comprehensive Land Use Plan.

Dominant Agreements

Any Lease, License, or Operating Agreement with the County is subject to all existing agreements between the County and the Federal Aviation Administration (FAA), the County and the State of Florida, and the Airport, and Hernando County. Leases, Licenses and Operating Agreements are subject to FAA approval, which approval may be withdrawn. Accordingly, the County reserves the right to immediately terminate any lease that the FAA has found to interfere with the safe operation and maintenance of the airport, or otherwise conflict with regulations governing public-use airports. Furthermore, and during the time of war or national emergency, the County shall have the right to lease the landing area or any part thereof to the United States Government for military or naval or similar use, and, if such lease is executed, the provisions of this Lease insofar as they are inconsistent with the provisions of the lease to the Government, shall be suspended.

Other Lease Provisions

This Leasing Policy does not include all of the provisions of Airport leases. A copy of the Standard Ground Lease Agreement is attached hereto as Exhibit 1. Other provisions including, but not limited to, the following will be included in airport agreements:

Use and Privileges	Obligations of Lessee
Obligations of Lessor	Leased Area
Maintenance	Termination
Term and Rates	FAA Required Provisions
Trade Fixtures	Government Inclusion
Notices	No Liens
Hazardous Substances	Waivers
Right to Develop Airport	Sub-leasing
Reversion Clause	Improvements
Quiet Enjoyment	Arbitration
Means of Access to the Premises	Nondiscrimination

SECTION IV LEASE EXPIRATION

At the expiration of an existing lease, or at any time during the tenure of the lease, the current lessee (or a potential buyer of lessee's interest in the lease) may submit a request to the County for a new or revised lease to be executed, or to have the term of their lease reevaluated. The County is not obligated to approve such a request, but will give serious consideration to doing so when it has been shown that in accordance with one or more of the following criteria:

- a. The Lessee is in good standing (i.e., compliant with existing lease terms and conditions).
- b. The Airport has determined that there is no immediate need to use the property for other aviation-related purposes when the current lease expires.
- c. The existing/proposed property use is consistent with the Airport ALP, Master Plan, and other relevant land use planning documents.
- d. The Lessee can demonstrate that they are willing and able to optimize the use of Airport property to the County's full satisfaction.
- e. The Lessee or sublessee has made additional investments in leasehold improvements or created or caused to be created, additional new positions that exceed any requirements that were originally specified in their lease agreement with the County.
- f. The interests of the public and the community as a whole are best served by the Lessee's continued presence on Airport property.

Reversion

Upon the expiration date or earlier termination of this Agreement, Lessee's right to occupy the Property and exercise the privileges and rights herein granted shall cease, and it shall surrender the same to the Lessor. All permanent improvements of whatever kind or nature, including but not limited to, all buildings and all equipment installed including, but not limited to, heating and air conditioning equipment, interior and exterior light fixtures, fencing, landscaping, pavement, tie-down facilities and all other permanent improvements which become part of the Property with or without prior consent of Lessor, shall become and be deemed to be a part of the Premises and shall be free and clear of all liens and shall become the property of Lessor, upon termination or default of this Lease and shall remain on the Premises unless otherwise directed by the Lessor. All keys and combinations to all locks shall convey to the Lessor excepting all personal property and trade fixtures installed at the Lessee's expense. The Lessee agrees to repair any damage caused by the removal of the Lessee's personal property or trade fixtures. If the Lessee fails to remove any personal property or trade fixtures, said property shall, at Lessor's sole discretion, be deemed abandoned and become the property of the Lessor, or the Lessor shall have the right to remove and store such property at the expense of the Lessee without further notice to the Lessee, and hold the Lessee responsible for any and all charges and expenses incurred by the Lessee therefor. All expenses incurred by the Lessor in the removal and storage of the Lessee's personal property or trade fixtures shall be reimbursed by the Lessee on demand as additional rent. The provisions of this Section shall survive the expiration date or earlier termination of this Agreement. In the event a reputable, independent appraiser and/or engineer is hired by the Lessor and such appraiser or engineer determines that the structures have reached the end of their useful life, the Lessee shall remove the structures at no cost to the Lessor. Upon written demand, Lessee shall execute and deliver to the Lessor a proper document on conveyance evidencing such transfer or title.

SECTION V
HANGAR WAITING LIST POLICY
FOR GENERAL AIRCRAFT HANGAR UNITS

1. Waiting List Process: When hangar space is not immediately available for assignment, a wait list shall be established, prioritized by the date of receipt of the application and deposit to the Airport. The term “aircraft storage space”, as used throughout this policy shall include:

- a) General aircraft t-hangar units
- b) Corporate hangars
- c) Storage units

Applicants for aircraft storage space shall contact the Brooksville-Tampa Bay Regional Airport Administration Office to obtain the then current Hangar Wait List Application Form (Exhibit “2”) (as may be amended from time-to-time). Separate lists for T-hangars, corporate hangars, and storage units will be maintained in order to properly record those who wish to lease a hangar or hangar space. Applicants must complete the then current application form, return it, along with a \$200.00 deposit (subject to increase from time to time), to the Airport. The deposit is refundable unless the applicant is offered a hangar and declines to lease. In that case, the applicant will lose their deposit and their name will be removed from the waiting list. The Administration Department will place the applicant on a waiting list in the order the reservation forms are received. Applicants who do not own an aircraft but plan to purchase or lease one shall note this fact on the form. Applicants must be able to occupy an aircraft storage space with the specified, or similar, airworthy aircraft within thirty (30) days of entering into a Lease Agreement.

2. Notification of Available Hangar Space:

When aircraft storage space becomes available (or when it became apparent that such space will soon become available), such space will be offered to the applicants on the hangar waiting list on a “first come, first serve” basis. Ranking is determined by date of actual, physical receipt of a completed Hangar Reservation Form and the deposit. It is the responsibility of the potential tenant to keep the Airport informed of any changes to the point of contact such as, address, phone number, etc.

Airport staff will attempt to contact the applicant up to three (3) times by email or phone. If there is no response to the emails or phone calls, the next person on the wait list will be contacted and offered the hangar. The unreachable potential tenant will be sent a certified letter to which he/she must respond within two weeks from the date of receipt to remain on the list in his/her relative position. If there is no response within the allotted time, he/she will be removed from the list and the deposit will be forfeited.

Once a potential tenant has been offered a hangar, he/she has forty-eight (48) hours to accept or decline the offer. If the potential tenant accepts the space, an agreement will be sent by email or standard mail. If the potential tenant fails to submit a signed agreement and/or cannot fulfill the requirements set forth in the below Paragraph 4: “Lease Requirements,” he/she shall forfeit the deposit and will be removed from the waiting list. The next person on the wait list will be offered the hangar. Those who decline an available hangar will forfeit their deposit and their name will be removed from the waiting list. If the applicant wishes to be placed on the waiting list, they

will need to fill out another application and pay another deposit. In this case, the applicant's name will be placed at the bottom of the waiting list.

3. Aircraft Storage Space definitions:

- a) General Aircraft T-Hangars: These hangars vary in size. Sizes of each hangar is noted on the application to assist the applicant in picking the hangar best suited for their airplane. Ranking is based on applicant's position on the waiting list and can accommodate either twin or single engine aircraft.
- b) Corporate Hangars: These hangars have door openings widths of forty-six (46) feet or more. Ranking is based on applicant's position on the waiting list and can accommodate either single, twin, turboprop, or jet engine aircraft.
- c) Storage Units: These units are at the end of T-hangars and are for storing aircraft and/or related equipment. Ranking is based on applicant's position on the waiting list.
- d) Open-Tie Down Spaces: The airport manages 9 open tie down spaces at the self-fueling ramp.

4. Hangar Lease Requirements: Lessee shall provide proof of the following within 30 days of entering into an agreement:

- e) All aircraft stored in an airport hangar must be airworthy.
- f) All hangars must be occupied by approved aircraft in accordance with this policy.
- g) Rent shall be established by the Hernando County BOCC and may be adjusted annually.
- h) First month's rent and security deposit must be paid in advance.
- i) Sub-licensing is authorized subject to the County's approval of a sub-license agreement and is limited to a maximum of (6) months in any one (1) year period.
- j) Acceptable proof of aircraft ownership is required. Ownership is defined as owning a minimum of 25% interest in an aircraft or having a fully executed lease for an aircraft.

5. Emergency Situations: In the event of an emergency, (e.g., hurricane or aircraft accident) any vacant hangar is subject to aircraft temporary occupancy at the discretion of the airport manager or designee, provided such occupancy is to protect the aircraft from potential exposure to loss or damage because of the emergency.